

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

**Seventy-Seventh Session  
February 21, 2013**

The Committee on Government Affairs was called to order by Chairwoman Teresa Benitez-Thompson at 8:01 a.m. on Thursday, February 21, 2013, in Room 3143 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](http://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](mailto: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  
Assemblywoman Peggy Pierce  
Assemblyman Lynn D. Stewart  
Assemblywoman Heidi Swank  
Assemblywoman Melissa Woodbury

**COMMITTEE MEMBERS ABSENT:**

None



**GUEST LEGISLATORS PRESENT:**

Assemblywoman Marilyn Kirkpatrick, Clark County Assembly District No. 1

**STAFF MEMBERS PRESENT:**

Jennifer Ruedy, Committee Policy Analyst  
Jim Penrose, Committee Counsel  
Bonnie Hoeffcker, Committee Manager  
Lori McCleary, Committee Secretary  
Cheryl Williams, Committee Assistant

**OTHERS PRESENT:**

Wes Henderson, representing Nevada League of Cities and Municipalities  
Cadence Matijevich, representing City of Reno  
Mike Eifert, representing Nevada Telecommunications Association (NTA)  
Javier Trujillo, representing City of Henderson  
Barry Smith, representing Nevada Press Association  
Jennifer Dimarzio-Gaynor, representing Nevada Press Association  
Andrea Engleman, Private Citizen, Carson City, Nevada  
Ross Miller, Secretary of State  
Karen Michael, Business Portal Administrator, Office of the Secretary of State  
Randi Thompson, representing National Federation of Independent Business  
Jack Mallory, representing International Union of Painters and Allied Trades, District Council 15, and Southern Nevada Building & Construction Trades Council  
Terry Graves, representing Henderson Chamber of Commerce  
Carole Vilardo, representing Nevada Taxpayers Association  
Brian McAnallen, representing Las Vegas Metro Chamber of Commerce  
Karen Duddleston, Business Licensing Manager, City of Las Vegas  
John Slaughter, representing Washoe County  
Michael Hillerby, representing the Nevada State Board of Nursing  
Mark Teska, Administrative Services Officer, Nevada Department of Public Safety

**Chairwoman Benitez-Thompson:**

[Roll was called. Meeting protocol and rules were explained.]

We are going to be hearing two bills today, starting with Assembly Bill 4. I will open the hearing on A.B. 4 and welcome to the table Mr. Henderson.

**Assembly Bill 4: Revises certain provisions governing public records and legal notices. (BDR 19-259)**

**Wes Henderson, representing Nevada League of Cities and Municipalities:**

For the record, I am the Executive Director of the Nevada League of Cities and Municipalities. The bill before you today, A.B.4, was filed on behalf of the League. [Continued to read from written testimony ([Exhibit C](#)).

**Chairwoman Benitez-Thompson:**

The Committee members have all seen the proposed amendment ([Exhibit D](#)) on the Nevada Electronic Legislative Information System (NELIS), which is what you were walking us through. Are there any questions?

**Assemblyman Livermore:**

Mr. Henderson, thank you for bringing this bill, even though it is just a revision of what we heard last session. Last session I was totally opposed to this bill and I totally oppose it today. I believe it is the government's responsibility to present to its public the business it is going to conduct. Everyone has the right and the opportunity to purchase their local hometown newspaper for the cost of that publication. What you do not place in this bill is that the public has the right to receive that information free of charge. I can get that information out of my local newspaper for the cost of that publication. If it is a 20-page document I wish to get and I have to go to the local government agency to get it, it does not say anywhere in this bill that it is free for me. I would probably suspect that sooner or later down the line there is going to be a time where there is a charge per page for the document. At this point in time, I just cannot see a change in what I believe is the public's right, through their local government, an availability to get the notices and the business of local government free of charge, delivered to their front doorstep, as it has been for hundreds of years.

**Chairwoman Benitez-Thompson:**

Do you have any comment, Mr. Henderson?

**Wes Henderson:**

We understand your concerns. I am not sure if there was a question there.

**Assemblyman Livermore:**

It is a combined question and statement. The question would be why does your bill not include that the public has the right to receive this information free of charge?

**Wes Henderson:**

The information would be published on the website, so there could be access that way. Providing copies are covered in other statutes. I do not know if it was intended in this bill or not, for there to be a copying charge. We would have this information available for them to access on the Internet.

**Assemblyman Livermore:**

I understand that, but let me just take the assessment rolls that the government publishes once a year. The assessment rolls, depending upon what community you live in, are large volumes. I do not think most people have the ability to print those documents on their home printers. Some people do not know how to do that. I think what you are saying is maybe they can contact the local government to receive a copy. If the assessment document is a copy, so be it, but I am hoping that you may come back later to amend your bill to make sure the public has a right to receive that, and receive it free of charge.

**Wes Henderson:**

We will certainly take your concerns into consideration.

**Assemblyman Healey:**

Just to clarify, the main intent of this bill is to reduce the costs to the municipalities, is that correct?

**Wes Henderson:**

Yes, one of the goals is to reduce costs. Another goal is to publish them on the Internet so they are more widely available. Not everyone subscribes to a newspaper. A lot of people have Internet connections in mobile devices.

**Assemblyman Healey:**

Have you done an analysis to find out how much you will be saving or how much each of the different municipalities will be saving by not printing them in the newspaper? If so, where would that revenue then go?

**Wes Henderson:**

I do not have that information with me today. I am sure we could compile that information if you would be interested.

**Assemblyman Oscarson:**

That was my question, as well. If you could get a list, Mr. Henderson, of the amounts of money that would actually be saved and where it would go.

**Assemblywoman Pierce:**

I have been seeing these bills for ten years. I am getting a little more comfortable with the idea that even seniors, who do not necessarily have computers themselves, have 7-year-old grandchildren who can show them how to find things. On the second page of your amendment, section 1, subsection 1, paragraph (f), you left in the time limits that apply to newspapers and that, to me, should be fixed. If it was supposed to be in the newspaper for at least five consecutive days, there is no reason it cannot be on the Internet for a month. We do not need time limits on the Internet. In addition, on the first page of your amendment, section 1, subsection 1, I think quarterly financial statements should be on the website of a municipality permanently.

**Wes Henderson:**

That was put in there to put a minimum time frame that they needed to be published. I do not think there is any reason why they could not be maintained on the website for a longer period of time.

**Assemblyman Elliot Anderson:**

I have a few concerns with this, but I want to direct you to section 6, subsection 5 of the bill. You are talking about removing "at no charge, at least one." That would specifically include an agenda, proposed ordinance and regulation. I did not see that reference in your amendment. Are those really that expensive to provide in paper? I would probably have a different feeling about the assessment rolls. We provide agendas and the bills here. It could not cost that much for those small little documents. They are a lot different than the assessment rolls.

**Wes Henderson:**

I agree that the agendas do not cost a lot of money. Some of the supporting material is quite large and some of them do cost quite a bit of money to reproduce and make numerous copies available. That is more what the provision is getting at.

**Assemblywoman Swank:**

I have a question about accessibility. There was a study that the University of Nevada, Reno (UNR) published in 2009 that showed just under 37 percent of Nevadans do not have access to the Internet at home. This makes me very concerned that 37 percent of our population is going to have a harder time having access to this information.

**Wes Henderson:**

That is a valid concern. There are other options. Public libraries do have computers available with Internet capability.

**Assemblywoman Swank:**

People can go to the library to find this information, but I am not sure making them take that extra step is the best way to go for a group of people we want to keep involved in government.

**Wes Henderson:**

We understand that concern, as well.

**Assemblywoman Bustamante Adams:**

From what I understand, it is either one or the other. That is what I take away from this. Is there a happy medium where we could still put the notice in an advertisement in the newspaper for citizens, but they could also have access to this information at their local library or request a hard copy from the municipality?

**Wes Henderson:**

First of all, this is allowing a county government to post on their website. It does not require them to. It does require that there be a notice published in the newspaper that this is available on the website. I think we would be willing to try to find that happy medium you are looking for. Perhaps make some copies available at a library, or something. I am talking off the top of my head without giving this a lot of thought, but I am sure we could work together and come up with a reasonable solution to the happy medium, as you called it.

**Assemblyman Healey:**

I am going to piggyback on the remarks of my colleague from the south regarding the 37 percent of Nevadans who do not have access to the Internet. One of my biggest concerns with the bill is that 37 percent probably represents a large sector of our senior community, which tends to be those who are very interested in receiving these public notices and who get the newspaper every day, whether it is in the rurals or in the larger communities. Yes, they could go to their 7-year-old and ask them to look through every different municipality's website to see what notices are out there. However, that is a lot of work compared to being able to just open up your newspaper and see everything in a one-stop shop, if you will, particularly for those who are very interested in monitoring government; and we need them to be.

I just feel that it takes away the transparency of government and it makes it look like we are trying to hide it a little bit more and make it harder to access. We are in an era where we are trying to make things more transparent, more accessible, and more available to our constituents. That is a big concern of mine. As for the "and/or," I think it should be "and." In this day and age, absolutely it needs to be on the website. I still think we have

a large percentage of our population who are the actual concerned citizens who want to be engaged in government and rely on the newspaper as a source.

**Wes Henderson:**

This bill is in no way an effort to make government less transparent. Our members believe in transparent government. It is an effort to transition into the more modern technology for the posting of legal notices on the Internet. We agree that newspapers still play a valuable part, which is why we have the provision to publish the notice that these items are available, where they are available, and who you can contact to request or obtain a copy of the documents. We are willing to work with you to come to a compromise to lessen the amount of publications that we are required to publish in a newspaper. We share your concern regarding individuals who just get newspapers.

**Chairwoman Benitez-Thompson:**

Are there any other questions? [There were none.] I will open testimony in support of Assembly Bill 4, either from Carson City or Las Vegas.

**Cadence Matijevich representing City of Reno:**

I would just like to follow up on a couple of items that were asked by the Committee members. First, to Assemblyman Livermore's question, I think we could perhaps easily address the concern that you have. If you look in the original bill at the top of page 3, "...may request or obtain a copy of the legal notice or legal advertisement." If we add "for no charge," that may be a simple amendment that would, perhaps, address your concern.

To some of the questions that were asked about the cost of these, I do not have an aggregate cost for these legal notices, but I have a couple of samples with me today. I apologize that I did not get them to the Committee in time to get them on to NELIS. Generally speaking, the cost of these advertisements range from about \$260 all the way up to about \$1,000, depending upon the amount of content that is necessary and the number of days these advertisements are going to run. While individually they are rather small amounts, but in aggregate over the course of a year, if you think about all of the local government entities in the state, it is a significant amount of money.

To your question, Assemblyman Healey, what would we use these funds for? These are general fund dollars that support our very important public safety and parks and recreation programs. Whenever possible, we are looking for opportunities to redirect funds to those important programs. I am not saying that transparency is not important. I think you heard from our City Manager in our presentation, the City of Reno takes transparency very seriously. He shared

with you our open checkbook where members of the public can go online at any time to see the expenditures of their local government for the City of Reno. This certainly is not intended to obscure that information, but provide it in a method that can be searched. It can be downloaded in an XL format rather than a very small font document in the newspaper. We are looking to provide a method that may be more useful, in fact, than what is in a simple legal advertisement. With that, I would be pleased to answer any questions.

**Chairwoman Benitez-Thompson:**

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

**Mike Eifert, representing Nevada Telecommunications Association (NTA):**

We believe the added cost of providing newspaper publications is unnecessary in light of the fact that such hearings are already well publicized on the commission website. The bill requires that the Internet addresses and Internet websites maintained by local governments be published in all newspapers in which a legal notice or legal advertisement would otherwise have been published. This provides appropriate notice to the public and allows a member of the public to then follow the proceedings through the various websites.

As for section 6, the NTA has no objections to public bodies charging for providing paper copies of certain public documents. With that, I will entertain any questions.

**Chairwoman Benitez-Thompson:**

Are there any questions from the Committee members? [There were none.] Is there anyone else wishing to testify in support of A.B. 4?

**Javier Trujillo, representing City of Henderson:**

I just want to offer our support of the bill. We truly look at this as a way to incur some cost savings. It is our way of being responsible with taxpayer dollars. We are obviously looking to cut costs wherever we can. We certainly do support a transparent government and we are definitely happy to work to address all of the concerns that were expressed by the Committee today.

**Chairwoman Benitez-Thompson:**

Are there any questions from the Committee members? [There were none.] Is there any additional testimony in support of this bill? [There was no one.] I will open it for testimony in opposition of A.B. 4, either in Carson City or Las Vegas.

**Barry Smith, representing Nevada Press Association:**

[Mr. Smith submitted written testimony ([Exhibit E](#)).] I am speaking in opposition to A.B. 4 this morning. I appreciate your taking the time to hear this. I want to



first stress how important public notices are and why I testify often on open government. The Nevada Open Records Act, the Open Meeting Law and public notice laws are the three legs on the stool of open government. They are all extremely important as to how accountable and transparent government is. That is why I take this very seriously. We are obviously in favor of posting notices online. We do it. That is part of the service you get when you post a notice with the newspaper, it goes online as well. The Nevada Press Association has, for several years, operated an aggregate site that has notices statewide. You can search by county, newspaper, and so on. The idea of a public notice is to spread it as widely as possible. Taking out a portion of where it is printed in the newspapers would do nothing but reduce how those notices are publicized or spread to the public. They are so important that state law says they need to be noticed. People need to be notified. It is not a public record that is accessible to people if you say you can come get it if you need it, if you want it, or if you are interested. They go into newspapers of general circulation so that people will be notified, so they will see it, even if they are not specifically looking for it.

There are a couple of things I want to raise now because I am a little confused with the amendment. The initial bill appeared to cover all notices of state and local governments. I look at the amendment and it looks like it is now targeted simply to the quarterly financial statements because section 1 was taken out. The discussion I heard still seems to be applying to a wide variety of notices. I am unsure, from the original bill coupled with the amendment, quite what the intent is. It raises another point. There would be a notice in the paper pointing people to the website. However, these notices cover such a wide range of issues, from water rights to schools to advertisements for bids on public works projects, zoning regulations, and so on, I am not sure how a notice would read in the newspaper. It could say there is a very important notice, go to this website, but you would not know what it was about or whether it affected you. Why not just run the notice? That is the point I get to on that. I think there is still a large issue there.

What I mean about accountability, why the public notices exist in the first place, and why they are in newspapers, in addition to spreading them out, is because the newspapers represent the independent, third-party, arms-length proof that the publication, with a hard copy, was actually done. Here is the form it was done in, the date it was done, in the manner it was prescribed by law. I am concerned about the security when putting it on an Internet site. Newspapers provide an affidavit of publication that is used in court when notices occur when such things as zoning ordinances are challenged. There is a very important component there to the checks and balances. If you say it is okay for the government to place its own notices on its own websites,

it absolutely removes that accountability. They are only accountable to themselves. Who is going to check? I have counted and I have talked to you before, there are 350 websites (by my count) if you include every unit of local government, general improvement districts, school districts, counties, et cetera. Are we going to be expected to check all those websites to make sure there is nothing there that is crucial to us that we need to know?

Two other things, if I may. One of the reasons for bringing these bills is to cut costs, but I always submit transparency and accountability is, by far, the best way to control the costs of government. Again, that is the fundamental reason for public notices to be out there; that you be notified of what your government is doing. The second thing that is very important to me, because of this traditional system we have, is it would give the potential, if you have an "or" in there instead of an "and," publishing on the Internet "and" in the newspaper, a government could choose which notices it wants to place where. For example, the possibility would exist that all the routine business conducted by a board, an agency, or a committee would be noticed in a newspaper and people would become familiar with where to look for it in the newspaper. However, that one controversial issue, the one they do not want you to see, the hearing that they would rather people did not show up for, is posted on the website and, under this statute, would be a legal, legitimate posting. There are no rules or regulations here on where or how that information would be posted. I am certainly open to any questions, if you have any.

**Assemblyman Ellison:**

I did get a look at the amendment that was proposed, but I am a little confused. It seems like if they make the copies, they would have to post it and put it wherever, and then advertise in the paper that they can pick up the posting at the courthouse or the libraries, et cetera. You did bring up a large point here. I think everyone is looking at 15 to 20 pages of tax rolls versus water rights or some of those things that are posted for 7 days. You had better be watching or you could lose those rights. I am hoping that maybe you can work out something or come up with some way where we could address that issue, because it is important. Mostly, when there are issues posted in a 7-day issue, you best be there.

The other thing is some of the court documents, when you send a notice out to your spouse for a divorce, is that not mandatory to be posted?

**Barry Smith:**

Yes.

**Assemblyman Ellison:**

That kind of throws a question to my mind. I think the big issue is when you see the tax roll. If they are delinquent, that would be one thing, but if it is just to run the tax rolls, it would seem to me they could publicized them one day and then run two or three ads every day saying where you could pick them up or have them sent to you. I think there is a difference between the two. Maybe you could address that?

**Barry Smith:**

There is actually a separate bill that deals specifically with the tax rolls. That is probably why there are two separate bills. The language in here, at least in the original, would cover all kinds of government notices. There are quite a few categories of legal notices. This would cover the local government notices and the definition in the bill includes any board, commission, department, or other agency or instrumentality thereof. It is very broad, at least in the original language.

**Assemblywoman Bustamante Adams:**

Mr. Smith, I know in the last session the Nevada Legislature received an award for moving and embracing technology in posting all of our stuff online so individuals in the audience and those watching over the Internet could have instant access to everything that we saw. I was grateful that we were embracing technology. I also understand that the readership for newspapers is going down. What would be your solution for a happy medium in this area with those two things in play?

**Barry Smith:**

Thank you very much. That is a good question because there is a lot in play. That is why I say, at this point, it needs to be covered by both. We are definitely in transition, and more people have become comfortable with getting on the Internet and finding their information there. I still go back to the newspapers and the way it is set up. We are providing those notices on the Internet in a searchable, by county, way. If you spread them through every board, committee, and instrumentality website, it actually makes it more difficult, in my opinion, to find them and that does not represent the standard of notice; if you want to find something, you can go look for it. Does that make sense? Maybe I am completely sidestepping your question.

**Assemblywoman Bustamante Adams:**

I see what you are saying. I know there is a middle somewhere, and I agree that there is transition that needs to take place as we evolve and embrace technology, but still take into consideration those that need hard copies, such as myself at times. As Assemblywoman Pierce said, we keep seeing the same

bill come back, so I think there is a solution. I do not know exactly what it is, but I know that you can get there, and I am hoping to see that come forth.

**Chairwoman Benitez-Thompson:**

Are there any other questions? [There were none.]

**Jennifer Dimarzio-Gaynor, representing Nevada Press Association:**

I want to reiterate what Mr. Smith has said, and I would like to address Assemblywoman Bustamante Adams' question. The press is moving toward the online-only model, and I think that is where we are going. The Legislature's website is great, and I use it all the time. It is very user friendly, but, as Assemblywoman Swank pointed out, there is still a fairly sizeable portion of the population that does not have access to online, and we cannot leave them behind. In particular, a lot of that population is our seniors. I happen to go to many tax appeal hearings every year as part of my job, and many of the people who are appealing are the seniors. In many cases, they are the watchdogs of what our government is doing, so it is a very important population not to leave behind. As we do make the transition to an online only world, we want to make sure we do it in a measured and careful way so we do not leave them behind.

**Assemblyman Oscarson:**

Ms. Dimarzio-Gaynor, when you were in my office yesterday, we talked about your website, and you do have a very detailed website that shows where to get all of these notices. I think you are moving in that direction and I appreciate that.

**Andrea Engleman, Private Citizen, Carson City, Nevada:**

If I might give you a little history, many of today's public notices are based upon Article I, Section 9, of the *United States Constitution*, which is what places limitations on government. That requires anything to do with finances shall be, from time to time, published, which is how it actually reads. That is what started public and legal notices. Again, I am confused as to whether this bill addresses just cities, or whether it addresses everything in the state. If it addresses everything, one of the things you have to think about, for instance, is if your husband dies or your parents die, you have to put a notice to creditors in the newspaper. That has to be published so many times and you have to prove to the court, before probate, that in fact you did. What happens now? Does it go on the attorney's website? How is that going to work? It is very confusing.

If you want to talk about local government only, if that is what this bill now addresses, cities and counties, we can go back and talk about the history of ordinances. The entire proposed ordinance used to be published in the

newspaper. The cities and the counties said it was too expensive and wanted to publish a brief notice in the newspapers, so they began doing that. Now, I do not think hardly anything gets published. Now we have the Open Meeting Law. The Open Meeting Law is in place so that people can get access to information. Many times, that is the first time somebody sees that there is going to be an ordinance presented at the Board of Supervisors meeting in Carson City, or a city council meeting, or county commissioners meeting. That is the first time they know that ordinance is being proposed. It is only heard two times at a meeting before it becomes law. Many times, you have people show up, for instance, an ordinance affecting pets. They say I just found out that my dog and I are going to be affected by this proposed law, where can I get a copy of it? They did not know they were supposed to look online for a copy of the ordinance. They show up at the meeting and there is one copy. If you are in Reno, they provide a booklet you can read. However, if you are in Carson City, the ordinance is placed loosely on a table and if someone picks it up, then it is not even available for people to read in person.

I have a friend who is disabled, and she prefers to get the agendas and the backup material all in hard copy because her shoulder is affected and she hates trying to go on the computer. Her computer is old, her printer is old, and it takes forever for her to print a copy. Who we are hurting by this is the disabled and those who do not have much money. Those are the people who will be cut out of notice and transparency. If you are well-to-do and you are well equipped with computers, then you are fine, otherwise, you are going to be left out in the cold.

Another thing to consider is circulation. Newspapers have audited circulation. You know, by their count, how many individual people are reading that newspaper. On computer sites, they have not yet been able to perfect a count. You do not know whether you have 10 people accessing that website over and over during the day, or whether you have 100 people accessing the website. Lyon County and Lovelock are going to be putting on a whole project in their county and city to try to drive people to their website because no one is looking at it.

I am opposed to this legislation. However, if you were going to do something and process it, I would ask that the ads put in the newspaper at least be display ads of at least two inches by three inches, so that the public clearly sees them and knows where to go for the information.

[Vice Chairwoman Neal assumed the Chair.]

**Vice Chairwoman Neal:**

Thank you for your testimony. Are there any last questions for this group? Is there anyone who would like to speak neutral on this bill? [There was no one.] We will close the hearing on Assembly Bill 4. We will now open the hearing for Assembly Bill 139.

**Assembly Bill 139: Revises provisions relating to the state business portal.  
(BDR 7-127)**

[Chairwoman Benitez-Thompson resumed the Chair]

**Assemblyman Skip Daly, Assembly District No. 31:**

I am quickly going to go over what this bill does and then turn it over to the others. Assembly Bill 139 is the next step in the development of the state's business portal. The goal with the bill is to make it easier for businesses to get their business from the first idea to the first sale faster by streamlining the various governmental business licensing procedures by integrating the currently disjointed system into the state business portal to build a better Nevada.

The state business portal has come a long way over the past few years since inception, and this is the next step in the development of this important information infrastructure, which includes the establishment of a business identification number to make the cross-referencing between agencies more efficient and effective. This bill will also establish a process to collect and integrate common business registration information that is commonly repeated on various registration forms, streamlining the process for portal users.

Assembly Bill 139 requires each state, local agency, or health district that issues a license, certificate, registration, permit, or other similar type of authorization to conduct business in the state, to begin the process of integrating into the state business portal and establishes a time frame to complete that integration.

Section 2 of the bill establishes a process for a person who is not required to obtain a business license to apply for a certificate of exemption.

Section 3 of the bill sets a requirement to post the business license and a penalty for failing to do so.

Sections 5, 6, and 7 require counties, incorporated cities, and other political subdivisions of the state to integrate their procedures for workers' compensation verification and reporting into the state business portal.

Section 8 repeals NRS 237.180, which calls for annual meetings to modify joint forms, which will no longer be needed because section 9 establishes a time frame, as I mentioned earlier, for agencies to integrate into the state business portal.

With that, I will turn it over to Assemblywoman Kirkpatrick for comments and then to Secretary of State Ross Miller for a quick PowerPoint presentation. The panel, mainly the Secretary of State, will be happy to answer any questions.

I have one quick comment before I pass it on to Assemblywoman Kirkpatrick. I did read the amendment that was proposed by Clark County, Las Vegas, and Henderson. Some of the ideas that were in there, where they are going to try to consolidate three different statutes into one regarding the unemployment compensation, that is the type of streamlining, innovation, and efficiencies that we would look for. However, the other parts, where they say they do not want to be included, I will give you an analogy. When we talked about building the road between Reno and Carson City, when it was a long way off idea, everyone said yes, that would be a great thing, we need to build that road. When they started moving forward with that and doing the development, some people said it was too expensive, I could do a better job, I would do it differently, I would rather stay down in the valley on the old highway. The fact of the matter is, we cannot have three of the biggest entities in the state down in the valley on the old highway. We are going to build this highway, this portal. We are going to get businesses using it, and once it is built, we will be looking for design techniques. We want to have an off ramp, so nurses, cosmetologists, and others who are not businesses, can get off the portal. Those are the suggestions we need. Now that the highway is built, everyone is using it because it is faster and more efficient. We need to build this business portal highway and we need to have everyone using it.

**Assemblywoman Marilyn Kirkpatrick, Clark County Assembly District No. 1:**

I wanted to give you a little bit of history on how we got to where we are today and the progress we are making so you can understand. This has been a work in progress and we have been making progress.

Assembly Bill No. 146 of the 75th Session provided for the establishment of a state business portal and was brought by Assemblyman Ocegueda and the Secretary of State. That bill was generated off something that was seen in Virginia. Virginia has always had a business portal. You could actually go to Virginia and expedite the process to get everything done in a one-stop shop so you could be in business before you are out of business.

Assembly Bill No. 494 of the 75th Session was another bill in 2009, which we gave to local governments because there was some resistance. Everyone had their own business licensing department. However, we found that there were a lot of businesses that never registered with the state, did not know they had to register with the state, and business was at a disadvantage, because there was no direction on where they needed to go.

In 2009, if you were on this Committee, and I know Assemblywoman Pierce, Assemblyman Munford, and Assemblyman Stewart were on the Committee, we brought A.B. No. 494. We said, okay local governments, go back and tell us what you can do to expedite the systems. I will use, as an example, a person who cleans pools. That person would have to get a business license in every single city. If he cleaned a pool in Henderson, he had to get a license for that one pool that he cleaned, and every time he was crossing lines. Businesses were frustrated. We wanted to help businesses do better so that we could keep them coming to our state and helping them expand for the long term.

In 2009, we sent local government back to ask what they could do and how we could streamline the process. The bill was A.B. No. 494. When the report was due back to us, they gave me 494 pages of what they could not do together. We decided we needed to have a better mechanism of working together. However, local officials agreed that we did need to streamline our process. Senate Bill No. 110 of the 76th Session was brought by Senator John Lee, which implemented the first piece of the business construction, so people could get business licenses in one stop. If you went to Las Vegas, you could get your license for Henderson, North Las Vegas, and Clark County. We believe this has been very beneficial. Government is working together and getting more documentation.

However, what has been left out of all of this is the state portion. On the state portion, we collect \$200 for a license fee. How the business portal is meant to work is a business will go to the state first so they know all the rules of the game. Economic development-wise, we can track some of those businesses to see where we need to do better. This is where we are trying to reach.

Last session we had Assembly Bill No. 449 of the 76th Session, which was the big economic development bill. There was another portion added so the Nevada Governor's Office of Economic Development (GOED) would also work with the Secretary of State. I have taken the class and will ask any of you in this room, whether you are a business person or whether you are on the Committee, to take the class, because it highlights all of the important data we can get to help our state work more efficiently and to leverage more dollars across the state. Utah has something similar and Virginia has had it in place for



a very long time and it is very consistent. They leverage all of their information and all of their data to make their state more successful. We should do that, too.

With all of that being said, this time I believe that one of the big hiccups we found in the interim, trying to work with local governments and get this online, was the health districts. If you are a small restaurant coming in and you have ten employees, they could not figure out what the process was for the health district. People were being fined for not having all the correct permits. We believe, at least in the two largest jurisdictions, Washoe County and Clark County, that the health districts play a huge part in expediting this process.

I believe the Secretary of State is going to walk us through how the portal actually works. This has data that we have never seen before and it helps us, industry-wise, know what businesses really are in our state and the kind of workforces we need to move forward on regarding education. Industry-wise, it helps let us know where we are lacking. It can track workers' compensation issues. We need the state to buy into it. Anyone can say they want to be a part of something, as Assemblyman Daly said, but sometimes you need to mandate it so they get to the table. We have been waiting, we have been trying to work, and we really want this to be up so business can move forward and, on the state level, we can collect our \$200 and track the industries within our state. With that, Madam Chairwoman and Committee members, I will turn it over to Secretary of State Ross Miller.

**Ross Miller, Secretary of State:**

I am joined this morning by a few members of my executive team, Nicole Lamboley, Chief Deputy Secretary of State; Karen Michael, who is our Business Portal Administrator, and who will be walking us through a demonstration of the portal; Ryan High, Deputy Secretary of State for Operations; and Scott Anderson, Deputy for Commercial Recordings.

I am here today in support of Assemblyman Daly's bill, Assembly Bill 139. Before I go into why this legislation is necessary, I would like to take a few minutes to take you through [<nvsilverflume.gov>](http://nvsilverflume.gov), Nevada's business portal, from the perspective of a customer. Assemblywoman Kirkpatrick mentioned a class, or a training program, that is much more extensive. I would also encourage you to participate in that so you can get a broader feel for the services that are offered through the portal and, ultimately, the potential that lives there. This is a very brief demonstration, but it will be twofold. We have abbreviated the start of the business steps and provided some screen shots for you, just to minimize data entry. We will then quickly walk you through the

completion of one part of the process live, so you can see how it functions. On the screen and in the handouts ([Exhibit F](#)) and ([Exhibit G](#)), there are screen shots of the initial SilverFlume registration steps. I am going to ask Karen Michael to guide you through the portal.

**Karen Michael, Business Portal Administrator, Office of the Secretary of State:**

[A PowerPoint presentation was displayed ([Exhibit F](#)).] On the screen, we have the PowerPoint slides (slides 1 and 2). The purpose of this is really just to give you a feel of what this "wizard" looks like. As a customer goes in, they are led through the process. Today, we are basically starting as a sole proprietor business (slide 3). As you can see, there is a menu at the top that will tell the customer about what steps are required during the process. For our purposes today, we want to pick an industry code that has some regulatory impacts (slide 4). The business specifies that, yes, they are planning to have employees, that they will operate in several locations within Nevada (slide 5), they plan to have some fictitious firm names or doing business as (DBA) names associated with their locations (slide 6), and they finally indicate that under tax requirements, they will be purchasing items within Nevada (slide 7), which means they will most likely need a Use Tax Permit.

Based off that information, it builds a checklist (slide 8) of what tasks we believe they are going to need to complete. There is a sequence to those, so there is a start button that shows for every step along the way.

We are now in the state business license flow (slides 9 through 13) and, again, it is the same "wizard" asking what the business is going to be called, where it is located, and essentially setting up the declaration and review page. As you can see, we go, again, to the checklist (slide 14), which has now put the start button at the next slot.

We are going to move to the production site now ([Exhibit G](#)). I am actually on <nvsilverflume.gov>, where I started this business based off that information you saw previously. This is the "dashboard" that customers see (slides 15 through 17). They may have a whole stack of businesses here. I have my sole proprietorship set up. We are going to go into the Common Business Registration (CBR) today, because that is one of the fundamental pieces of the portal. It has the capability to capture the baseline business information that is needed by most state and local agencies, basically collect it in one centralized place, and then be able to distribute that to all the agencies that require it, so the customer does not have to re-enter that multiple times.

Some of the information I entered previously has been prepopulated in here, such as my industry code, but for my purposes today, I think I may want to change my industry code. You can see how easy that is and that is really what we try to do; we try to create this very easy interface. I am going to type a description of what my business does. We also find out if the business is conducting either sales or services within Nevada. Sometimes that becomes a complex question, so we provided a "help" icon. That is one of the things we do throughout the portal, is we have these "help" icons where the customer can go to see more information. If they have questions, we are hoping that will guide them in their process.

The next several questions are dedicated to the Nevada Governor's Office of Economic Development (GOED), so they can target businesses that may be interested in exports. We also collect some initial information, such as the date started or if the business is using a fictitious firm name, which we know that they are. They also will be indicating, for every location, the number of employees, which is going to be helpful for later registration steps.

Where we get into going beyond where we were with the process, for example, is the capture of the address (slide 16). You can see, based on that dropdown menu, we are actually able to connect to what is called a geographic information system. We are not just in the realm of writing down addresses anymore. We now have the capability for Clark County, Washoe County, and soon other counties, to get some additional information about that address. That includes political jurisdiction, zoning, and the city assessor parcel number. We are really going beyond what the paper process (slide 18) was capable of doing and really setting the stage for good information that can be used for future agencies that will be looking at this information.

I am going to quickly enter an example phone number. I indicated earlier that I am going to have two locations. This would be my chance to enter that second location. For purposes of our time today, I am going to say no, that I do not have additional locations. It asks me owner information, so I have an opportunity to edit my owner information. Moving on to labor laws, one of the things we are able to do through the portal is ask what all the steps are that the customer needs to make it easier for them to know what they need to do. One of the things we were able to do is work with the Office of the Labor Commissioner and get a list of all the links to documents that businesses with employees need to print out and post within their establishment. If I were to click any of those links, it would pull up those documents and I could quickly print those and post those in my business. Additionally, there is information about the statutes and regulations that apply

to business owners with employees, so I have that in one location. After I have ensured that I have reviewed that information, I can go to the next step.

Within this next step is the standard declaration. For every piece of information that we are capturing, we are making sure they are aware that it needs to be correct. As well, you heard Assemblywoman Kirkpatrick talk about the streamlining of the D-25 form, or the old Workers' Compensation Compliance form. We are able to streamline that now into this step, to let the business customer know what they need to be doing to be compliant with workers' compensation within the State of Nevada. Once they have reviewed that information, they can move on.

The final step for each flow is always a review, so they have the opportunity to correct anything that needs to be updated. Finally, when they chose "next," they can see what their next step is within their checklist. As you can see, by doing the Common Business Registration, there were a number of steps that were completed at that same time.

We do not have time today to go through the Nevada Department of Taxation, but I will show you quickly the "shopping cart," which is the embodiment of the one-stop shop. What you see here is a "shopping cart" that has multiple agency items within one "shopping cart." You can proceed to checkout with one form of payment.

**Ross Miller:**

Hopefully, you can see the potential for making this easier for the consumers out there and the many businesses we have on file in our state. That is one part of the reason we are here in support of A.B. 139. Obviously, it is designed to add more services to the policy. The current process is just absolutely mystifying. You talk to small business owners and, not only do they think it is cumbersome and bureaucratic, but it is absolutely mystifying in that they are not even sure where to go. You have to run to 17 different state or local agencies filling out the same information on a paper-based form repeatedly.

This streamlining of the process brings a couple of benefits. First, it makes it much easier for the consumer, which I think will go a long way towards reestablishing Nevada's status as a premier business jurisdiction in creating a one-stop portal that would rival any portal in the country. I think the potential is there, but when we take these additional steps and add other state agencies, most particularly the local agencies, it could truly be transformational.

Secondly, as Assemblywoman Kirkpatrick alluded to, one of the big distinctions here is that we will now be able to track all of these businesses. You saw

briefly, just in the walk-through, that the business name that is on file with our office, and any business that wants to do business in the state of Nevada, first has to start with our office. They register their sole proprietorship or their limited liability company (LLC). In this scenario, the name of that business was Child Services. When we got down to the area where they were able to list the DBA, under that example, the business name was Kids' Place. That is a significant problem, not only for the state, but also the local agencies, in that there are many businesses that are known by different names throughout the state. When you integrate all of these into one portal, now all of a sudden we know that we are talking about the same business. That results in a significant amount of uncaptured revenue.

I think we have set forth a common vision. Again, I want to thank everyone who has been involved in that. Participation, at this point, really cannot be optional. What we are still facing is the fact that many of the state agencies and local governments that collect these fees are still operating in a silo. Dating back to 1993, this is not a new idea that we have been trying to overcome. This body established a statutory requirement that there be coordination of collection of certain information from businesses. That required state agencies and local governments that collect taxes or fees to coordinate with the collection of information and forms. This proposes the repeal of that statute, NRS 237.180, as Assemblyman Daly referenced, and replaces it with the requirement that we establish common business registration data. That is part of what you saw through the PowerPoint flow. This is information that is common to every business in the state. Once we collect that information, we can share that report with agencies and we can automate that process. That is a tremendous advantage for the businesses that are out there, because once we have collected that information and shared that information, when you go to the next agency, you do not have to fill out the same information, such as your name, your address, your contact information, repeatedly. That kind of redundancy is extremely frustrating and, with modern technology, there is just no reason for it.

The ultimate goal of the portal is to have online business services so that any agency that has an online service should be integrated. That would work through the portal, completing the basic registration process, and then through some of the "wizard" functionality that we walked through.

On the other end of it, it also specifies that the state business license or exemption must contain the Nevada business identification number. That gets back to what I was referring to about tying together these different businesses so we are sure that one business that is registered with our office is the same

as registered with the local office. When we do that, it has the potential to capture a significant amount of revenue.

I see this as a giant win; not only for the state and the businesses, but also for the counties and the local agencies that, to this point, may have expressed some concern. To be certain, we are not trying to take away the authority of those licensing agencies or local government's ability to determine the requirements for licensing, but what it does is eliminate those silos by creating a single entry point. At the end of the day, this is going to be much more efficient for them as well, because we have already collected that information through the portal. There is no reason that they should expend resources to try to duplicate that process. There is additional revenue that is being left on the table for those municipalities and the county agencies also because once we have collected that information and identified the business, we can make sure they are fully compliant with all of the fees that are ultimately owed to them.

Again, I want to thank so many of the members on this Committee and through the legislative body that have been champions for this issue and helping us get this far: Assemblyman Ocegueda and the leadership we worked with, Assemblywoman Kirkpatrick, dating back to a couple of sessions ago, has been an absolute champion, and now Assemblyman Daly, and all of you who have participated to this point. We are confident that when we move forward here, it is going to help us be, ultimately, transformational in the level of service it would provide to businesses throughout this state.

**Chairwoman Benitez-Thompson:**

Thank you for the presentation and the testimony. Are there any questions from Committee members?

**Assemblyman Stewart:**

Is this basically what Virginia has been doing for some time, or are there other states that have been doing this as well?

**Ross Miller:**

Yes, it is very similar to what Virginia is doing. They have a sophisticated one-stop shop. Just about every state, as I meet with my colleagues at the National Association of Secretaries of State, is working on some type of business portal, be it through the leadership of the governor's office, the secretary of state, or whatever agency typically houses the initial pilot filing point for businesses. When I took office, I frankly thought this was going to be an easy initiative, because I thought it was a case of the public sector being slow to embrace technology that existed in the private sector. I should have looked around and realized that not many states have been able to do it, and

that should have been a clue to me. It speaks to the challenges. The issue is that all of these processes, when you deal with individual licensing agencies, have their own silos, they have their own process, but technology makes it possible to integrate all of those and that is really what this project is about. If we are able to get the counties and the local agencies throughout the state to participate, broader than what we have seen, we are already providing some exceptional services; but we can do better. If we take that next step, we could literally have the best portal in the entire country. I believe that would not only help us attract additional commercial recordings revenue to bring additional revenue to the table, but also show all those entrepreneurs and small businesses out there that Nevada is the premier place to do business, and it will help with our economic development efforts as well.

**Assemblyman Stewart:**

Have you coordinated with Virginia to try to work out the problems they may have experienced?

**Ross Miller:**

We have had quite a number of discussions with other jurisdictions, looked at those models, tried to figure out what the best practices are, what lessons we could learn, and then we have worked internally over the last few years to develop the portal that you see.

**Assemblywoman Woodbury:**

I really liked the idea of the portal in 2009, and I really like this upgrade. I am glad you went ahead starting with it, not knowing the difficulty, because I think we might not be where we are. The bill indicates there are currently no fiscal notes, and I am just curious why that is. Is it just that we could use existing resources to develop this?

**Ross Miller:**

We have used existing resources to develop this. In 2009, when the legislation went forward, you appropriated a significant amount of money in a deep recession for us to create this. That brought on Karen Michael and her team to be able to integrate this. Some of the municipalities and counties, as I understand, may be bringing fiscal notes to the table, because it would establish some work in terms of connecting into the portal on their part. I do not think that those barriers are insurmountable. Our estimate, for the type of information we would be collecting from their side, is it should be able to be implemented with about 40 hours of information technology (IT) time. I think we have seen that with other agencies that we have already connected with.

**Assemblywoman Kirkpatrick:**

Thank you, Assemblywoman Woodbury, for asking that question. Right now, we are doing the same thing across many jurisdictions. That was their concern in 2009. You probably remember that, too. They could not do it because it was going to cost a fortune in information technology (IT). Amazingly, it is a talking point that they all use on how important it is and how it has actually brought more business and it has helped people reestablish their business licensing, and they are seeing an influx. I think working with local government, and I believe Assemblyman Daly will probably have a working group in the next week, we can use their existing resources to help them do that. If we continue to work in the silo, we lose for the long term. The fiscal impact is bigger for the long term.

**Assemblywoman Pierce:**

Will this make it possible for a business to have one identifying number, so they do not have one number for the state, one number for Las Vegas, and one number for Clark County?

**Ross Miller:**

That is mandated on the bill. We have a Nevada business identification number that we have established in our office, as I said. Any business that wants to do business first originates with our office. Once they obtain that filing, we issue that number. This will integrate all of those databases so they all have the unique identifier so we will be able to make comparisons across agencies and make sure that every business is compliant with every regulatory or licensing agency that they need to be.

**Assemblyman Oscarson:**

As a person who has previously attempted to start a business, this is really a huge step in the right direction—to put everything in one place. I envision that the rurals, at some point in time, will be able to participate in this, as well, to make it simpler for them. I know just in the town of Pahrump, there are several different places people have to go, in addition to the state. I hope that is going to be integrated at some point. I see you have Douglas County already. I look forward to the participation of those entities in this endeavor. It is great and I applaud you for doing it.

**Assemblywoman Bustamante Adams:**

I also appreciate the step forward, and I agree with the increase in competition that our state is going to have. My question is regarding the IT infrastructure. I was able to be on the portal before it was released. There were still a couple of glitches. Do you have the IT workforce within your own team as we evolve and need to make changes in the future?



**Ross Miller:**

I believe we do, currently. The Legislature appropriated sufficient money that we have a very solid infrastructure for the portal, and it would be very reliable moving forward. Obviously, with any technology, it is going to require upgrades and you are going to have to continue to invest to utilize the best available technology to make sure it is reliable. With the scope of the project we are considering, literally bringing this as being the backbone for every state and local agency that we have, that would be an investment that we would have to continue to maintain.

**Assemblyman Livermore:**

I compliment you on beginning this process. Some counties and cities have done something about this on their own. Carson City has created what is called the Carson City Business Resource Innovation Center. Would this complement that or would it eventually replace that? How do you see that working in conjunction with cities and counties who may have done something already?

**Ross Miller:**

That is a very good question. I think you hit on the accurate description, initially, that this would be very much complementary. Again, there is nothing about the portal that attempts to take over the licensing functions of the city or their ability to distribute the types of information that they think businesses need. What this would do, instead, is collect the common business registration and then allow every municipality or county to tailor the information they would need for their licensing process. I understand that many cities and counties have invested a lot of money in also trying to reach the same goal; to streamline it. What we have heard from some of those counties and cities is there really should not be any wrong door. You ought to be able to walk through any door, through any agency, to complete the same process. While I think I share that vision, the bottom line remains that, by statute, because there is really no other way, functionally, to do it, every business has to originate with the Secretary of State's Office. That is the way this portal is designed. It would guide the businesses through that "wizard" technology to the process where we have collected the basic information. When we get down to the county and local agencies, we would brand that process so the information we are now collecting belongs to the cities or counties. These are questions that they have requested, and this is information that they want to distribute to that business. We do that for a couple of reasons. First, if you do not, it becomes very frustrating to the user because it seems like an endless form that is never going to go away. They have to know that these questions are being asked for the purpose of an additional license. Second, if that is Carson City's process, I cannot have those calls coming into my customer service. They would get

another contact in Carson City. I think by providing that service, it could be very complementary.

**Assemblywoman Kirkpatrick:**

Madam Chairwoman, if I could follow-up. Assemblyman Livermore, with the passage of Assembly Bill No. 449 of the 76th Session, I think the state took a policy decision to work better together, work smarter together, to help our state grow, and get back on track. Last session, many of you know that we met with all the leadership, with the Governor's Office, and with businesses around the country. What they told us is they would go to the state first and then they would go to the local governments, because they wanted to determine if the state works best for them as a whole, for their workers, and for their business plan. Since they are already going to the state first, we should be able to help them expedite and know what processes are in place.

This is not about a turf war; this is about us working together as a state to help everyone move along. That is why the data is a little aggressive in the bill. We have given folks a lot of chances; four years. If your constituents are like mine, they want to see something move forward. They are tired of us talking about it; they are tired of us putting money together. They want us to move forward. Sure, there will be some IT needs in the Department of Taxation, and there will be IT needs in the Office of Economic Development, but there are going to be those even if we do not do this. If we do not help expedite people, it is a problem.

When we met with businesses around the country, the folks from Utah indicated they could open their business in 30 days. We cannot get out of our own way in this state to get the paperwork done in 30 days. I go back to the pool cleaner who wants to clean pools in four different cities. We are a relatively small state; you cross the street and you could be in a new city. That is time and money and a lot of paperwork for us to try to put together. I see this, and I hope that local government understands it, as only enhancing what we can do in the state and working together. We are going to have to get together. It is unfortunate that we have to mandate things because I thought voluntarily trying to get folks to work together would have enabled us to be online by now. In my mind, we should be online this year. We could talk it to death, but if we do not get online, we are wasting businesses' time, our constituents' time, and we are wasting your time, quite frankly.

**Assemblyman Livermore:**

Assemblywoman Kirkpatrick, I agree with you. It is not a matter of a turf war. In fact, I have started businesses myself before and wondered, how can you get

a fictitious name, how can you file for a Federal Employer Identification Number (EIN)? I think those are the things that will eventually assist people in wanting to create businesses that create jobs. That is the whole point.

**Assemblywoman Swank:**

What is the process for bringing existing businesses into the portal? Do they do this when they renew their license or before that? How does it happen?

**Ross Miller:**

There is a section on the home page that we could have brought up that is called "Manage Your Business." For the existing businesses that we have on file, they can go in and file their annual list with our office, which is required annually. The ultimate vision is to integrate all of those services and pay your state business license fees at the same time. They can manage those businesses through the "dashboard" that you saw in the presentation.

**Assemblyman Ellison:**

I think you have answered about 90 percent of my questions and I know you are short for time. The unfunded mandate portion of the bill, is that going to go back and bear on the counties and cities? Do you have any idea of what that impact is going to be?

**Assemblywoman Kirkpatrick:**

Yes, that is going to go back to the county, but we are going to help them get additional revenue by expediting their process, by ensuring that people have all the right permits, and people have all the right licenses. In order for them to move forward, economically, and they have the regional development, things that we formed last session, we have to have something. Honestly, sometimes we cut our nose off to spite our face because we do not reinvest a few bucks to get a bigger plan forward. I would bet that local government is going to say it is an unfunded mandate, and I get that. However, we have given them four years. They knew it was coming. I save my pennies, too, so over four years I could probably have bought that new car I wanted if I was planning ahead. It is unfortunate that it is going to be an unfunded mandated, but I believe that local government wants to work with us, so I do not know that we are going to be pitted against each other as much as folks would think. I think they want to be part of this process. This is something we can tout as a state and how we work together regionally. The two largest counties are the ones we started with. We were at a luncheon and they got up and said (and I defended the entire Legislature nicely) what a great thing they did in Clark County, opening the one-stop business shop and it was such a great idea. If you know me, you know I clarified the record for them and reminded them we mandated them to do that but we did not care if they took the credit for it.

I think they want to be part of it, and I think we have to look past the unfunded mandate. They could say it is \$1 million dollars tomorrow and in reality, maybe it is \$5,000, but maybe we generate \$25 million.

**Assemblyman Daly:**

I just wanted to circle back to Assemblywoman Pierce's question. It is my understanding that the state identification number is not meant to supplant any other identification number, be it the Nevada State Contractors' Board number, or whatever, so they can still have internal tracking. The state identification number is really the cross-jurisdictional check, so they know they are talking about the same business. The Nevada State Contractors' Board has their license number and another agency has another license number, they do not know if they are talking about the same person. That is the way it was explained to me and what we are trying to accomplish with the state identification number, so it is cross reference identification so we know who we are talking about.

**Chairwoman Benitez-Thompson:**

Thank you very much for the presentation and the testimony. I will open up for comments in support of Assembly Bill 139, either from Carson City or from Las Vegas.

**Randi Thompson, representing National Federation of Independent Business:**

I represent over 2,000 businesses across the state of Nevada. Just a few statistics for you; there are 220,000 small businesses in Nevada. About 80 percent of those have no employees. The folks who are really impacted by what we are doing here today are the folks who have the very small businesses.

Let me go through the day in the life of a businessperson. You have to go to the county to get a doing business as (DBA) name. Then you have to go to the City of Reno to get a license. Then you have to go the Nevada Department of Taxation. If you need a building permit or a planning permit, you have to go to the City of Reno. If you need a health permit, you have to go to Washoe County. If you need road impact fees and road impact credits, you have to go to the Regional Transportation Commission. If you want to get power, you have to go to NV Energy. If you want water, you have to go to Truckee Meadows Water Authority. Consolidation would be an awesome idea, and I love the concept. I am very supportive of this streamlining process.

Frankly, my only concern is a technical one. *Nevada Revised Statute* (NRS) 76.020, section 2, has exemptions for businesses, and one of those is the home-based business. In the requirement, it states even if you are exempt from a business license, you are to go online and get that exemption and post that at

your business or face a \$250 fine. I think that is a little extreme. If you are a home-based business and have to post an exemption, there is really no way to enforce it, first of all. Government entities are exempt, non-profits are exempt, and home-based businesses are exempt. My only concern is the \$250 fine if you fail to post at your home that you are exempt from the state business license. Again, I think it is a technicality. I do not think we need to have a threat for not posting a sign. Otherwise, from a business perspective, I would love to be able to see it easier for anyone to start a business.

**Chairwoman Benitez-Thompson:**

Are there any questions for Ms. Thompson? [There were none.]

**Jack Mallory, representing International Union of Painters and Allied Trades, District Council 15, and Southern Nevada Building & Construction Trades Council:**

We see tremendous value in this legislation. One of the problems that has occurred in the construction industry, with both open and closed shop employers, is that there is some confusion about all of the licensing requirements. I am not going to get into any discussion about the merit of how many licenses are required, but it has been my experience in doing research, both on open and closed shop employers, that they may have a contractors' license, but they are not licensed with the Secretary of State. They may have a license in the City of Las Vegas, but do not have one with Clark County. They may have a license to do work in Clark County, but do not have a license to perform work in any of the municipalities.

With the construction industry in particular, those employers are migratory. They bounce back and forth within the boundaries of Clark County and southern Nevada, in general, and some across state lines and throughout the entire state. Having a one-stop shop where all of these things can be either accessed or questions can be answered about what is required, is a tremendous resource for our employer partners and for the construction industry, as a whole.

**Chairwoman Benitez-Thompson:**

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

**Terry Graves, representing Henderson Chamber of Commerce:**

A couple of sessions ago, I sat in on a kickoff meeting for this project with representatives from the Secretary of State, Legislators, and other business representatives. The impression was that it was not going to be an easy task to set up this portal system and it would be an evolutionary process, which it is demonstrating, in fact, to be. However, once fully functional, the business

portal will offer a very valuable tool in the toolbox for the state to attract and retain businesses.

I would also agree to the comments made by the other two supporters of the bill. I am also going to be representing Nevada Trucking Association, who is also in support of this bill. I would also suspect, as an evolutionary process, this is probably not the last bill that will ever be heard on this subject.

**Chairwoman Benitez-Thompson:**

Thank you for your comments, Mr. Graves. Are there any questions from the Committee? [There were none.]

**Randi Thompson:**

Madam Chairwoman, I see Tray Abney is not here. He is actually speaking on the minimum wage bill. I just wanted to say that Tray Abney, representing the Chamber of Reno, Sparks, and Northern Nevada, is also expressing his support, with some concerns. I am sure we can work some of those out.

**Chairwoman Benitez-Thompson:**

I will be sure to note that for the record. I am sure he probably has something written that he can get to us, as well.

**Carole Vilardo, representing Nevada Taxpayers Association:**

As you have heard before, the business community, generally, was very supportive of the portal. I have a couple of points of clarification, but I should say, overall, we support the bill. There is a reference, on page 5, section 2, subsection 7, regarding a person who gets a certificate of exemption, and that would be someone like me. I am a 501(c)(4), done under NRS Chapter 81. I may change it to NRS Chapter 82. There was no NRS Chapter 82 when we originally filed. At any rate, the section states you must post conspicuously. Not that the bill needs to be changed, but I would like an affirmation that I can photocopy the exemption. I have two offices and would need to post it at the other office. I need clarification there that there is not a problem with doing something like that. I do not think there should be. On page 6 of the bill, section 2, subsection 8, lines 4 through 7, you will find there is a due process procedure, if you will, for a hearing if a person appears to have violated it or if the Secretary of State has sent back the license for any reason. We would like to see that hearing procedure done by regulation. It would make it much easier for everyone to understand what the process is going to be, if there are other time frames involved, et cetera. That would be one recommendation on that.

On page 7, section 3, subsection 6, again is an issue of the copies and just to get that clarified. The other thing I would definitely like to support is the repeal

of the section that is involved here, which is legislation that was put in, if memory serves, in 1993, for the very purpose that was identified. We were trying to get some simplicity to the amount of paperwork that had to be filed. With the portal, you no longer have to have that annual committee meeting, although it would be nice to think that the affected jurisdictions and the business community might be able to provide input in some manner or format to the Office of the Secretary of State to assist in identifying possible glitches or giving kudos because something has processed very well.

One other concern I would raise is the requirement for the application having been approved by the Secretary of State before you can get a local license. If you are a small business, you are working multiple jurisdictions at the same time. We used to have a provision that allowed you to put "pending" if you were an initial business, and then follow through, actually showing that you had the requisite licenses. Anything that is taking longer than two weeks, and that is potentially possible if you have to show that you have filed under Title 7, or NRS Chapter 71, or some of the other licensing requirements for a corporation or a limited liability company (LLC), then by the time you get back, provide the information on the registration form or through the portal, there is a potential that you are delaying the opening of a business. I know that in some local governments there are delays there, as well. What we want to do is make it easier. I do not know if the time frame issue has been resolved from the Secretary of State, but those are issues. I apologize to the office. Ms. Lambole and I were going to try to meet prior to some things, but that has just not worked out. I have not identified these issues that I am raising right now. Overall, we support the bill and we urge your passage of it, with some clarifications on the issues I have raised.

**Assemblywoman Bustamante Adams:**

Support of the bill means you would support the bill as is, so you do not. Is that correct?

**Carole Vilardo:**

No. I support the bill. I would like clarification on some of those items and I would prefer to have an amendment relative to the adoption of the hearing process by regulations. Overall, I do have the support for the bill, but there are a couple of issues I have raised.

**Assemblywoman Bustamante Adams:**

If the issues were not addressed, if we were to Do Pass, would you support the bill?

**Carole Vilardo:**

I would probably bug the Secretary of State's Office until they were annoyed with me in getting this straightened out. Ms. Lamboley knows that has happened before.

**Brian McAnallen, representing Las Vegas Metro Chamber of Commerce:**

We are here to support the direction this bill is going. I understand from Assemblywoman Kirkpatrick and Assemblyman Daly that this is probably going to head to a working group and we would like to be a part of that and those discussions.

The goal and the policy that are being set here is absolutely the direction that we need to be heading, which is integration of the business licensing process, at the state level and at the local level. There are significant challenges at the state level getting that vertical integration between, not just the Secretary of State's Office, but the Department of Taxation and all the other agencies. We have to make sure that it is seamless for all businesses, and to make sure that it is easy for a business to come to this state, register, open their business, and start bringing revenue to our state and to our local governments.

We, at the local government level, have to make sure that the processes we have in place are synchronized and working together, as well. I do want to call out what is happening in Clark County, for those of you who may not be aware. Over the last couple of years, they have moved together to work on integrating and collaborating in their business licensing process. I think they have done a tremendous job. Is there more that could be done? Sure. It needs to be recognized that they have done a good job. Part of that was driven by the policies that have happened in the legislature over the last several years. I really want to commend the efforts of Assemblywoman Kirkpatrick, as she has pushed and driven this issue for five years. We know that the Secretary of State's Office is doing a good job on their end, trying to pull all this together. There is a lot of work that needs to be done. I would suggest, if the direction is to move this to a working group and clean up some of the areas that still have hiccups and look at some proposed amendments, that would be good. We all have to work together and try to make this happen and make it easier for businesses. I think our organization is one of the largest business organizations in the state, with over 6,000 members representing about 230,000 employees. Speaking on their behalf, we are trying to make this process as easy as possible for the small businesses to be able to get licensed, open their doors, and be compliant.



**Chairwoman Benitez-Thompson:**

Are there any questions from the Committee members? [There were none.] Is there anyone in Las Vegas for testimony in support of the bill? [There was no one.] Is there any additional testimony in Carson City in support of the bill? [There was no one.] We will move to opposition of the bill. We will start with folks who have a proposed amendment.

**Karen Duddleston, Business Licensing Manager, City of Las Vegas:**

I have been asked to speak on behalf of the City of Las Vegas and on the behalf of Lana Hammond, Business License Manager, City of North Las Vegas; Jacqueline Holloway, Director, Department of Business License, Clark County; and Margaret Glad, Supervising Business License Technician, City of Henderson, all of whom are here today.

First of all, we wanted to thank you for the opportunity to address A.B. 139. Our coalition of business licensing officials from North Las Vegas, Henderson, Clark County, and the City of Las Vegas have worked very hard this past year to identify and streamline both the licensing processes we administer and the experience our customers have in opening their doors as a new local business and in their continued operations. We applaud the goal of a one-stop shop and all of us working together. That is our goal, as well, and we do want to make that very clear.

Locally, we have worked toward multijurisdictional and consolidated licensing opportunities for our business partners, which later this year will open consolidated licensing opportunities to thousands of southern Nevada businesses.

[Ms. Duddleston continued to read from written testimony ([Exhibit H](#)).]

We respectfully request your consideration of our amendments ([Exhibit I](#)) and please allow us to be involved in the discussions to bring a proposal that we can all support and that will be mutually beneficial to everyone.

[Ms. Duddleston also submitted an explanation of the proposed amendments to A.B. 139, ([Exhibit J](#)).]

**Chairwoman Benitez-Thompson:**

Thank you for your testimony. Are there any questions from the Committee members? [There were none.] With this proposed amendment that I see here, one of the big things it does is it makes optional the ability for local governments to participate. You want to see that it be left as an optional item, is that correct?

**Karen Duddlesten:**

At this point, yes. The real question comes down to the term "integration," what that really means, and what that will really cost everyone. We do not understand what some of those terms mean. We need to be involved on the inside of the discussion to understand. Are we just talking about sending common business data back and forth? That would be very simple and we are supportive. The City of Las Vegas has worked with the Secretary of State's Office to try to get that to happen, but it has not been ready to happen this year.

**Chairwoman Benitez-Thompson:**

It is good to see all the jurisdictions sitting together in the process you have been working on. When you have come together in consolidation, what has been the feedback you have had from local businesses there in your respective jurisdictions?

**Karen Duddlesten:**

Overall, it has been very positive. What we have really learned this year is that we need to listen to our customers. In doing the consolidation for the contractors' licenses, we got a lot of positive feedback. We got a lot of positive feedback from large corporations. We have to understand, by consolidating their licenses, we basically sent them a "super bill." For companies that are large and complex, we sincerely helped their process.

What I also heard from people at my front desk, is that we priced some people out of the market. We have to listen to those people. Since consolidation in the City of Las Vegas, we have lost 292 contractors. They have withdrawn their licenses. That is \$73,000 a year of annual revenue that the City of Las Vegas will likely not see in the future. From trying to talk to them, they were the little guy. We sent them a "super bill." These are people whose construction comes from porch covers, working in a backyard, maybe doing a kitchen renovation. They indicated that work is seasonal for them. If they do not have pending permits someplace, they are not going to pay that "super bill," they will only maintain what they have to, to survive the quarter or the season, or they will consolidate it and just work in a smaller area. What we did not allow them was the flexibility to manage their business. Some of them really needed month-to-month to pay the Secretary of State's Office in January, the North Las Vegas bill in March after they had earned a little money, and their City of Las Vegas bill in the summer when they had their boom. We took those options away from our customers.

What we have been trying to do at the local level is find ways to achieve the goal in doing it a different way. What we are proposing to do now,

instead of forcing consolidation, is offer businesses the option. From the City of Las Vegas, if a business is located in the city, I can manage that business's licenses if they would like me to. If they are delivering, and it does not matter if they are delivering floors or furniture, and doing business in one of these other jurisdictions, I can get their bills, get their licenses, put them on one bill if they would like me to, give them the delivery licenses, and manage those for them. What local government really does for businesses is help them open their door. We are not simply registering them.

**Chairwoman Benitez-Thompson:**

I am glad to hear that there is cooperation happening in all levels. From what I hear, when a business works in multiple jurisdictions, like many of the contractors or other small businesses do in the southern Nevada area, they have a consolidated process and they have a way to move through that process. I just cannot help but think that, if we include the state into that, we get a more streamlined system. There is nothing about this bill that I read that takes away from the local government's authority and ability to have help centers and assistance centers to keep the valuable stores of information, like you folks, to help move businesses in the system.

**Assemblywoman Neal:**

I have a question on your amendment ([Exhibit I](#)) under section 1, subsection 3, paragraph (c). You added "is capable," so now it reads differently. The "state business portal is capable to collect..." versus the way it read before, which was to ensure that state and local agencies are capable of using the business portal. What was the purpose of rearranging that language?

**Karen Duddlesten:**

What we have been trying to work toward is that we need to bring technology together. We have asked, on several occasions, for information and how this is going to work. We do not always get the same answer. The questions for us this past year have been will the portal be operational, to what extent, to what information, what are we going to have to create technology-wise to hook to that portal? We do not know the answer to that, at this point. We want to make sure the portal is capable of sending information to us and, yes, we need to be capable of receiving it. Our concern is each time the portal changes, do we have to rebuild, recreate, and repay for something as that changes? What is the obligation of local government?

**Assemblywoman Neal:**

I understand what you just said, but adding "is capable," and putting that phrase together in that way, means if it does not happen, then someone is left out of the loop. You did not add any additional statement, such as, "If not

capable, then X should occur." Even if we considered that portion of the amendment, there is no solution in that section. Do you understand what I mean?

**Karen Duddlesten:**

I do.

**Chairwoman Benitez-Thompson:**

Are there additional questions from Committee members? [There were none.] Thank you very much for your testimony. Is there anyone in the north wishing to testify in opposition to the bill?

**John Slaughter, representing Washoe County:**

Washoe County wants to stay in the state business portal. We look forward to coming to the table, I believe it has been mentioned in the next week, to come to conclusion on issues. We do have some technical issues that our business licensing staff has talked with us about and they would like to come to the table with the sponsor of the bill, the Secretary of State's Office, and come to a conclusion so that we can participate in the state business portal.

**Chairwoman Benitez-Thompson:**

Are there any questions for Mr. Slaughter? [There were none.]

**Cadence Matijevich, representing City of Reno:**

I am here this morning representing the City of Reno and I want to say, first and foremost, that we are testifying in opposition only because of some technical concerns with the bill. The cities of Reno, Sparks, and Washoe County have been working together since last session to streamline our business licensing processes. We have made a great deal of progress on that. In fact, we have consolidated our license application process, whereby a business license applicant can come to any one of the three jurisdictions and obtain their license for all three jurisdictions. We think that is a great improvement for our business community. We submitted a copy of a letter ([Exhibit K](#)) that was written on behalf of all three jurisdictions. I want to be careful that while this letter was on behalf of all three jurisdictions, I do not want to give the impression that my entire testimony is also on behalf of the City of Sparks.

This letter addresses the SilverFlume Data Exchange Agreement. If I use the analogy that some of you heard earlier about getting on to this "highway," the analogy that Assemblyman Daly used, there are a couple of things about getting onto that highway. First and foremost, to get on the highway, you need a vehicle; you cannot be riding a bike. Unfortunately, right now, we have a bicycle. The three jurisdictions have been working together and, in fact, we

were kicking the tires of a minivan yesterday. Unfortunately, it is probably going to have to be a minivan so that all three jurisdictions can ride together, but we just need a little more time. We are concerned about the timelines in the bill to accomplish this by the end of the year. As you heard Assemblywoman Kirkpatrick say, we have been saving for that car to get on the highway, but unfortunately, these last four years have been difficult for us from a revenue standpoint. We appreciate the fact that there is a waiver provision through the Nevada State Board of Examiners. However, our concern is if that waiver is not granted and we have not had adequate time to ensure that we are purchasing the right vehicle to get on the highway, one that is going to be reliable, that is going to be efficient, and that is going to get us where we need to go, we may just need a little more time.

In addition to that, this data exchange agreement is the license that we need to ride on the highway. We have some concerns about the requirements of that data exchange agreement in its current draft form and look forward to the opportunity to continue to work with the Secretary of State's Office to address those concerns and look forward to being involved in any working group that is put together to address the technical aspects of this bill.

**Chairwoman Benitez-Thompson:**

Thank you. Are there any questions from Committee members? [There were none.] Is there additional testimony in opposition of the bill? [There was none.] There are quite a few people signed in as neutral on the bill, if you would like to come up and provide insight on the bill in a neutral way.

**Michael Hillerby, representing Nevada State Board of Nursing:**

We have talked with Assemblyman Daly and with the Secretary of State's Office about a potential issue we want to make you aware of. The way the bill is drafted, section 1, subsection 3, on page 4, references a license to engage in any occupation or profession in this state. For example, the State Board of Nursing licenses over 40,000 nurses, the vast majority of whom are not business owners. They are employees who work as school nurses, for hospitals, for doctors, or public health agencies. As we read the bill, it would require every one of those 40,000 nurses to either get a business license or apply for the exemption. I do not think that was a workload that was anticipated in the drafting of the bill. Again, we have talked to the Secretary of State's Office and Assemblyman Daly, who said, no, it was probably not the intent to do that. There are probably a good number of other licensing boards, some of whom are in the room today, that could have a similar story. We do not think that was a workload anyone had anticipated and it was probably not the "business" that the portal was intended to grab.

By way of background, I think you know all the professional licensing boards are unique in one way, in that we receive no General Funds. Our testing, licensure, examination, investigatory, and public services functions are all paid for by the licensees themselves, so we are a little bit different than the traditional state agencies in that respect.

I would be happy to answer any questions and will look forward to working with the working group and the Committee in whatever way we can to be helpful. Thank you.

**Chairwoman Benitez-Thompson:**

Thank you, Mr. Hillerby. Are there any questions from the Committee members? [There were none.]

Is there anyone in Las Vegas who would like to testify as neutral on the bill? [There was no one.] Is there any additional testimony in Carson City?

**Mark Teska, Administrative Services Officer, Nevada Department of Public Safety:**

The Department is neutral on A.B. 139. However, it is our understanding that there are several state agencies who have been requested to submit fiscal notes. To date, the Department has not been requested to submit any fiscal notes. However, there may be a fiscal impact to a few of our agencies. We simply wanted to indicate that, even though you might not be expecting a fiscal note from the Department of Public Safety, we would submit an unsolicited fiscal note if it is appropriate, based on our analysis. Thank you.

**Chairwoman Benitez-Thompson:**

Thank you. For clarification, there may or may not be a fiscal note, depending on whether you do analysis or not, at some point.

**Mark Teska:**

The only impact that we see right now is that there is a requirement to integrate current licensing systems with the Secretary of State's business portal. Obviously, it is a technology issue that, I believe, there was prior testimony to. That, right now, is all we can see. Based on our very cursory review, we cannot determine, at this point, what that impact might be, so our technology people will be looking at it to determine if there is a fiscal impact.

**Chairwoman Benitez-Thompson:**

Thank you. Are there any questions from Committee members? Is there anyone else wishing to testify as neutral on the bill? [There was no one.] Do the presenters or the bill's sponsor have any closing comments?

**Assemblyman Daly:**

It sounds like we have a few speed bumps, but nobody does not want to get on. With the Chairwoman's indulgence, we do want to form a working group, along with the Secretary of State and Assemblywoman Kirkpatrick, to see if we can get some of these things worked out. I do believe everyone wants to use it. I did not hear anyone say this is a bad idea and we should not keep moving forward, they just have some concerns and questions about how it is going to impact them, when to get on, and those types of things.

**Chairwoman Benitez-Thompson:**

At your request, Assemblyman Daly, I will request anyone who would like to work with the bill's sponsor and the presenters in a work group format on technical issues in the bill, please make sure you circle back to them.

I will close the hearing on Assembly Bill 139. I welcome any public comment from Carson City or Las Vegas. [There was no one.]

I will adjourn this meeting of Government Affairs [at 10:09 a.m.].

RESPECTFULLY SUBMITTED:

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Lori McCleary  
Committee Secretary

APPROVED BY:

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Assemblywoman Teresa Benitez-Thompson, Chair

DATE: \_\_\_\_\_

## **EXHIBITS**

**Committee Name:** Committee on Government Affairs

**Date:** February 21, 2013

**Time of Meeting:** 8:01 a.m.

<b>Bill</b>	<b>Exhibit</b>	<b>Witness / Agency</b>	<b>Description</b>
	A		Agenda
	B		Attendance Roster
A.B. 4	C	Wes Henderson, Nevada League of Cities and Municipalities	Written testimony
A.B. 4	D	Wes Henderson, Nevada League of Cities and Municipalities	Proposed Amendment
A.B. 4	E	Barry Smith, Nevada Press Association	Testimony in Objection
A.B. 139	F	Karen Michael, Secretary of State	PowerPoint presentation regarding SilverFlume business portal
A.B. 139	G	Karen Michael, Secretary of State	SilverFlume Common Business Registration (CBR) Detail Report
A.B. 139	H	Karen Duddleston, City of Las Vegas	Written testimony
A.B. 139	I	Karen Duddleston, City of Las Vegas	Proposed Amendment
A.B. 139	J	Karen Duddleston, City of Las Vegas	Explanation of Proposed Amendments
A.B. 139	K	Cadence Matijevich, City of Reno	Letter to Nicole Lambole from City of Reno, City of Sparks and Washoe County