

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON GOVERNMENT AFFAIRS**

**Seventy-Seventh Session
May 13, 2013**

The Committee on Government Affairs was called to order by Chairwoman Teresa Benitez-Thompson at 10:08 a.m. on Monday, May 13, 2013, in Room 3143 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to the University of Nevada, Las Vegas, Room 102 of the System Computer Services Building, 4505 S. Maryland Pkwy, 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:

Assemblywoman Teresa Benitez-Thompson, Chairwoman
Assemblywoman Dina Neal, Vice Chairwoman
Assemblyman Elliot T. Anderson
Assemblywoman Irene Bustamante Adams
Assemblyman Skip Daly
Assemblyman John Ellison
Assemblyman James W. Healey
Assemblyman Pete Livermore
Assemblyman Harvey J. Munford
Assemblyman James Oscarson
Assemblyman Lynn D. Stewart
Assemblywoman Heidi Swank
Assemblywoman Melissa Woodbury

COMMITTEE MEMBERS ABSENT:

Assemblywoman Peggy Pierce (excused)

GUEST LEGISLATORS PRESENT:

Senator Debbie Smith, Washoe County Senatorial District No. 13

Minutes ID: 1154



STAFF MEMBERS PRESENT:

Jennifer Ruedy, Committee Policy Analyst
Jim Penrose, Committee Counsel
Bonnie Hoeffcker, Committee Manager
Maysha Watson, Committee Secretary
Jennifer Dalton, Committee Secretary
Cheryl Williams, Committee Assistant

OTHERS PRESENT:

Mike Fiannaca, President, Sparks Florist
Katie Knapp, Owner, Bumblebee Blooms Flower Boutique
John DiBella, Owner, DiBella Flowers
Tray Abney, representing The Chamber
Adam Mayberry, representing City of Sparks
Bryan Wachter, representing Retail Association of Nevada
Erin McMullen, representing Las Vegas Metro Chamber of Commerce
Ted Olivas, representing City of Las Vegas

Chairwoman Benitez-Thompson:

[Roll was taken and protocol reiterated.] We have a work session today. I have a lot of Committee members who are in and out for bill hearings in other areas. We are going to hold off on work session for the moment. We are going to be having our bill hearing first. I want to thank the Committee for allowing us to hear Senate Bill 404 (1st Reprint). This bill deals with local florists. As you can imagine, the florists were very busy on Mother's Day on Friday preparing all those flower arrangements that I know you all ordered for your mothers.

With that, we will go ahead and open up the hearing on Senate Bill 404 (1st Reprint) and welcome the bill sponsor to the table.

**Senate Bill 404 (1st Reprint): Revises provisions relating to business practices.
(BDR 28-827)**

Senator Debbie Smith, Washoe County Senatorial District No. 13:

I am here to talk about Senate Bill 404 (1st Reprint). It is very timely considering that the past weekend is one of the busiest times for the floral industry. I want to be able to talk a little bit more in detail about what this bill means to the floral industry. This is my one schizophrenic bill of the session. It deals with two very different issues within the purchasing statutes.

The first thing the bill does, in section 1, is require subcontractors who work with the state to purchase business licenses. [Continued to read from prepared text ([Exhibit C](#)).]

It is really that simple. This also gives our local businesses a boost because we know that the businesses in our state are buying business licenses. It would be helpful to them if their competitors on a request for proposal (RFP) or a contract also had to buy business licenses. This would clarify that. I have confirmed that, both in the public works environment as well as the purchasing environment, unless the statute clearly says to buy a business license, people do not always do so.

Secondly, regarding the floral industry, sections 9 to 18 of the bill require businesses that advertise as florists in Nevada to list their locale, including a phone number or address. [Continued to read from prepared text ([Exhibit C](#)).]

If you have ever ordered flowers online, you will often end up with a generic response to your order. It will often lead you to believe that you are ordering flowers from a local company. You can call the toll-free number provided on the website, and you will never know that you are not talking to the local floral company. Actually, you are talking to someone who is answering the phone, taking the order, taking his cut, and then placing the order with the local florist.

One of the things that happens is the floral order is not quite as wonderful as expected because some of the money had been taken out of that order, and the local florist is the one who takes the hit from the consumer. The consumer does not realize that this is not the person who actually took the order and made the commitment to have a particular amount of value to that order. It really is a deceptive practice, and this legislation will do a lot to provide some protections to our local businesses by requiring that they have to identify themselves in their advertisements.

I want to close by saying I believe this bill is extremely helpful in supporting our local businesses in two ways. I know we care very much about that, particularly in this recovering economy. [Continued to read from prepared text ([Exhibit C](#)).]

This legislation has been adopted now in several other states. In the Senate Committee on Government Affairs, there were a couple of other purchasing concerns that were raised in this area. If this implementation works smoothly, I think we can probably revisit this. Locksmithing was one area that was brought up that is very similar. People are in a desperate situation when they need a locksmith, and again, if you go online and google for one, you will

get the exact same experience as you would with a florist. You have no idea where the person you are talking to is or whether they are actually doing the business or just farming out the order and taking a cut out of the middle.

I would like to see this legislation implemented for this particular area in which we know things like this are happening and impacting our local businesses, and then we can possibly look at it in regard to other industries in a future session.

I have personally googled multiple times looking for a florist. [Continued to read from prepared text ([Exhibit C](#)).] If I am delivering flowers to a town out of state, I want to be able to use that local person to help their community. I do not want to give my money to someone who has absolutely nothing to do with the floral industry.

The really frustrating part about this is when this happens, no tax revenue is collected in the state where the flowers are delivered. We are missing out on that portion of tax revenue on the order. [Continued to read from prepared text ([Exhibit C](#)).]

Thank you for your attention, and I am happy to answer questions. I have several representatives from the industry here who will tell their personal stories and can answer any other questions you may have.

Chairwoman Benitez-Thompson:

Let us go ahead and open up for questions in both portions of the bill, sections 1 through 8, dealing with the subcontractor business license, and section 9 and onward, dealing with deceptive trade practices in the floral industry. Senator Smith, if at any time you need to get back to your committee business, we will understand.

Senator Smith:

Thank you. I do have a bill back in my committee. I will possibly leave at some point before this is done.

Chairwoman Benitez-Thompson:

Are there questions for the bill sponsor?

Assemblywoman Swank:

I just wanted to thank you for bringing this forward. A couple of weeks ago, one of my constituents who is a small business owner and a florist brought this same issue to me. It is nice to be able to refer him to this bill.

Assemblywoman Bustamante Adams:

Can you tell me what the background is for deceptive order gatherers? What was the purpose for that? Was it because the local florists did not have Internet service?

Senator Smith:

As far as I understand, and the floral industry representatives may be able to be more specific, it is just a brilliant idea of making money by being a middleman. They do it, like I said, in other areas, but this is an obvious one because people are frequently looking for florists. It is one of those areas where you go online looking for someone in another city. It is really a brilliant idea to just have a phone number to call and have an order taken. The order gatherer takes the money, and the customer has no idea that this person is not a florist. The order gatherer places the order with the florist, and it is all good.

I think it is nothing more than that. It is just a great money-making opportunity.

Assemblywoman Bustamante Adams:

We use the Internet a lot. If you do a Google search, the order gatherers have positioned themselves well within Google to be able to come up first. How would we be able to make sure that they are displaying the right phone number? How are we going to be able to control that?

Senator Smith:

It will be considered a deceptive trade practice if they do not do what this law requires. The Attorney General's Office actually enforces it.

Just for your information, this bill went to the Senate Committee on Finance. We worked with the Attorney General's Office on this because they may have to go somewhere to investigate this. If you have a person who is not fulfilling the intent of this legislation, they may have to actually go and do an investigation. That is exactly what would happen.

You will hear a story from one of these florists about calling one of these toll-free numbers, and the deceptive order gatherer actually answered the phone in the name of this florist. When the florist asked where they were, they hung up the phone. It is that egregious in my mind.

Assemblyman Livermore:

Is there sales tax involved in this order? Who collects the sales tax? How does Nevada get it?

Senator Smith:

Sales taxes are collected in a variety of ways. It depends. We are waiting for the moment when something is done about online transactions. My point on the sales tax is there is no sales tax collected on those orders, but if you are using a local florist and talking to a local florist, then it is a different issue. Those orders that are taken locally, sales tax is charged, and the state and the locale benefits from that. The sales tax discussion is a bit fragmented, but there is no opportunity the way it is being conducted now.

Assemblyman Livermore:

Is the person who is taking the order thwarting the consumer? Are they paying the whole sales tax for whatever cut they get? Where is the sales tax? What portion of the product that they bought is taxable?

Senator Smith:

That would be a good question to ask Mr. Fiannaca from Sparks Florist when he comes up. It would be my thought that the deceptive order gatherer is not doing anything in regard to sales tax, and then, ultimately, if it is an online purchase, sales tax is not being collected either. If the florist is actually contacted personally, it is a different situation. The sales tax would be charged on that.

Assemblyman Elliot Anderson:

Any folks who would maybe get investigated for deceptive trade practice have plenty of opportunity to cure the violation before they even get anywhere near a court. I am reading section 15 of the bill. Is that your understanding of how this would fit in?

Senator Smith:

Absolutely. There is no intention of doing anything until someone violates the law and does not comply with the law. They are given every opportunity to advertise appropriately.

Assemblyman Stewart:

I want to make sure I understand. This applies not just to businesses that have an actual contract with the state. This applies to the public in general.

Senator Smith:

Separate those two issues. The first issue is about contracts. The second is about deceptive order gathering in the floral industry. That is why I said this is my schizophrenic bill. They just happened to both fall into the purchasing statute. The first part of the bill is separate from the floral portion. It simply says that, if you contract with the state for services, either as a construction

subcontractor or through the purchasing statutes, or if you in any way receive tax dollars through that environment, you must own a business license. Separate from that is this floral issue that requires that folks list themselves and their locale so that they do not have a deceptive trade practice.

Assemblyman Stewart:

That is what I thought. I just wanted to make sure.

Chairwoman Benitez-Thompson:

I have a question for sections 1 through 8 about the business licenses for subcontractors. I know, typically, in purchasing language, we will have exemptions for certain types of institutions. Here, it looks like it includes all offices across the board. It regards everyone who uses a subcontractor. There are no exemptions. You have to have it.

Senator Smith:

That is absolutely my intention. I feel very strongly that any business that gets tax dollars from the state should have a business license in this state.

Chairwoman Benitez-Thompson:

I agree. We have had so many conversations about subcontractors in this Committee. I think we might have all just assumed that they had to have business licenses in the state of Nevada.

Senator Smith:

It was an accidental discovery on my part. When the bill was originally drafted, I did not think we needed it in the construction and public works part of it. Talking to Mr. Nuñez, he found that actually there are times when that does not happen at the subcontractor level. The only way we can clarify and make sure that happens is to put it in statute.

Assemblyman Oscarson:

Do you have any idea how many vendors we are currently dealing with that do not have state business licenses?

Senator Smith:

I do not, and I am really not sure that there was a clear path to me getting that information. I was interested in it because I did not see this as a revenue generator. I am working on the budget all the time. I was curious about whether it would even bring in a few million dollars, which I would assume it would, but I do not think, at this point, we are going to know the answer to that question until this is implemented.

Assemblyman Oscarson:

The intent would be, of the state entities that are doing business with folks, to send out a letter basically stating to them that they now have to have business licenses. Does this go forward? Is it retroactive? How does it work?

Senator Smith:

It goes forward. In the future, anyone who signs a contract with the state for a payment would be required to have a business license.

Chairwoman Benitez-Thompson:

Are there any additional questions for the bill sponsor? [There were none.] I will open up for testimony in support.

Senator Smith:

May we start with Mr. Fiannaca? He is the one who brought the legislation to my attention. I would like to bring him up, and then we can go to testimony in Las Vegas. Would that be okay with you?

Chairwoman Benitez-Thompson:

That is perfect.

Mike Fiannaca, President, Sparks Florist:

It is true we just came through a major holiday and, of course, this problem reared its ugly head again. In this letter I sent to Assemblyman Sprinkle ([Exhibit D](#)), there are some examples taken directly from a Google search that I have done a number of times and which actually illustrates the problem. The problem is one of pure deception.

There is nothing wrong with being an order gatherer. All of us who are in the business are order gatherers. That is what we do. It is the deception that is the problem. Some of these deceptive order gatherers are florists, actually, but most of them are not. Their business is to collect a sales commission on an order and pass it through to a florist for fulfillment. Generally, there is no sales tax. If the order is generated from my website, of course, there is sales tax paid in the state of Nevada. Otherwise, to my knowledge, there is none.

The problem is that customers are very confused. We had several of them over this past holiday call and ask about their orders. We could not find their orders. We could not find them, and we have a state-of-the-art system. We will track orders down by recipient, by sender, or by order number, but the order numbers were not our own. It turns out that the orders were placed with someone else who implied or actually stated that he or she was us.

This problem is plaguing all of the traditional retail florists across the nation and, as a result, I am now part of a group of several florists who are trying to stop this and some other really bad practices that are affecting small businesses in local communities.

You should have another letter that came from Suzanne Shepherd, who is our director of internal operations. Ms. Shepherd is responsible for sales and marketing for the company. I will read part of her letter ([Exhibit E](#)). She says, "During the past several years, I have seen with regular occurrence, many customers contact us with questions and concerns about orders that they believe have been placed with us that have in fact not been placed with us but rather with 'deceptive order gatherers.'" [Continued to read from ([Exhibit E](#)).] She goes on with a few more issues that you can read.

It happens all the time. It is happening with such increasing regularity that it is affecting our business dramatically. I had a guy who bought from us who called and cursed at me and was absolutely convinced that I was lying to him. In fact, in the letter ([Exhibit D](#)) there is a quote directly from a customer who said that we were liars, that we were cheating people, and that we got our flowers from someplace else. This has happened a number of times.

Generally speaking, the problem is that many customers do not know what a URL is. All they know is that if it says "Sparks Florist" or they see something that looks like it might be us, they will click on it. It will take them to a website. They will order the flowers, but the flowers may or may not show up. It is just a huge problem.

We are not asking in any way, shape, or form that commerce be curtailed. People should be able to sell whatever they have wherever they want to sell it. We just want to have the clarity that, if you are not local, you cannot say that you are local. If you are not Sparks Florist, you cannot say you are Sparks Florist.

We try to track these down. I have a couple that just came through. It was from a group called Wesley Berry Flowers out of Detroit. They are the ones who took the order. They are pretty bad players in the business, but they are making a lot of money. There is nothing to stop them. That is why we are here.

Chairwoman Benitez-Thompson:

Are there any questions for Mr. Fiannaca?

Assemblywoman Bustamante Adams:

It could still be a viable business to be an order gatherer. All this is asking is that if you are going to be an order gatherer, you have to do these three or four things in order to demonstrate and be clear to the public that you are a middleman and not the actual florist.

Mike Fiannaca:

Yes. There is nothing wrong with being a middleman, per se. It is not necessarily good for the consumer. It is not necessarily bad that there is a middleman, but it can be bad. What is really bad is the fact that people are actively being deceived. The whole goal here really is to have folks state who they are, where they are, and not give false information.

There is no sales tax, incidentally. We will pay sales tax if we make the sale on our website but not from an outside entity.

Assemblyman Stewart:

As you can tell, I am not the sharpest one on the panel here today. I am still trying to understand. Sometimes these folks will take an order. They will collect the full amount, and they will not deliver the order at all or notify you. Other times, they will notify you and take a cut. Can you tell me if that is true? Roughly, what is the cut that they take? Does it vary from company to company?

Mike Fiannaca:

It is not quite that simple. We may have absolutely no knowledge of that other party. We may not ever see the order. What happens is they masquerade as if they are us. Our customer, who is generally local, would go online and would think that they are ordering from us, but actually they are ordering from this other entity. The other entity, then, would pass the order on to another florist for fulfillment.

Generally speaking, there is a problem of some sort. It causes a lot of confusion, and it certainly will cause confusion if the thing does not show up. The customer who thought it was us will call us and try to track down the order, but there was no order. We never saw it.

It is kind of a strange business in a sense because it is a commission sale for them when they pass it through a wire service, such as Teleflora or 1-800-Flowers, but it is not necessarily done that way. It may be a direct call. In fact, many times, the deceptive order gatherer will actually phone the order out to who knows who.

Assemblyman Stewart:

In some cases, though, they do not notify you at all, and they collect the full amount of the order.

Mike Fiannaca:

That is correct.

Assemblyman Stewart:

In other cases, they do notify you. What percent do they take of the order when they notify you?

Mike Fiannaca:

If they do, then they would typically retain 20 percent of the face value of the order. That is just of the value of the item. Let us say it was a rose arrangement for \$100. That rose arrangement would be passed on to the florist after \$20 had been taken out and after other fees, such as handling and delivery, have been charged to the consumer. If it went through a wire service, the filling florist would actually end up paying an additional fee, which typically results in a net to the filling florist of somewhere between 68 percent and 73 percent of the value of the order. We are then bound by the rules to fill to 100 percent of the value.

That works fine if we are trading, sending out and receiving commissions and taking in discounted orders. It balances. That is the theory behind it, and that is how it used to be. Today it is the Wild West. There are companies that are called "send onlies" in the floral vernacular. That means these are people who do nothing but have a computer bank. They get the orders, and they send them out. They retain that, plus they have rebates and all sorts of reasons why they want to do this. It is a very lucrative business. There is little to no accountability.

Assemblyman Stewart:

If you have a \$100 order, after all the fees and everything you are taking out, do you still pay sales tax on the \$100?

Mike Fiannaca:

No. The sender is supposed to pay the sales tax.

Assemblyman Stewart:

The sender is "supposed to."

Mike Fiannaca:

Yes, but they do not.

Assemblyman Ellison:

Is it mandatory you take those orders?

Mike Fiannaca:

No, it is not.

Assemblyman Ellison:

If you get these, it is not mandatory that you take that order.

Mike Fiannaca:

No, it is not mandatory that we fill an order. We are bound to fill orders, but we do not have to fill an order in the case that we do not have the product or are not able to fill the order. In that case, it gets sent on to a different florist. There is a mechanism for that. In some cases, we can send in a price change if the price that we charge for that particular item is a higher price. We would send that to the sender and say we cannot fill the order for that amount, but the discounting still stays in place regardless of what the sales price actually is for that item.

Chairwoman Benitez-Thompson:

Are there additional questions? [There were none.] I think a lot of us are sitting up here thinking of instances in which our flower orders have gone awry.

Katie Knapp, Owner, Bumblebee Blooms Flower Boutique:

I have a breakdown of numbers. I know this deals with a question that Assemblyman Stewart asked. I have a breakdown on how this affects me personally as a local business owner. Let us say a local florist gets an order from an order taker from Westbury Flowers, which is an order gatherer. The customer wants to buy a \$50 arrangement. On top of that, Westbury Flowers charges a processing fee of anywhere between \$15 to \$20. We will just go in the middle and say \$19. The customer will then pay \$69 for the flower arrangement. The online florist keeps the processing fee, which is the \$19. They also take the florist fee that the wire service charges the florist, which is another \$3.50, and then they take a \$10 commission on top of that. Out of the customer's \$69, Westbury Flowers would keep \$32.50.

As the florist, I would get paid \$36.50 to fill the order. My delivery costs \$10. I break even on my delivery. That is to pay my driver, my gas, and my insurance. For the cost of goods sold, which is for keeping lights and coolers on, I pay \$18.25. The cost I pay to my designer to put that arrangement together is \$3.50. I would make a total, as a business, \$4.75 on a \$50 order. That is what I would make. I do not know about you, but I cannot pay bills on \$4.75.

As a consumer, you get a value of \$40 on a \$50 arrangement. As a consumer, it is really not fair. I often get asked why I do not include delivery in my prices. Of course I cannot pay delivery. In most cases, tax revenue is not collected unless they order directly off of my website or call me directly.

That is a breakdown on how that works for me as a business. Obviously, we want to encourage people to buy locally and support local businesses. We are there. We talk to the consumer. We are able to better say what we have in stock and what our delivery schedule is. If a sending florist sends me an order, I have no idea how to reach the recipient if there is a problem with the order. On average, it takes two hours to recognize a problem and get a response back from the wire service for the sender to know that there is a problem with that order. It is not fair to the person who placed the order, and it is not fair to the recipient of that order.

Assemblywoman Bustamante Adams:

How long has this been going on? How long have you noticed that this was affecting your business?

Katie Knapp:

I have worked in the industry for many years with many other florists, but I recently opened my own business two years ago. I was the winner of the Donald W. Reynolds Governor's Cup, which is a business plan competition. When I did my business research two years ago, I noticed in my marketing research on my competition that five businesses listed online. I looked up their places of business. Most of them were post office boxes that listed as local florists. They were post office boxes who were taking orders and had all these reviews online that were not real. They were fake.

Also, a total of 12 businesses had gone out of business within three years during the downturn in the economy because these wire services were taking that money from them. A lot of them just could not manage to keep in business because they could not make money on \$4.75 per order.

Assemblyman Stewart:

Can you tell me what percentage of your order, say, over the last five months, is through this Internet system?

Katie Knapp:

I cannot say for sure, but I can tell you just this last Valentine's Day I ended up rejecting 75 orders in a week because they did not give me enough money to fill the value. That means the consumers who placed the order did not get their

orders filled because I turned off my wire services and refused to take any more orders.

Chairwoman Benitez-Thompson:

Are there additional questions? [There were none.] Because I have Committee members who will be going back and forth for bill hearings, after the testimony from Clark County I am going to go through some work session documents while I have my Committee members here. We will then go back into testimony in support of S.B. 404 (R1). It is a little bit awkward, but I wanted to give everyone a heads up.

John DiBella, Owner, DiBella Flowers and Gifts:

Mr. Fiannaca and Ms. Knapp did an excellent job of describing the types of issues that we are facing. DiBella Flowers has been in business for 28 years in its present location. We are very fortunate to say that we have a third generation coming up. They are going to take over our business eventually.

We feel that Senator Smith's bill, S.B. 404 (R1), effectively addresses our industry's deceptive order gathering issues. These order gatherers are individuals and large companies that are portraying themselves as Nevadans operating full-service businesses in our cities when they are not actually doing that. They are duping people into doing business with them and taking business away from legitimate Nevada businesses.

At minimum, putting a location on where these people are is very important. That will hopefully educate the people in Nevada about the fact that they are out of town. They are not local. Knowing exactly where they are will help educate them or motivate them to do business with local businesses and to let folks know they are actually doing business with local shops. Our motto is shop local. Nevadans should do that.

Chairwoman Benitez-Thompson:

Are there questions from Committee members? [There were none.]

While I have most of my Committee members present, we are going to move to work session on Senate Bill 135 (1st Reprint).

Senate Bill 135 (1st Reprint): Revises provisions governing redevelopment agencies. (BDR 22-876)

I am going to let Jennifer Ruedy walk us through the bill.

Jennifer Ruedy, Committee Policy Analyst:

You should have the materials in your work session document. There is a mock-up of the proposed amendment. I will try to mention those as I go through the summary of the bill.

[Ms. Ruedy read an explanation of the bill and the proposed amendment from the work session document ([Exhibit F](#)).]

Chairwoman Benitez-Thompson:

I will accept a motion to amend and do pass as we see in the mock-up.

ASSEMBLYWOMAN NEAL MOVED TO AMEND AND DO PASS
SENATE BILL 135 (1ST REPRINT).

ASSEMBLYWOMAN SWANK SECONDED THE MOTION.

Assemblywoman Neal:

I had a meeting last week with the City of Las Vegas regarding Senate Bill 135 (1st Reprint). We sat down with Mr. Penrose, and we went over some language. This is the language we had agreed to move forward with. It represented what the City of Las Vegas hiring plan was doing and included the new redevelopment areas. They were okay with that after we went back over the maps ([Exhibit G](#)). We understood what we were going to be applying and what we were going to be doing. This was the agreed movement forward.

I wanted to put that on the record because I know the first hearing was confusing. We sat down and went over everything. This mock-up is the new language that Mr. Penrose put together.

Assemblyman Stewart:

I appreciate the work that went into trying to clarify this. It still only applies to Las Vegas, evidently, because Las Vegas is the only one that has a hiring plan. I still have a problem with the fact that they have come up with a plan and are now being overregulated for coming up with that plan. The plan seems to be working. I will be voting no on this.

THE MOTION PASSED. (ASSEMBLYMEN ELLISON, LIVERMORE,
OSCARSON, STEWART, AND WOODBURY VOTED NO.
ASSEMBLYWOMAN PIERCE WAS ABSENT FOR THE VOTE.)

Chairwoman Benitez-Thompson:

I am going to do one more work session item and then we will go back to the hearing; that way I can have my Committee members present to vote.

I am going to have Ms. Ruedy walk us through Senate Bill 122 (1st Reprint) as proposed, and then I have a Chair's amendment that I will be discussing with the Committee.

Senate Bill 122 (1st Reprint): Revises provisions governing a regional authority for housing in certain counties. (BDR 25-638)

Jennifer Ruedy, Committee Policy Analyst:

[Ms. Ruedy read an explanation of the bill from the work session document ([Exhibit H](#)).]

Chairwoman Benitez-Thompson:

I have a Chair's amendment to this before I take a motion. The amendment will be in section 1. Section 1 lays out the total count of the board in line 4. Right now, that stands at 12 persons. I am proposing to amend that to 13 persons. There were folks on the Committee who really felt that the board should be at an odd number. The bill sponsor agrees. On lines 8 through 10, it says, "The governing body of the largest city that participates in the regional authority" I am proposing to change "two persons" to "three persons." That is where the extra person will come from.

I will take a motion to amend and do pass with the Chair's proposed amendment.

ASSEMBLYMAN MUNFORD MOVED TO AMEND AND DO PASS
SENATE BILL 122 (1ST REPRINT).

ASSEMBLYWOMAN BUSTAMANTE ADAMS SECONDED THE
MOTION.

Assemblyman Stewart:

With the amendment, I am now in favor of the bill.

Assemblyman Ellison:

I am going to vote yes on the measure, but I want to reserve the right to change my vote.

THE MOTION PASSED. (ASSEMBLYWOMAN PIERCE WAS
ABSENT FOR THE VOTE.)

Chairwoman Benitez-Thompson:

Let us go back to the bill hearing for Senate Bill 404 (1st Reprint). We are in testimony for support.

Tray Abney, representing The Chamber:

We are proud to say that Sparks Florist has been a long-time member of the Chamber. I wanted to prove to them that I actually do stuff with the money they paid me, but they left the room.

I am speaking specifically on the florist piece of this bill. We strongly support that. I know that they have had problems. Their representatives approached me a couple of months before session started to talk about this issue. In fact, this past Valentine's Day my wife told me of a coworker who never received her flowers. She thought that she had ordered them from Sparks Florist. She called that day, and Sparks Florist was able to come in and deliver flowers on the same day.

This is a problem. We think the bill is fair. We are not trying to limit commerce in any way. We just want it to be fair.

Assemblywoman Bustamante Adams:

How widespread do you think the issue is? I know that this is just florists, but it seems that it may be a larger issue with using middlemen. That is fine, but I do believe in transparency for the consumer.

Tray Abney:

That is a good question. I do not know. I know that I have heard it only from florists, and not just Sparks Florist but some of my other members, as well. It would not surprise me that any business with this kind of business model could have this happen to them. From folks coming to the Chamber, I have just heard it from the floral industry.

Chairwoman Benitez-Thompson:

Are there additional questions? [There were none.]

Adam Mayberry, representing City of Sparks:

We support S.B. 404 (R1). We appreciate the Senator bringing it forward. It is not typically the kind of bill that would come to the table, but Sparks Florist is obviously important to Sparks. Of course, this would have very positive, wide-ranging repercussions for a lot of vendors and businesses throughout the state. We appreciate your consideration and your time.

Chairwoman Benitez-Thompson:

Are there questions? [There were none.]

Bryan Wachter, representing Retail Association of Nevada:

We, too, are proud to call Sparks Florist a member. With the advent of Internet consumerism, we are always cautious about ways that retail is evolving. We feel that this is a measure that helps protect that and cleans it up.

I would like to respond to the Assemblywoman's question on how widespread it is. I think the potential is there to be very widespread. I think changes like this help to mitigate that problem. We are fully in support.

Assemblyman Ellison:

How many of your clients does this affect right now? I do not know how many you have who are florists.

Bryan Wachter:

We have talked to a lot of our members about this issue. We have heard many examples. I think when we brought this language to them, they recognized that even if they had not been subjected to something like this, the potential was there. It was something they felt was proactive if they had not been affected by the problem and necessary if they had.

While you are seeing a lot from Sparks Florist, I do not think the problem is limited to them. I think it could include anything that you might be able to order online or by phone. I think you can expand it to lots of different categories.

Chairwoman Benitez-Thompson:

Are there additional questions? [There were none.]

Erin McMullen, representing Las Vegas Metro Chamber of Commerce:

We, too, are in support of S.B. 404 (R1). We think this will definitely protect our small local businesses, such as florists and many of our members. They are a big part of recovering from this economic downturn. We thank Senator Smith for bringing this forward and urge your support.

Chairwoman Benitez-Thompson:

Are there additional questions? [There were none.] Is there additional testimony in support? [There was none.] Is there testimony in opposition? [There was none.] Is there testimony in neutral?

Ted Olivas, representing City of Las Vegas:

I was sitting up here in support, but I am actually testifying on the other half of the bill related to subcontractors. We just wanted to make sure it was on the record that we are clearly supportive of making sure that the subcontractors on our public works projects are properly licensed.

There was a question about how we make sure this happens, and we just do it contractually. We would put it in the bid document, and it would be a part of our contract and another thing that we would check. I just wanted to make sure that the Committee was clear on how we would roll that out.

Chairwoman Benitez-Thompson:

Thank you. Are there questions for Mr. Olivas? [There were none.] Are there any additional comments? [There were none.] I will close the hearing on S.B. 404 (R1).

We will go back to our work session. We will begin with Senate Bill 46, and I will allow our committee analyst, Ms. Ruedy, to walk us through.

Senate Bill 46: Changes the name of the Motor Pool Division of the Department of Administration to the Fleet Services Division of the Department. (BDR 27-284)

Jennifer Ruedy, Committee Policy Analyst:

[Ms. Ruedy read an explanation of the bill from the work session document ([Exhibit I](#)).]

Chairwoman Benitez-Thompson:

This is the bill in which the language changes "state motor pool" to "fleet services." We have no amendments on this bill. I will accept a motion to do pass.

ASSEMBLYMAN LIVERMORE MOVED TO DO PASS
SENATE BILL 46.

ASSEMBLYMAN DALY SECONDED THE MOTION.

THE MOTION PASSED. (ASSEMBLYWOMAN PIERCE WAS
ABSENT FOR THE VOTE.)

Are there any comments on the motion? [There were none.] I will assign this floor statement to Assemblyman Livermore.

We will move on to Senate Bill 55 (1st Reprint).

Senate Bill 55 (1st Reprint): Revises provisions governing master plans. (BDR 22-254)

Jennifer Ruedy, Committee Policy Analyst:

[Ms. Ruedy read an explanation of the bill and the proposed amendments from the work session document ([Exhibit J](#)).]

Chairwoman Benitez-Thompson:

You have the mock-up before you. It incorporates an amendment to clarify language. That amendment came from concerns Committee members had during the hearing. We also have the amendment coming from NV Energy, presented by Judy Stokey. I will accept a motion to amend and do pass as presented in the mock-up with those amendments.

ASSEMBLYWOMAN SWANK MOVED TO AMEND AND DO PASS
SENATE BILL 55 (1ST REPRINT).

ASSEMBLYWOMAN NEAL SECONDED THE MOTION.

Assemblyman Ellison:

With the amendment, it changed every "may" to "must." Also, on page 5 ([Exhibit J](#)), can somebody give me a definition on what is stated in lines 22 to 24?

Chairwoman Benitez-Thompson:

Are you looking for a definition on all of those terms or a definition on one or the other?

Assemblyman Ellison:

It talks about the development and utilization of water. Is it strictly within a development? Is it adjudicated water rights? That is what I am trying to find out.

Chairwoman Benitez-Thompson:

I do not want to completely rehear the bill, but let me ask if the bill sponsor wants to give some clarification on this. We can also have our legal counsel check for definitions if you are just looking for definitions of hydraulic force, underground water, or water supply. However, as I recall, we have water pretty well spelled out in other statutes.

Assemblyman Ellison:

My concern is with existing water rights and if they are going to be impacted. My other concern is about changing "may" to "must." I do not have any other problems with the bill.

Ted Olivas, representing City of Las Vegas:

I do not have a definition for that. What I can say is if you look at page 2 of the work session document ([Exhibit J](#)), that was a requirement in current statute. It includes water and its hydraulic force, underground water, water supply, et cetera. We just took that same exact language and consolidated it with some other sections. I do not have a definition, but this is exactly what is in statute as it stands today and has stood in statute for some time.

Assemblyman Ellison:

I will go ahead and vote yes, but I reserve my right to change my vote on the floor of the Assembly.

Chairwoman Benitez-Thompson:

I am going to have Mr. Penrose clarify this bill's impact on existing water rights.

Jim Penrose, Committee Counsel:

To my understanding, these provisions would not affect any other provision of existing law relating to the authority of the state engineer over water rights, as you alluded to.

Assemblyman Ellison:

Thank you.

THE MOTION PASSED. (ASSEMBLYWOMAN PIERCE WAS
ABSENT FOR THE VOTE.)

Chairwoman Benitez-Thompson:

I will assign the floor statement to Assemblywoman Swank. Let us move to Senate Bill 440.

Senate Bill 440: Makes various changes to the Charter of the City of Henderson. (BDR S-870)

Jennifer Ruedy, Committee Policy Analyst:

[Ms. Ruedy read an explanation of the bill and the proposed amendment from the work session document ([Exhibit K](#)).]

Chairwoman Benitez-Thompson:

This was another big city charter bill. Thank you to the Committee members and citizens who participated in this bill. I will take a motion to amend and do pass as you see in the mock-up.

ASSEMBLYMAN DALY MOVED TO AMEND AND DO PASS
SENATE BILL 440.

ASSEMBLYWOMAN WOODBURY SECONDED THE MOTION.

THE MOTION PASSED. (ASSEMBLYWOMAN PIERCE WAS
ABSENT FOR THE VOTE.)

Are there comments on the motion? [There were none.] I will assign the floor
statement to Assemblywoman Woodbury.

I neglected to mention, for Senate Bill 122 (1st Reprint), I am going to give that
floor statement to Assemblyman Munford, and I will give the Senate Bill 135
(1st Reprint) floor statement to Assemblywoman Neal.

That is it for our work session. I will open up the microphones for public
comment. [There was none.]

Meeting adjourned [at 11:21 a.m.].

RESPECTFULLY SUBMITTED:

Maysha Watson
Committee Secretary

APPROVED BY:

Assemblywoman Teresa Benitez-Thompson, Chairwoman

DATE: _____

EXHIBITS

Committee Name: Committee on Government Affairs

Date: May 13, 2013

Time of Meeting: 10:08 a.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
S.B. 404	C	Senator Debbie Smith	Testimony
S.B. 404	D	Mike Fiannaca / Sparks Florist	Letter
S.B. 404	E	Mike Fiannaca / Sparks Florist	Letter
S.B. 135	F	Jennifer Ruedy, Committee Policy Analyst	Work session document
S.B. 135	G	Assemblywoman Neal	Maps
S.B. 122	H	Jennifer Ruedy, Committee Policy Analyst	Work session document
S.B. 46	I	Jennifer Ruedy, Committee Policy Analyst	Work session document
S.B. 55	J	Jennifer Ruedy, Committee Policy Analyst	Work session document
S.B. 440	K	Jennifer Ruedy, Committee Policy Analyst	Work session document