

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

**Seventy-Seventh Session
May 28, 2013**

The Assembly Committee on Ways and Means was called to order by Chair Maggie Carlton at 8:20 a.m. on Tuesday, May 28, 2013, in Room 3137 of the Legislative Building, 401 South Carson Street, 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:

Assemblywoman Irene Bustamante Adams, Clark County
Assembly District No. 42

Minutes ID: 1307



STAFF MEMBERS PRESENT:

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

The Committee Assistant called the roll, and a quorum of the members was present.

Chair Carlton reminded Committee members, witnesses, and members of the audience of Committee rules and protocol.

Additionally, Chair Carlton announced it was her intention that the Committee would move the following bills to the Assembly floor during the work session:

Assembly Bill 224 (1st Reprint)

Assembly Bill 260 (1st Reprint)

Assembly Bill 338

Assembly Bill 428

Assembly Bill 501

Assembly Bill 335

Assembly Bill 294 (1st Reprint)

Chair Carlton opened the work session on Assembly Bill 224 (1st Reprint) and asked Cindy Jones to provide the Committee with the information needed to proceed.

Assembly Bill 224 (1st Reprint): Revises provisions governing the collection and maintenance of certain data relating to public education. (BDR 34-269)

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, advised that the Committee first considered Assembly Bill 224 (1st Reprint) on May 13, 2013. Ms. Jones reported that the bill related to education; requiring, to the extent money was available, that the automated system of accountability information for Nevada established and maintained by the Department of Education include a unique identifier for each pupil whose parent or guardian was a member of the Armed Forces of the United States. The bill, she said, facilitated family readiness to assist the Armed Forces in retaining service members and encouraging reenlistment.

Ms. Jones further advised that the Department of Education submitted a fiscal note for \$12,000 to effect the change to the System of Accountability

Information in Nevada (SAIN). She said, however, the language in the bill that stated, "to the extent that money was available" would allow the Department to effect the change to SAIN as resources became available.

Chair Carlton recalled discussions on education concerning the unique identifier with the expectation that the new provision could be integrated into SAIN.

Hearing no response to her request for questions from the Committee, Chair Carlton advised that she would entertain a motion to do pass Assembly Bill 224 (1st Reprint).

ASSEMBLYMAN KIRNER MOVED TO DO PASS AS AMENDED
ASSEMBLY BILL 224 (1ST REPRINT).

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

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

Chair Carlton closed the work session on Assembly Bill 224 (1st Reprint) and opened the work session on Assembly Bill 260 (1st Reprint).

Assembly Bill 260 (1st Reprint): Revises provisions governing tuition charges assessed against certain students within the Nevada System of Higher Education. (BDR 34-226)

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, advised that the Committee first considered Assembly Bill 260 (1st Reprint) on May 13, 2013. Ms. Jones reported that the bill provided that honorably discharged Armed Forces members would be eligible to attend classes within the Nevada System of Higher Education (NSHE) without being charged registration and tuition fees. The bill included provisions that limited a veteran's eligibility to attend classes without fees for a certain length of time after an honorable discharge.

Ms. Jones reported that information provided by the NSHE advised that any costs associated with the waiver of fees for veterans would be absorbed for the current biennium within its existing resources; however, the costs could ultimately be included in the weighted student credit hours for a future biennium.

Chair Carlton commented on the increasing number of service members being discharged and reminded the Committee that waiving the registration and tuition

fees could, in future bienniums, fiscally affect NSHE, especially considering the changes in its funding formula.

Expressing his support for the bill, Assemblyman Kirner pointed out that some veterans had undergone life-changing experiences while serving in the military. Those, he said, who were productive citizens and chose to live and remain in Nevada would contribute to the economy and the population in a positive manner.

Chair Carlton asked only that, as they voted, the Committee be aware and consider that there would be a cost associated with the bill in a future biennium. There were no additional questions or comments from the Committee members on Assembly Bill 260 (1st Reprint).

ASSEMBLYMAN KIRNER MOVED TO DO PASS AS AMENDED
ASSEMBLY BILL 260 (1ST REPRINT).

ASSEMBLYMAN EISEN SECONDED THE MOTION.

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

Chair Carlton closed the work session on Assembly Bill 260 (1st Reprint) and opened the work session on Assembly Bill 338.

Assembly Bill 338: Provides certain protections and services for victims of human trafficking. (BDR 16-679)

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, advised that the Committee first considered Assembly Bill 338 on April 29, 2013. Ms. Jones reported that the bill related to human trafficking and required certain law enforcement officers to take certain actions upon his or her initial encounter with a possible victim of human trafficking; required the owner or operator of certain establishments and facilities to post an informational sign related to the National Human Trafficking Resource Center hotline; and provided other related matters.

Ms. Jones reported that the Department of Health and Human Services had submitted a fiscal note totaling \$150,000 to create a statewide plan for the delivery of services to victims of human trafficking. The fiscal note, she said, had been eliminated based on testimony in a previous hearing that concerned creating a coordinated system of delivery rather than a statewide plan.

Chair Carlton also recalled the discussion that a statewide plan would have triggered the \$150,000 cost reflected in the fiscal note but that a coordinated plan for the delivery of services to victims eliminated the fiscal note.

Assemblyman Horne questioned the Department of Education's outstanding fiscal note totaling \$255,143.

Ms. Jones reported that Julia Teska, Administrative Services Officer, Department of Education, had testified in a previous hearing that the Department had withdrawn its fiscal note.

Assemblyman Hambrick, the bill sponsor, explained that the Department of Education initially believed that the legislation would mandate the Department to develop and distribute informational material related to the human trafficking of children. Upon review, however, the Department determined that teachers, counselors, and school nurses could disseminate information available through a national source, which eliminated the need for the fiscal note.

Assemblyman Bobzien asked for information concerning the role of the Department of Education and the State Board of Education in developing a curriculum related to the human trafficking of children.

Assemblyman Hambrick responded that Assembly Bill 338 only required the distribution of informational material related to human trafficking of children, not the development of a curriculum related to the trafficking of children.

Chair Carlton advised the members of the Committee that the bill could be processed, but she believed an amendment was necessary. There were no additional questions or comments on the bill.

ASSEMBLYMAN SPRINKLE MOVED TO DO PASS
ASSEMBLY BILL 338.

ASSEMBLYMAN GRADY SECONDED THE MOTION.

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

Chair Carlton closed the work session on Assembly Bill 338 and opened the work session on Assembly Bill 428.

Assembly Bill 428: Revises provisions relating to energy. (BDR 58-797)

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, reported that the Committee first considered Assembly Bill 428 on May 24, 2013. The bill, she said, revised provisions related to the Solar Energy Systems Incentive Program, the Wind Energy Systems Demonstration Program, and the Waterpower Energy Systems Demonstration Program.

Additionally, Ms. Jones reported that the Public Utilities Commission of Nevada (PUCN) had submitted a fiscal note totaling \$187,720. The PUCN explained in the fiscal note that the bill would raise the annual regulatory assessment by 0.05 mills (0.00005), which would affect the monthly residential ratepayers by one cent (\$.01). Ms. Jones also reported that after the Committee's May 24, 2013, hearing, the Office of the Attorney General submitted an unsolicited fiscal note that totaled \$400,000 per year. The bill sponsor, she advised, would provide information that might remove that fiscal note.

Assemblyman Bobzien, the bill sponsor and Chairman of the Assembly Committee on Commerce and Labor, advised that he had met with representatives of the Bureau of Consumer Protection (BCP) (Consumer's Advocate), Office of the Attorney General, on May 27, 2013. The Consumer's Advocate, he said, submitted a fiscal note over concern regarding section 21.7 of a previously proposed amendment. Section 21.7, he said, was subsequently removed.

Assemblyman Bobzien explained that the concern regarding section 21.7 of the previous amendment was that it created a new public interest standard for energy and enumerated the various components of the public's interest ranging from economic considerations to air quality and environmental problems. The Consumer's Advocate's perspective, he said, was that under that standard it would cost approximately \$400,000 a year to contract with consultants, gather information, and intervene on behalf of the public.

Additionally, Assemblyman Bobzien explained that the Consumer's Advocate expressed concern regarding the reporting requirement in section 21.7 of the previous amendment. Currently in statute, the Consumer's Advocate, he said, had broad latitude, in any potential case intervention, to distinguish between the broader public interest and smaller discrete customer interests. Assemblyman Bobzien pointed out that the proposed revised amendment 9169 (Exhibit C) removed section 21.7 and required the Consumer's Advocate to document each time it chose not to represent the public interest because another party adequately represented that interest. The Consumer's Advocate

agreed to provide the documentation and withdrew the fiscal note. Assemblyman Bobzien said that he expected the new reporting requirement would build transparency for the public and policymakers concerning the activities of the Consumer's Advocate.

In response to Chair Carlton's question concerning the change in the proposed amendment, Assemblyman Bobzien pointed out that the change in the reporting requirement was reflected in section 25.5, subsection 4, which he read in part into the record:

"If the Consumer's Advocate declined to represent the public interest in a proceeding to review a proposed rate of an electric utility, the Consumer's Advocate shall publish a report in support of the decision to decline such representation. The report must: (a) Identify each element of the public interest, as might be applicable to the proceeding to review a proposed rate; and (b) Specify the manner in which each element of the public interest, as identified pursuant to paragraph (a), is sufficiently represented."

Assemblyman Bobzien also noted the subsection required the report to be made available to the public.

In response to Chair Carlton's question concerning whether section 26.5 of the proposed amendment would affect the mill assessment, Assemblyman Bobzien advised that it would and that the one-cent additional cost to the ratepayer was proposed for associated costs related to rule-making for distributive generation (DG) energy, the performance-based incentive for the incentives program.

Assemblyman Kirner asked for information concerning whether the benefits provided through passage of the bill would offset the increase in the mill-rate assessment.

Assemblyman Bobzien advised that the promotion and development of an in-state industry related to renewable energy would benefit Nevada's economy and offset the increase in the mill-rate assessment.

Ms. Jones also advised that, according to information she had received, passage of the bill would provide benefits that included sustainable DG energy and jobs.

Chair Carlton pointed out that the increase in the mill-rate assessment would not affect the PUCN cap on assessments and asked whether there were

additional questions on the proposed amendment 9169 that removed the major concern addressed in the previous hearing.

Assemblyman Bobzien reported that representatives of the Consumer's Advocate had related to him that they had no opposition to the bill and that they had submitted the fiscal note to comply with the public interest standard in the previous amendment.

Assemblyman Kirner advised that he would support the bill, but reserved the right to change his vote on the Assembly floor.

Assemblyman Bobzien commented on the importance of Assembly Bill No. 416 of the 76th Session (2011), which the Governor vetoed. Assembly Bill No. 416, he said, also revised the provisions governing energy incentives and included many of the same concepts included in Assembly Bill 428. Assemblyman Bobzien encouraged members of the Committee to read the veto statement in which the Governor supported the concepts concerning the incentives system but opposed other provisions added to the bill late in the session.

Hearing no additional comments or questions from the Committee, Chair Carlton advised that she would entertain a motion to amend and do pass Assembly Bill 428.

ASSEMBLYMAN HORNE MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 428.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

THE MOTION PASSED. (Assemblyman Kirner reserved the right to change his vote on the Assembly floor. Assemblyman Anderson was not present for the vote.)

Chair Carlton closed the work session on Assembly Bill 428 and opened the work session on Assembly Bill 294 (1st Reprint).

Assembly Bill 294 (1st Reprint): Revises provisions relating to economic development. (BDR 27-777)

Assemblywoman Irene Bustamante Adams, Clark County Assembly District No. 42, presented Assembly Bill 294 (1st Reprint), which revised provisions related to economic development. The Committee first considered the bill on May 20, 2013. Assemblywoman Bustamante Adams reported that

the Governor's Office of Economic Development (GOED) initially submitted a fiscal note that totaled \$1,154,000. The fiscal note, she said was revised to \$400,000 and subsequently revised to \$100,000 in each year of the biennium.

Assemblywoman Bustamante Adams advised that, with the assistance of Legislative Counsel Bureau staff, it was determined that the Department of Employment, Training and Rehabilitation (DETR), through one of its funds, could provide the needed funding for the bill, and the fiscal note was eliminated. After discussions with Frank Woodbeck, Director, DETR, and Steve Hill, Executive Director, GOED, a decision was made that DETR could fund a pilot program, which would be evaluated by the Legislature in 2015.

Frank Woodbeck, Director, DETR, spoke in support of Assembly Bill 294 (1st Reprint) and in having DETR fund the proposed pilot job creation and training program for emerging small businesses. Mr. Woodbeck advised that DETR could support the training component of the pilot program through Silver State Works, a program that provided financial incentives for Nevada employers. Additionally, he said DETR would assign business services representatives to each of the emerging small businesses so that those businesses could recruit employees through Nevada JobConnect offices [a statewide network that connected businesses with employees].

Mr. Woodbeck also advised that he had engaged in discussions with Steve Hill, Executive Director of GOED, with whom he had previously collaborated in support of emerging small businesses, and he said that the GOED would be charged with the certification of the businesses.

In response to Chair Carlton's question concerning the withdrawal of the \$100,000 per year fiscal note, Mr. Woodbeck confirmed that the pilot program would be supported through existing funding and that the fiscal note could be removed.

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, advised that staff required clarification concerning funding that DETR would transfer to the GOED budget. If the bill passed, she said GOED could be required to process a work program to increase its authority to accept funds. Additionally, she said it was unclear whether DETR would expect to transfer funds through an existing category or whether an additional work program would be needed to transfer money from reserve funding to a separate category.

Mr. Woodbeck advised that DETR would expand a current interlocal agreement with GOED under the Train Employees Now (TEN) program and transfer funds in

that manner. However, he advised he would also be agreeable to transfer funds through a work program, if that method was preferred.

Ms. Jones said she expected that the GOED account would need increased statutory authority to receive the funds.

Steve Hill, Executive Director, Office of Economic Development, Office of the Governor, reported that while GOED had the statutory authority to receive TEN funds, the Office would require increased authority to receive funds if DETR fully funded the current program.

Chair Carlton agreed that a work program to transfer funds could be addressed by the Interim Finance Committee during the interim and that she would apprise the Chairwoman of the Interim Finance Committee of the discussion that took place during the Committee's work session on Assembly Bill 294 (1st Reprint).

In response to Ms. Jones' request for clarification concerning whether a statutory change to chapter 612 of *Nevada Revised Statutes* (NRS) would be required to use funds for the purpose intended by the bill, Assemblywoman Bustamante Adams advised that existing statutory authority was sufficient to allow the proposed transfer of funds.

Chair Carlton, hearing no other questions, advised that she would entertain a motion to do pass as amended Assembly Bill 294 (1st Reprint).

ASSEMBLYMAN EISEN MOVED TO DO PASS AS AMENDED
ASSEMBLY BILL 294 (1ST REPRINT).

ASSEMBLYMAN HARDY SECONDED THE MOTION.

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

Chair Carlton closed the work session on Assembly Bill 294 (1st Reprint) and opened the work session on Assembly Bill 501.

Assembly Bill 501: Authorizes the issuance of state general obligations for certain capital projects of the Nevada System of Higher Education. (BDR 41-1225)

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, reported that Assembly Bill 501, which the Committee considered on May 27, 2013, authorized the Board of Regents of the University

of Nevada to issue not more than \$85 million in general obligation bonds of the State of Nevada. The bonds would finance the planning, improvement, refurnishing and renovation of the Thomas and Mack Center at the University of Nevada, Las Vegas and certain capital improvements at the University of Nevada, Reno.

Ms. Jones advised that a portion of an existing annual excise tax of \$250 upon each slot machine operated in the state would fund the repayment of the bonds.

There were no comments or questions from the members of the Committee, and Chair Carlton advised that she would accept a motion to do pass Assembly Bill 501.

ASSEMBLYMAN HORNE MOVED TO DO PASS
ASSEMBLY BILL 501.

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

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

Chair Carlton closed the work session on Assembly Bill 501 and opened the work session on Assembly Bill 335.

Assembly Bill 335: Creates the University of Nevada, Las Vegas, Campus Improvement Authority. (BDR S-866)

Chair Carlton noted that an amendment to Assembly Bill 335, which created the University of Nevada, Las Vegas, Campus Improvement Authority, was in the process of being drafted by staff of the Legal Division, Legislative Counsel Bureau.

Assemblywoman Kirkpatrick advised that to keep Assembly Bill 335 moving, the bill could be amended on the Assembly floor.

Chair Carlton agreed and advised that she would not report its passage to the floor until the amendment was received.

Assemblyman Kirner noted that Assembly Bill 501, which the Committee had just passed, and Assembly Bill 335 were companion bills and that the amendment would balance the two bills.

Assemblywoman Kirkpatrick advised that the amended version of Assembly Bill 335 would provide a percentage of the money from the issuance of general obligation bonds to the Board of Directors of the University of Nevada, Las Vegas, Campus Improvement Authority. The funding would allow the Board to study the need for, feasibility of, and financing alternatives for a large events center and other required infrastructure and to report the results of the study to the 78th Session of the Nevada Legislature.

Chair Carlton reiterated that the Legal Division was in the process of drafting an amendment to Assembly Bill 335. She advised that she would accept a motion to amend and do pass Assembly Bill 335 but would not send the bill to the Assembly floor until the amendment was received.

ASSEMBLYMAN HARDY MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 335.

ASSEMBLYMAN EISEN SECONDED THE MOTION.

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

Chair Carlton closed the work session on Assembly Bill 335 and opened the work session to public comment. There being no response to her request for public comment, Chair Carlton recessed the meeting at 9:02 a.m. and adjourned the meeting at 8:03 a.m. on May 29, 2013.

RESPECTFULLY SUBMITTED:

Connie Davis
Committee Secretary

APPROVED BY:

Assemblywoman Maggie Carlton, Chair

DATE: _____

EXHIBITS

Committee Name: Committee on Ways and Means

Date: May 28, 2013

Time of Meeting: 8:20 a.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
A.B. 428	C	Assemblyman David Bobzien	Proposed Amendment 9169