

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

**Seventy-Seventh Session
April 18, 2013**

The Committee on Government Affairs was called to order by Vice Chairwoman Dina Neal at 9:04 a.m. on Thursday, April 18, 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. In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: publications@lcb.state.nv.us; telephone: 775-684-6835).

COMMITTEE MEMBERS PRESENT:

Assemblywoman 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 Lynn D. Stewart
Assemblywoman Heidi Swank
Assemblywoman Melissa Woodbury

COMMITTEE MEMBERS ABSENT:

Assemblywoman Teresa Benitez-Thompson, Chairwoman (excused)
Assemblyman James Oscarson (excused)
Assemblywoman Peggy Pierce (excused)



GUEST LEGISLATORS PRESENT:

None

STAFF MEMBERS PRESENT:

Jennifer Ruedy, Committee Policy Analyst
Jim Penrose, Committee Counsel
John Budden, Committee Secretary
Jennifer Dalton Committee Secretary
Cheryl Williams, Committee Assistant

OTHERS PRESENT:

Keith Wells, Administrator, Motor Pool Division, Department of Administration

Vice Chairwoman Neal:

[Roll was taken and housekeeping matters were explained.] We are hearing two bills today: Senate Bill 5 (1st Reprint), and Senate Bill 46. We are going to open the hearing on Senate Bill 5 (1st Reprint).

Senate Bill 5 (1st Reprint): Revises provisions relating to the purchasing and labeling of motor vehicles by the State. (BDR 27-285)

Keith Wells, Administrator, Motor Pool Division, Department of Administration:

To give you a little background on Senate Bill 5 (1st Reprint), in 2009 the Ways and Means Committee issued a letter of intent to the Department of Administration to review state fleet policies. The Department established a Fleet Committee, which reviewed all of the state fleet policies. I chaired that committee. That is how this bill got here today. One of the policies the Fleet Committee agreed needed to be changed was the labeling requirements for state vehicles. The current policy requires the words "For Official Use Only" and "State of Nevada" to be painted on the cars. It is an antiquated policy.

We want to place that policy in the *State Administrative Manual* (SAM) rather than in the *Nevada Revised Statutes* (NRS), so that it is efficient for the State to make changes to it through the State Board of Examiners (BOE), rather than having to go through this process.

The second component of S.B. 5 (R1), will allow the BOE to appoint a designee to approve the purchase of vehicles rather than the full board. That will expedite the process for agencies to buy cars because the process for

purchasing cars is limited. There is only about a five-month window that the state has to buy cars. The full BOE only meets once a month, so if they have to approve that, it just creates another delay. Our intent is to avoid that delay.

The whole goal behind this bill is to bring efficiencies within government to make it efficient for state agencies to do business. That is our intention. I will be happy to answer any questions that you may have.

Assemblywoman Bustamante Adams:

In this body, we recently reexamined the purchasing process for the BOE and the Chief Clerk, so I know that is a proposed change to help with efficiency. When you are purchasing the vehicles, what amount is being proposed? We did put some parameters around the previous bill that we heard, so what is the monetary amount for the purchasing of the vehicles?

Keith Wells:

There is no monetary amount. We want each vehicle purchase to be able to go straight to a designee rather than the full BOE. There would not be a \$5,000 or a \$10,000 restriction. It would just be vehicle purchases in general. Moreover, all of those vehicle purchases have already gone through. They are in the agency's legislatively approved budget. They have gone through quite a process to get to that point. The BOE is an extra step that can create concerns for agencies.

Here is a situational example. If the Nevada Highway Patrol (NHP) goes out and wrecks a car in January, and they need to replace that car, most manufacturers restrict purchases from March. The deadline is sometimes the first week of March, and sometimes the first week of April, so now the state has a real tight window of opportunity to try to buy that car. They may miss that opportunity, and if they do, they have to wait a whole cycle—until the next fall— to buy that car. That is one of our concerns.

We want to allow the designee of the BOE to approve it. It would still be seen by the BOE if they so choose. We are not removing any oversight. We are just trying to generalize purchases going through the system. That designee could agree. This is a normal process. However, if there was a concern, they could push that up to the BOE. Therefore, the whole BOE would still be looking at it if they choose to do so.

Assemblyman Elliot Anderson:

Is there a particular impetus to this? Is there something you could not do? I am just wondering why, or who, thought we should take this out of statute and put it into regulation. I am just trying to get to the point. Is there a problem? Was there a problem? How did this start?

Keith Wells:

Are you referring to the purchasing of the vehicle or the labeling?

Assemblyman Elliot Anderson:

I am referring to the impetus for this bill. Is there anything that happened?

Keith Wells:

Yes. To back up, when the Fleet Committee was reviewing all of the fleet policies, we looked at every policy that was currently established, including the purchasing of vehicles, which is in NRS Chapter 334, the labeling requirements, and many, many other things. We looked at how those policies affect each agency. We looked for ways to enhance those policies to bring efficiencies within state government without removing any oversight.

The Fleet Committee was made up of 23 members throughout the state of Nevada, representing the majority of all departments. It was an array of people, from accountants, to auditors, and everybody in between. They all agreed that this submission of requesting the BOE to have a designee, as well as the request to change the labeling policy, would still create controls of those two areas, but it would also bring efficiency to those two areas.

As I stated, there is a delay with the purchasing process. There are already many hurdles to go through to buy a car. There are a lot of checks and balances already in place. Those purchases have already gone through a legislatively approved budgeting process. Therefore, by the time it gets to the BOE, it has already been approved many times over.

The Board of Examiners meets only once a month, and there is only about a five-month opportunity to buy cars, so that is a challenge at times. If we could purchase cars throughout the year, it would not even be an issue. The issue is primarily that four- to five-month window during which the manufacturer allows the vehicles to be bought off a contract. That is the hurdle that we are trying to remove.

Assemblyman Stewart:

Mr. Wells, are you going to pass regulations concerning the labeling part? Will those have to go through the Legislative Commission for approval?

Keith Wells:

Those labeling requirements will be placed in the SAM. Our intention is to have them in the SAM, where the BOE has oversight. However, if the state chooses to make changes to those, it will be an efficient process. Within one month, we could submit that to the BOE and have it changed, rather than having to submit a bill draft request (BDR), as we have done here.

Assemblyman Stewart:

How do you anticipate doing the labeling if you are not going to paint it? I understand the difficulty if you want to sell a car and the paint is on it and everything. How are you going to label them? Will all state cars be labeled? How do you anticipate them being labeled?

Keith Wells:

That is a great question. I am glad you asked that. For every state car, the policy states that you have to have state license plates on the car, meaning an Exempt (EX), a Department of Transportation (NDOT), or a Nevada Highway Patrol (NHP) plate; something that signifies that it is a state vehicle. In addition, you must have stickers in the windows that say "For Official Use Only" and "State of Nevada," which we do now, and which most government entities do, too. Alternatively, they can put placards on the car. Fish and Wildlife have placards on the side of the car. State Parks puts a placard on the side of the car. They just have to have something, either a placard, or the stickers and the plates that signify it is a state vehicle. There will be enough labeling on the car to identify it as a state vehicle, but it will be cost effective to do it. The stickers and graphics are cheap and easy to remove. They are easy to update. Nobody is painting anything on the cars now. That is antiquated and expensive. This is really a clean and efficient way to do it.

Assemblyman Livermore:

Mr. Wells, I noticed in the amendment that it refers to vehicles that are purchased. What about vehicles that are leased? Does this apply to leased vehicles?

Keith Wells:

No, it does not. Currently, I am not aware of any vehicles being leased. This is strictly for the purchase of vehicles. I believe that question would have to be referred to the state Purchasing Division because there are requirements when you lease equipment in this state, and that is outside of my scope of authority.

Assemblyman Livermore:

Does the requirement on leased vehicles mirror this?

Keith Wells:

That would be separate from this requirement and would be addressed in a different section.

Vice Chairwoman Neal:

Are there further questions from the Committee?

Assemblyman Daly:

I apologize for being a few minutes late, and maybe you already spoke to this. What you are asking is to be exempted from NRS 233B when the state BOE is acting under NRS Chapter 217, and it is already there for NRS 334.010. I was just getting ready to look that up. What are we exempting you from having to comply with? Is it the regulatory process, the oversight from the Legislative Commission and the people that really set the laws in the state, which is the Legislature? What are you asking to be exempted from? Because I really have a jaundiced eye about people trying to get out from under that. Sometimes it is necessary and appropriate, but I want to find out why before I look at that.

Keith Wells:

Thank you for that question. To back up a little bit, so you understand, when we established the Fleet Committee to review policies in the state, we wanted to bring efficiencies to how we manage the state, but we wanted to have modern, consistent policies so our state, as a whole, from a fleet management standpoint, is progressive. Having the BOE be able to designate that authority to approve the purchasing of state vehicles to a designee is still keeping an approval checks and balances process in place.

However, it is allowing it to go through the BOE faster. If their designee can do that without having to take it to the full board, an agency could submit it on a Monday and it could be approved by Friday. We are just trying to streamline that process. As I stated earlier, if that designee determines that there are issues with that purchase, they can push it up to the full board. So, you still have oversight by the BOE. That represents the purchasing of cars.

As for the labeling of cars, all we want to do is bring uniformity to how state cars are labeled. We want to have a quick and efficient pathway to make changes to that. If an agency wants to do something different, if they have different ideas with graphics, we want to have an efficient process where they just take that to BOE, and they say, "Yes, this is an approved process to label a car," rather than go through a bill draft request (BDR) process just to have a simple labeling requirement change. We just want to create efficiencies, and we want to make sure the agencies are doing what they are supposed to be doing.

The goal of the Fleet Committee was to bring awareness to the state as a whole and to agencies that there are fleet policies, what they are, and how to follow those. The Fleet Committee did a great job and brought a lot of awareness to agencies. Moreover, all agencies agreed to these changes because they thought it would continue to bring oversight, but it would bring efficiency as well. Our intention is not to remove any oversight in any manner at all. We just want it to be more efficient. I hope that answers your question.

Vice Chairwoman Neal:

I have at least three questions for you. This bill came to the Committee in 2011, right? When I was reading the minutes from 2011 (Assembly Bill No. 70 of the 76th Session), when you brought this bill before Assemblywoman Kirkpatrick, you initially wanted the regulation to be placed in *Nevada Administrative Code* (NAC). On the Senate side, when this bill originally came in the format with Chair Parks, you said you did not want it to be in NAC, you wanted it to be in SAM. Why the change? Rules and regulations are sometimes played out together. So why did you change from NAC to SAM?

Keith Wells:

Our intention from the beginning was to place it in SAM. When it was drafted, that was our mistake that the language was incorrect in that it still referred to NAC. That was an error. That is why we addressed that in the Senate.

To answer Assemblyman Daly's question from earlier, in reference to NRS Chapter 334, the language in there just says we do not have to have a public hearing to change the labeling requirements. That is the goal there. That is what they are trying to exempt us from. If we want to make a change it still has to go to BOE, but our changes would not have to have a public hearing.

Vice Chairwoman Neal:

Thank you for answering Assemblyman Daly. My second question is, in the 2013 hearing with Senator Parks, you talked about the BOE meeting on a monthly basis, and that sometimes the meetings were canceled. There are two provisions in your amended bill. You want a clerk to decide purchasing of the vehicle, but you wanted BOE to decide labeling. So, talk to me in terms of what the time issues are in regard to the BOE deciding the labeling issues, being that they cancel meetings, and they only meet monthly. Because, if time is of essence, then why do we want BOE to decide the labeling?

Keith Wells:

Thank you for that question. The labeling is really a straightforward process. It is already drafted. The policy is already in place. It is a one-time deal. We will go to BOE to get their approval; it will be a blanket process for the entire state. I anticipate maybe once every two or three years when the policy is reviewed, there could be subtle changes. However, as far as labeling goes, we would very rarely go to BOE to discuss that issue.

The purchasing process is a completely different process. That is where most of the agencies are concerned because having to go to that meeting once a month is challenging for them. They are not trying to get out of any oversight. As I stated earlier, the majority of their vehicle purchases have already been through a legislatively approved process.

Vice Chairwoman Neal:

That brings me back to the third question, which Assemblywoman Bustamante Adams asked initially when she was asking about the typical cost of the vehicle. We have a bill that came through that is going to be voted upon on the floor, which says the designee or the clerk can only sign off on a certain amount. So, if there is no cost associated with the vehicle, or what you want to now call the motor vehicle, how do we reconcile the clerk signing on something when there is no threshold? Because the threshold is what, \$10,000? It is going to go to \$50,000, but that is for emergency purposes. Is this an emergency purpose?

Assemblyman Daly:

It would be for emergency and nonemergency up to \$50,000; both levels the same, at \$50,000.

Vice Chairwoman Neal:

So, typically, how many cars? You said there were cars already purchased. In the future, how many cars are typically purchased at one time? What is the amount, typically?

Keith Wells:

Agencies can purchase one vehicle. For example, when my agency goes to purchase vehicles, we try to go to the BOE once a year. It could be millions of dollars. We could be buying 100 vehicles, but those have all been legislatively approved. They are in my legislatively approved budget. They have gone through the Governor's recommendation phase of the budget. They have been approved by the Legislature. I understand that sending those to BOE is important, but the process has already been approved by the Legislature. The legislative body has already approved that budget to purchase those vehicles. So, I think having a designee approve them is sufficient. We will do whatever this body wants. I was not aware of that BOE threshold that you are working on. We could submit an amendment to put something in there. Whatever this Committee chooses to do, we will be happy to make those changes. I just want to represent the Fleet Committee, which represents the majority of state agencies, to try to bring efficiencies within their agencies. I want the process to be efficient, and something that you and our customers are happy with. Therefore, we will do whatever you recommend.

Assemblyman Daly:

I think we all understand that there is a Ways and Means Committee that develops budgets for a variety of different agencies, which may include the purchase of vehicles. Then, each one of those agencies has, within their budget, the ability to say, "We can take money from here to there." But you have to go to the Interim Finance Committee (IFC), if it is in the interim, or if you are making a substantial change, and get that approval to take money from one bucket and put it into another. Then, we have a third process for state purchasing, which is the bill that we talked about, Assembly Bill 41, if you want to go back and look at it, and they asked to raise a variety of thresholds. So you have all those purchasing people at the state level that have that process, and that is where the BOE has to approve those contracts. That is the state policy, but your people are saying, "Except for us. We do not want to have to be burdened by all of that, and have to go to the BOE to buy automobiles." I know you have some problems there, but you have to take that up with Purchasing.

Purchasing came to us and said, "We can live with this," and that is what we went with. That is when we set the threshold for the designee at \$50,000. It was an increase from \$10,000, and \$25,000, I think. So, when you bring this to us and say, "We want to exempt autos," or "We want to exempt these types of contracts when we do the purchase," we are kind of scratching our heads. We are wondering why you did not talk with Purchasing, and be coordinated here if we are looking for efficiencies. That is the one problem you have to overcome. I am just telling you why these questions are coming.

Section 1, subsection 4, line 28 of S.B. 5 (R1), reads "The State Board of Examiners shall adopt regulations governing the labeling of motor vehicles" There is a process for adopting regulations: you have a workshop, you have a hearing, you take input from everybody on what it should be, and you send it over to the Legislative Counsel Bureau (LCB) after it is drafted. Then they put it together and submit it to the Legislative Commission. So, you say you want to do regulations, and then you exempt yourself from the process to adopt regulations, and that is my problem. Do you want to have legislative oversight and really set some policies? Because this is in our purview in the law now and you live with that. But if you want to set some regulations, you have to live with the law-set governed regulations as well. I see a conflict when you say, "We want to adopt regulations, but we want to adopt regulations separate from everybody else."

Keith Wells:

Thank you for that question. The exemption language in that bill was drafted by the Senate. That was not drafted by me. That language was put in place by the bill drafters in the Senate. They drafted it, and I agreed with it because I felt it was appropriate. But I completely understand where you are coming from. As I stated earlier, my intentions are to do whatever this Committee wishes. We do not want to remove any oversight. We will make any changes that we have to make. We want to be absolutely assured that this Committee and this legislative body is very comfortable with any purchases going on in the state. Vehicle purchases, from what I understand, are different than contracts, and vehicle purchases have different requirements. That is where the purchasing threshold comes in, but I will speak with them.

Assemblyman Daly:

It still goes through the Purchasing Division though, right? If you are going to buy these vehicles, is it still going to go through NRS Chapter 334?

Keith Wells:

Yes, it does go through Purchasing. The agency initiates it and it goes through their agency; then they approve it. They actually do the formalities of the process. But the agency itself would submit to the BOE, not Purchasing. However, Purchasing is absolutely involved. There is a contract in place for those vehicles. They are heavily involved in the process.

Assemblyman Daly:

You are asking for an exemption that Purchasing did not ask for.

Vice Chairwoman Neal:

I have two final questions, and then, unless another Committee member has questions, you are off the hot seat. My first question involves section 4 in the amended version of the bill, because we did get the amended version that came out of the Senate. In section 1, subsection 4, line 28, where it says, "The State Board of Examiners shall adopt regulations" Are you saying that was an error? When I was reading your minutes in the Senate Bill Committee with Chair Parks, you said this was cleanup language. "We want to move from statute into SAM. It is a rule, not a regulation." Did they not hear you when you stated that it is a rule and not a regulation?

Keith Wells:

Yes. That was not clearly stated in the beginning that our absolute intention was to move it from statute into SAM. Our intention was misconstrued that we wanted it in NAC.

Vice Chairwoman Neal:

My second question comes from the 2011 hearing where you are striking out the language in section 1, subsection 3. In 2011 the question was asked, "Do they currently paint on the door?" The answer was, "No, they do not. They are labeled, currently. It is on the license plate frame and there is a sticker in the window."

So, if you currently do not paint and you currently label and have something on the license plate and a sticker in the window, if you are already doing it, why do we have the bill that is deleting it? Because you already know that it is an antiquated process and you are doing it without the law backing you up anyway. That is my last question.

Keith Wells:

That is a fantastic question. That goes back to the Fleet Committee. When we reviewed everything the Fleet Committee's intention was to clean up policies and make sure we are adhering to all policies, and that they are current, efficient policies.

Before the Fleet Committee met, most of the state was not even aware of NRS 334.010 and the requirement to actually paint the door of the car. I was not even aware of it. The state has been putting license plate frames on vehicles, and stickers in the windows for more than twenty years. But to clean up all our policies and have them updated to current and correct specification, this is the proper process to go through. That is why we are here today.

Vice Chairwoman Neal:

Are there any other questions? Seeing none, we will open it up for testimony in support of the bill. Seeing none, is there anyone signed in as opposition? Seeing none, is there anyone signed in as neutral? Seeing none, we will close the hearing on S.B. 5 (R1). We will open the hearing on Senate Bill 46.

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

Keith Wells, Administrator, State Motor Pool Division, Department of Administration:

The intention of Senate Bill 46 is to change the name of the Motor Pool Division to the Department of Administration, Fleet Services Division. The current branding does not represent what this division does. The Division provides fleet management services on a statewide basis. The motor pool rental center is one small component of our statewide operation. It is misleading to our customers, it is antiquated, it is not in line with industry standards, and it is not aligned with our strategic plan. That ends my testimony, and I would be happy to answer any questions.

Assemblywoman Bustamante Adams:

I know this is policy, but from a fiscal standpoint, I have learned that even when you try to change a name of a board or commission there is cost for stationery and other types of things that are involved in rebranding. How would that affect them if we were to change the name to better reflect what they do? Sometimes the cost outweighs the desire. I am just concerned about that.

Keith Wells:

Thank you for that question. We absolutely took that into consideration. The benefit with today's environment, with everything being electronic, is that internally, we have very little stationery. Basically, we print on demand when we need stuff. We have letterhead printed off in a minimal amount. The majority of what we do is electronic.

Our website is quick and efficient to change. The *State Administrative Manual* (SAM) is quick and easy to change. The majority of places where our name would be located should be fairly efficient to change. Even the signage at our facilities is very limited. Therefore, I anticipate the fiscal impact to be less than \$500 for our division.

Vice Chairwoman Neal:

Are there additional questions from the Committee? [There were none.] I have another question. I know your hearing in Senate Government Affairs was super short. I read the minutes, and there was one question, and then it was closed. I thought that was beautiful. Chair Parks asked the question, "Does this change affect changes, or cover changes in all accounting?" And you said, "Yes." Can you tell us what changes this affects in accounting?

Keith Wells:

I believe Chairman Parks' question was alluding to, from an accounting standpoint, how much that was going to cost. We did account for everything. We did an analysis on what it is going to cost the Division. We looked into all the signage. We looked into all our stationery, our website, and everywhere our name is located in the SAM. Outside of that, the Motor Pool's name is not really located in very many places. It is a small division.

We did a good job researching what the actual impact was, and we are very prudent internally, keeping minimal stationery. We have very few paper documents in our operation. Given the fact that we have the ability electronically to make the majority of changes outside of a few signs at a few facilities, the impact is going to be minimal.

Assemblywoman Bustamante Adams:

I am really encouraged to hear that, Mr. Wells, because when other agencies come forth and ask for changes to anything like their website, it is always a huge burden. Is your website maintained internally? Do you go through a third party? How does that work?

Keith Wells:

Thank you for that question. Currently, we are building a new website. Even today when I leave here, I will be working on our website with my staff. Internally, my staff maintains it at a rudimentary level. We add data and make small changes. We do not structurally change it, but we change topic content. Currently, while we are building it, we have already taken into consideration the name change, and we have been very cautious where we use the name.

We have eliminated the name "Motor Pool" from as many places as possible, and it will be a quick and efficient process. I anticipate that it will take my staff an hour or two to change that, if this is approved.

Vice Chairwoman Neal:

Does the Committee have any additional questions? Seeing none, we will open up for support. Is there anyone here in support? No one wants to support your wonderful word change. Is there anyone here in opposition? [There was no one.] Is there anyone here in neutral? [There was no one.]

We will close the hearing on Senate Bill 46. Is there any public comment from Las Vegas or Carson City? [There was no public comment.] We will close this hearing of Government Affairs [at 9:39 a.m.].

RESPECTFULLY SUBMITTED:

John Budden
Committee Secretary

APPROVED BY:

Assemblywoman Dina Neal, Vice Chairwoman

DATE: _____

EXHIBITS

Committee Name: Committee on Government Affairs

Date: April 18, 2013

Time of Meeting: 9:04 a.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster