

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON WAYS AND MEANS**

**Seventy-Seventh Session
May 25, 2013**

The Committee on Ways and Means was called to order by Chair Maggie Carlton at 9:10 a.m. on Saturday, May 25, 2013, in Room 3137 of the Legislative Building, 401 South Carson St., Carson City, 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 Maggie Carlton, Chair
Assemblyman William C. Horne, Vice Chair
Assemblyman Paul Aizley
Assemblyman David P. Bobzien
Assemblyman Andy Eisen
Assemblywoman Lucy Flores
Assemblyman Tom Grady
Assemblyman John Hambrick
Assemblyman Crescent Hardy
Assemblyman Pat Hickey
Assemblyman Joseph M. Hogan
Assemblywoman Marilyn K. Kirkpatrick
Assemblyman Randy Kirner
Assemblyman Michael Sprinkle

COMMITTEE MEMBERS EXCUSED:

Assemblyman Paul Anderson

GUEST LEGISLATORS PRESENT:

James Ohrenschall, Clark County Assembly District No. 12
Richard Carrillo, Clark County Assembly District No. 18

Minutes ID: 1263



STAFF MEMBERS PRESENT:

Cindy Jones, Assembly Fiscal Analyst
Michael J. Chapman, Principal Deputy Fiscal Analyst
Carol Thomsen, Committee Secretary
Cynthia Wyett, Committee Assistant

Chair Carlton advised that the Committee would commence the work session with Assembly Bill 388 (1st Reprint).

Assembly Bill 388 (1st Reprint): Revises provisions relating to renewable energy systems. (BDR 58-517)

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that A.B. 388 (R1) would revise provisions related to renewable energy systems. The bill had been heard by the Committee on May 23, 2013. An amendment would be proposed that would address some concerns and eliminate the fiscal note attached to the bill.

Assemblyman Bobzien said there were two issues that needed to be addressed in A.B. 388 (R1). Section 5 of the proposed amendment would address the issue of tribal sovereignty as related to the K Road Moapa Solar Project, and sections 1 and 2 of the amendment included language pertaining to geothermal power to conform to the guidelines of the Federal Energy Regulatory Commission (FERC).

Chair Carlton asked whether there were additional questions from the Committee regarding the proposed amendment, and there were none. The Chair called for a motion.

ASSEMBLYMAN BOBZIEN MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 388 (1ST REPRINT).

ASSEMBLYMAN KIRNER SECONDED THE MOTION.

THE MOTION PASSED. (Assemblyman Anderson was not present for the vote.

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Chair Carlton informed the Committee that the next work session bill for review was Assembly Bill 370 (1st Reprint).

Assembly Bill 370 (1st Reprint): Revises provisions concerning common-interest communities. (BDR 3-1016)

Chair Carlton reported that A.B. 370 (R1) was heard by the Committee on May 8, 2013, and related to real property. The Real Estate Division of the Department of Business and Industry had submitted a fiscal note, but an email had been received on May 3, 2013, which indicated that by increasing the fee, the fiscal note could be removed from the bill. Chair Carlton stated that the bill was now revenue neutral.

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that the amendment had removed the fiscal note from A.B. 370 (R1). The bill had originally reduced fees, thus would have reduced the income to the Real Estate Division; however, the amendment restored the fees to the original amount in statute.

Chair Carlton asked whether there were questions from the Committee regarding A.B. 370 (R1), and there being none, the Chair called for a motion.

ASSEMBLYMAN HORNE MOVED TO DO PASS
ASSEMBLY BILL 370 (1ST REPRINT) AS AMENDED.

ASSEMBLYMAN HARDY SECONDED THE MOTION.

THE MOTION PASSED. (Assemblyman Anderson was not present for the vote.)

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Chair Carlton advised the Committee that the next work session bill to review was Assembly Bill 256 (1st Reprint).

Assembly Bill 256 (1st Reprint): Makes various changes relating to motorcycles. (BDR 43-661)

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that A.B. 256 (R1) made various changes relating to motorcycles. The bill was heard by the Committee on May 23, 2013. The bill included policy items and revised provisions related to trimobiles; equipment that was required on motorcycles or mopeds operating on Nevada highways; and protective garments and other items that must be worn while driving or riding on a motorcycle.

Ms. Jones stated that the bill included a provision to raise the maximum motorcycle training program fee from \$100 to \$150. Both A.B. 256 (R1) and Assembly Bill 472, which was submitted by the Budget Division to implement a budget decision, included the provision to raise the cap on the motorcycle training class fee from \$100 to \$150. Ms. Jones pointed out that A.B. 472 was further along in the process and was currently in the Senate Committee on Finance.

According to Ms. Jones, A.B. 256 (R1) could be amended to remove the fee portion, or the fees could be left in the bill in the event A.B. 472 failed to pass. She believed that any duplicative language could be addressed by the Legal Division of the Legislative Counsel Bureau. Ms. Jones indicated that there was no need for the Committee to amend the bill.

Chair Carlton asked whether there were further questions from the Committee, and there being none, the Chair called for a motion.

ASSEMBLYMAN SPRINKLE MOVED TO DO PASS
ASSEMBLY BILL 256 (1ST REPRINT) AS AMENDED.

ASSEMBLYMAN EISEN SECONDED THE MOTION.

THE MOTION PASSED. (Assemblyman Anderson was not present for the vote.)

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Chair Carlton said that the next work session bill to be considered was Assembly Bill 215 (1st Reprint).

Assembly Bill 215 (1st Reprint): Provides for the collection and application of graywater for a single-family residence. (BDR 40-3)

Chair Carlton said the Committee had reviewed the bill on May 24, 2013, at which time there had been some confusion regarding the amendment. The Chair indicated that she had received clarification regarding the amendment and Assemblyman Ohrenschall, Chairman of the Assembly Committee on Legislative Operations and Elections, was present to provide additional clarification.

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that A.B. 215 (R1) provided for the collection and application of graywater for a single-family residence. The bill required the State Board of Health to adopt regulations concerning systems for the collection

and application of graywater for a single-family residence; required a permit for such graywater systems; and provided that state and local governmental agencies must not prohibit the collection and application of graywater that met certain requirements.

Ms. Jones stated that the Health Division, Department of Health and Human Services, indicated that representatives had met with Assemblyman Ohrenschall to discuss the language of the bill and help with amended language that would accomplish the sponsor's intent without the need to amend existing *Nevada Administrative Code* (NAC). The amended language would also preclude creating a new fee for the review of graywater systems. Ms. Jones said with the amended language, the Health Division would withdraw the fiscal note.

Chair Carlton said Assemblyman Ohrenschall had previously presented the amendment to the Committee, which apparently needed to be incorporated into the bill.

James Ohrenschall, Clark County Assembly District No. 12, stated that was correct.

Chair Carlton said it appeared that, as amended, there was no opposition to the bill nor was a fiscal note required.

Chair Carlton asked whether there were further questions regarding A.B. 215 (R1), and there being none, the Chair called for a motion.

ASSEMBLYMAN HARDY MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 215 (1ST REPRINT).

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

THE MOTION PASSED. (Assemblyman Anderson was not present for the vote.)

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Chair Carlton said that the next work session bill for consideration by the Committee was Assembly Bill 167 (2nd Reprint).

Assembly Bill 167 (2nd Reprint): Establishes requirements for the permitting of certain vehicles that are driven in Nevada and owned by a nonresident business. (BDR 43-708)

Chair Carlton stated that A.B. 167 (R2) had been heard by the Committee on May 13, 2013.

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that A.B. 167 (R2) established requirements for the permitting of certain vehicles that were driven in Nevada and owned by a nonresident business. The bill revised requirements for the registration of a motor vehicle that was operated on Nevada highways for business purposes within the state, required that such a motor vehicle comply with certain provisions, and provided for a penalty.

Ms. Jones said the bill would result in a positive net increase in revenue to the Highway Fund of approximately \$6 million in fiscal year (FY) 2014 and approximately \$6.7 million in FY 2015. If the bill passed, work programs would need to be processed to provide for the necessary revenue and expenditure authority to implement the measure.

Per Ms. Jones, the Department of Motor Vehicles (DMV) had testified that it would be impossible to secure the needed programming to meet the mandates of the bill by January 1, 2014, and DMV would prefer that the mandates become effective on October 1, 2014, at a minimum. Ms. Jones pointed out that the bill would require two-thirds approval in both houses of the Legislature.

Chair Carlton said she had a tally sheet of the programming hours that DMV indicated would be necessary to comply with the mandates of A.B. 167 (R2). There were many hours involved in the process, and she would work on addressing the fiscal note. She hoped to bring that information forward in the near future to help the Committee address the programming hours needed and the fiscal note. Chair Carlton stated that there would need to be an investment in moving forward with the bill.

Assemblyman Horne asked about section 1, subsection 6, which stated that citations could be issued for vehicles that were not properly permitted. The language stated, "As used in this subsection, 'peace officer' includes a constable." Assemblyman Horne said he was concerned about constables being allowed to pull a vehicle in operation off the road to issue a citation.

Chair Carlton said that current statute permitted constables to write citations for persons who resided in Nevada operating vehicles with out-of-state

license plates. The constables were able to place citations on vehicles that were parked in various apartment complexes. Chair Carlton believed that the fine was \$1,000 for not properly registering a vehicle after moving to Nevada. She believed that the ability for constables to issue citations in A.B. 167 (R2) would align with previous legislation that allowed constables to issue citations. However, if the Committee was not comfortable with constables issuing citations, perhaps the Chair of the Assembly Committee on Transportation could provide additional explanation. The Chair asked Assemblyman Carrillo to come forward.

Richard Carrillo, Clark County Assembly District No. 18, stated that the major issue was the number of out-of-state contractors conducting business in Nevada. He indicated that A.B. 167 (R2) followed current statute that allowed constables to cite personally owned vehicles that were not properly registered in Nevada. Assemblyman Carrillo stated that if the ability of a constable to issue citations was a major issue with the Committee, he would be willing to remove that language from the bill. However, through the Las Vegas Township Constable's "fair share" registration program, vehicles registered out of state could already be approached by a constable. That was the reason the language had been placed in A.B. 167 (R2).

Chair Carlton said when the Legislature passed the "fair share" program, there had been discussion about the fact that the Las Vegas Metropolitan Police Department was not writing tickets for improper registration, nor was the Nevada Highway Patrol. Therefore, the Legislature added language that gave constables the ability to issue citations for improper registration.

Assemblywoman Kirkpatrick believed that Assemblyman Horne made a good point, and perhaps the bill could be amended on the floor of the Assembly. Her concern was that the bill indicated a vehicle could be parked on a highway, which was out of a constable's jurisdiction, or parked in a public parking lot, which was incredibly broad language that could include areas such as grocery store parking lots.

Assemblywoman Kirkpatrick said the discussion regarding the "fair share" program was that when constables served eviction notices, they could then cite persons who had not properly registered their vehicles. She questioned the language that would allow constables to cite vehicles in public parking lots such as parking lots on university campuses. The language would also allow citations to be issued on private property that was open to the public.

Assemblywoman Kirkpatrick believed that the language was too broad; she noted that since passage of the "fair share" program two years ago, that

language had been under scrutiny because legislative intent had not been clearly stated on record.

Chair Carlton said if Assemblyman Carrillo was amenable, she would propose an amendment under both their names to address those concerns. The amendment could be adopted as processed, which would not hold up passage of the bill. So that the Committee would not be required to make a stand on a policy issue, Chair Carlton said she and Assemblyman Carrillo would submit a personal amendment that could be addressed on the floor of the Assembly.

Assemblyman Carrillo advised that most of the vehicles that would be affected by A.B. 167 (R2) were out-of-state contractors, and those contractors conducted business at "public places." The intent of the bill was not to authorize constables to drive through parking lots looking for vehicles that could be cited for failing to apply for a business permit for the vehicle. His concern was that eliminating the language about constables having authority to issue citations for vehicles in public parking lots or vehicles parked on the highway would defeat the purpose of the bill. The offenders worked in Nevada usually as contractors, and then took the salary they made in Nevada back to their home states.

Assemblyman Carrillo said he was concerned about limiting the scope of the language in the bill to the point where contractors or nonresident businesses would be "untouchable." Those contractors or nonresident businesses were required to have a contractor's license or other license to work in Nevada, but beyond that point, there were no other requirements.

Assemblywoman Kirkpatrick understood because in her district there was a man who had Texas license plates on his vehicle, but had contractor's licenses in California and Utah. She believed that the floor statement pertaining to A.B. 167 (R2) had to be very clear and specific regarding legislative intent. Mrs. Kirkpatrick stated that constables usually fined a person \$100 up front and if a mistake was made, there should be some flexibility that allowed the fine to be reversed. However, current statute regarding constables did not allow for any flexibility of the fine, and people first had to pay the constable before dealing with the citation.

Mrs. Kirkpatrick reiterated that there had to be very clear language that detailed legislative intent for A.B. 167 (R2) because the past two years had been spent trying to determine the intent of the "fair share" program. She stated that she supported the bill as a whole.

Chair Carlton said if the floor statement was sufficient to explain legislative intent, that statement could be converted into a preamble and amended into the bill. Then there would be no confusion about the intent of the bill. She stated that she would work with Assemblyman Carrillo to prepare that language.

Chair Carlton stated that if the Committee was comfortable with passage of the bill today with the stipulation that she and Assemblyman Carrillo would work on the floor statement language, she would accept a motion. The Chair said she would not report the bill to the floor until the language was ready to be added.

ASSEMBLYMAN SPRINKLE MOVED TO DO PASS ASSEMBLY BILL 167 (2ND REPRINT) AS AMENDED.

ASSEMBLYMAN HARDY SECONDED THE MOTION.

THE MOTION PASSED. (Assemblyman Anderson was not present for the vote.)

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Chair Carlton stated that the next work session bill for consideration by the Committee was Assembly Bill 138 (1st Reprint).

Assembly Bill 138 (1st Reprint): Revises provisions governing the partial abatement of certain taxes. (BDR 32-113)

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that A.B. 138 (R1) revised provisions governing the partial abatement of certain taxes. The bill was heard by the Committee on May 13, 2013.

Ms. Jones stated that the bill provided that a business which made a capital investment of at least \$1 million in a program at the University of Nevada, Reno; the University of Nevada, Las Vegas; or the Desert Research Institute for the support of research, development, or training related to the field of endeavor of the business, and which met certain other requirements, was eligible to apply for a partial abatement of personal property taxes.

In addition, said Ms. Jones, the bill provided that a business which made a capital investment of at least \$500,000 in the Nevada State College or another smaller institution within the Nevada System of Higher Education (NSHE) in support of college certification or research or training related to the field of endeavor of the business, and which met certain other requirements,

was also eligible to apply for a partial abatement of personal property taxes. The abatements afforded by the bill expired by limitation on June 30, 2023.

Ms. Jones said there were no fiscal notes attached to AB 138 (R1). However, there was a proposed amendment ([Exhibit C](#)) that would amend a certain portion of the bill regarding local governments and incorporate the measures included in Assembly Bill 253.

Assemblyman Sprinkle explained that the amendment was the last stage in the clean-up of several bills that dealt with abatements. The amendment would make the language regarding abatements more uniform.

Assemblywoman Kirkpatrick stated that the amendment was an attempt to be consistent so that local governments would be aware of the requirements and the time frame for the review of applications for abatements and would give local governments the ability to be part of the process. It would be an opportunity for local governments to take new steps, and if the proposal was not successful, the Legislature could reconsider the process in 2015.

Chair Carlton asked whether there were further questions from the Committee.

Assemblyman Kirner asked whether there was a requirement to report to the Legislature about recipients of the abatements. He expressed concern that many taxpayers were contributing without receiving a tax break. Mr. Kirner said he would like to see a report concerning incremental increases in contributions and how that would affect the state and the counties.

Assemblywoman Kirkpatrick said the Legislature currently received a tax expenditure report that reported the abatements. She agreed that the Legislature should keep track of tax abatements.

Assemblyman Grady commented that abatements gave away the county's portion of the tax, not the state's portion, and he appreciated the amendment that allowed the counties to have a voice in the amount of county tax that was given away. He believed the amendment would accomplish that very well.

Chair Carlton asked whether there were further questions from the Committee, and there being none, the Chair called for a motion.

ASSEMBLYMAN KIRNER MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 138 (1ST REPRINT).

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

THE MOTION PASSED. (Assemblyman Anderson was not present
for the vote.)

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Chair Carlton opened the hearing for Assembly Bill 38 (1st Reprint).

**Assembly Bill 38 (1st Reprint): Makes various changes concerning the
abatement or deferment of certain taxes imposed on a new or expanded
business. (BDR 32-296)**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative
Counsel Bureau, explained that A.B. 38 (R1) was heard on May 13, 2013. The
bill made various changes concerning the abatement or deferment of certain
taxes imposed on a new or expanded business.

Ms. Jones stated that the bill would revise the provisions governing the partial
abatement of certain taxes imposed on new or expanded business and would
revise the provisions governing a deferment of the payment of the sales and use
taxes due on certain property purchased by a new or expanded business.

Ms. Jones stated there were no amendments or fiscal notes for the bill at the
present time.

Chair Carlton said she had received a proposed amendment to A.B. 38 (R1),
which had not been reviewed by Fiscal Analysis Division staff. The Chair asked
whether there was anyone present to testify regarding the bill, and there was no
one.

Ms. Jones said it appeared that the proposed amendment would not create a
new fiscal note. The amendment proposed to reduce the duration of
abatements and amended other provisions.

Chair Carlton advised that A.B. 38 (R1) would be rescheduled to allow the
sponsor of the bill to come forward and answer questions.

Chair Carlton opened Public Comment and there was none.

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There being no further business to come before the Committee, the Chair adjourned the hearing at 9:50 a.m.

RESPECTFULLY SUBMITTED:

Carol Thomsen
Committee Secretary

APPROVED BY:

Assemblywoman Maggie Carlton, Chair

DATE: _____

EXHIBITS

Committee Name: Committee on Ways and Means

Date: May 25, 2013

Time of Meeting: 9:10 a.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
A.B. 138 (R1)	C	Cindy Jones, LCB	Proposed Amendment 9276 to A.B. 138 (R1)