

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

**Seventy-Eighth Session  
May 23, 2015**

The Committee on Ways and Means was called to order by Vice Chair John Hambrick at 10:20 a.m. on Saturday, May 23, 2015, in Room 3137 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: [www.leg.state.nv.us/App/NELIS/REL/78th2015](http://www.leg.state.nv.us/App/NELIS/REL/78th2015). In addition, copies of the audio or video of the meeting may be purchased, for personal use only, 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:**

Assemblyman Paul Anderson, Chair  
Assemblyman John Hambrick, Vice Chair  
Assemblyman Derek Armstrong  
Assemblywoman Teresa Benitez-Thompson  
Assemblywoman Irene Bustamante Adams  
Assemblywoman Maggie Carlton  
Assemblywoman Jill Dickman  
Assemblyman Chris Edwards  
Assemblyman Pat Hickey  
Assemblywoman Marilyn K. Kirkpatrick  
Assemblyman Randy Kirner  
Assemblyman James Oscarson  
Assemblyman Michael C. Sprinkle  
Assemblywoman Heidi Swank  
Assemblywoman Robin L. Titus

**GUEST LEGISLATORS PRESENT:**

Assemblywoman Olivia Diaz, Assembly District No. 11

Minutes ID: 1341



**STAFF MEMBERS PRESENT:**

Cindy Jones, Assembly Fiscal Analyst  
Stephanie Day, Principal Deputy Fiscal Analyst  
Joi Davis, Senior Program Analyst  
Jaimarie Dagdagan, Program Analyst  
Carol Thomsen, Committee Secretary  
Cynthia Wyett, Committee Assistant

After call of the roll, Vice Chair Hambrick opened public comment.

John Eppolito, private citizen, Incline Village, Nevada, stated he was a former teacher and the father of four children enrolled in Nevada's public school system. Mr. Eppolito said he was trying to determine what had occurred with the amendment to Senate Bill 463 (R2), which indicated parents no longer owned their children's personal information. He said no one was able to tell him who owned a student's personal information. Mr. Eppolito noted that many amendments were being proposed, and the amendment he was concerned about gutted the bill, but no one knew who had proposed the amendment. Mr. Eppolito indicated that the school districts and the Department of Education apparently were unaware of the proposed amendment. He asked who was looking out for the children.

There being no further testimony, Vice Chair Hambrick closed public comment.

Assemblywoman Kirkpatrick asked that Assembly Bill (A.B.) 412 be removed from the Agenda ([Exhibit A](#)) and rescheduled because there was a proposed amendment. Vice Chair Hambrick stated that A.B. 412 would be removed from the Agenda and rescheduled at a later date.

Vice Chair Hambrick opened the hearing on Assembly Bill 197.

**Assembly Bill 197 (1st Reprint): Establishes certain requirements for the operation of seasonal or temporary recreation programs. (BDR 38-506)**

Assemblywoman Olivia Diaz, Assembly District No. 11, stated that Assembly Bill (A.B.) 197 (1st Reprint) would close a loophole that existed in *Nevada Revised Statutes*. In 2011, said Assemblywoman Diaz, she had worked on legislation to ensure that out-of-school programs in the state maintained high standards and were quality programs. The intent of the 2011 legislation was to track data to ensure that all out-of-school programs were efficient and met the needs of the children.

Assemblywoman Diaz said it had come to her attention over the interim that temporary or seasonal out-of-school programs were operating "under the radar," and parents were unaware of whether staff members who were looking after their children were trained in first aid and health standards. The bill would ensure that seasonal or temporary recreation programs followed certain federal, state, and local laws and regulations concerning safety standards and would require background checks on staff. Assemblywoman Diaz said the requirements would include plans to evacuate children and notify parents in the event of an emergency.

The bill, said Assemblywoman Diaz, included a penalty of up to \$500 for persons who operated a seasonal or temporary recreation program that failed to comply with the requirements mandated by the bill.

Assemblyman Kirner referred to the fiscal note attached to A.B. 197 (R1), which indicated that the cost to the child care licensing program of the Division of Public and Behavioral Health, Department of Health and Human Services, would be \$150,305 in fiscal year (FY) 2016, \$140,663 in FY 2017, and \$299,912 for future biennia. He asked whether those costs had been reduced when the bill was amended.

Assemblywoman Diaz said that there was some confusion about the amount of the fiscal note because section 11 of the bill stipulated that the person who operated a seasonal or temporary recreational program had to ensure that each program complied with the mandates of the bill. The bill actually would not involve permit applications to the Division or any governmental entity, which caused the confusion regarding the fiscal note. Her understanding was that the fiscal note had been reduced to approximately \$40,000 for a staff member to be accessible if the Division was involved in investigating the programs.

Assemblyman Kirner said it appeared that Assemblywoman Diaz did not envision the bill requiring oversight from a state agency, which would obviously reduce the fiscal note.

Assemblywoman Diaz stated that was correct. It was her intent to ensure that the individuals running seasonal or temporary recreational programs adhered to the standards. For example, if a child was injured while participating in one of the programs, the parents would have recourse to approach either the Department of Health and Human Services or the Office of the Attorney General to report that their child had not been properly cared for while a participant in the program.

Assemblywoman Kirkpatrick said she believed that the original 2011 legislation was meant to give parents an avenue to file complaints if a recreational program failed to comply with federal, state, and local laws and regulations concerning health standards. It was the job of the Legislature to ensure that Nevada's children were in a safe environment while participating in recreational programs.

Assemblywoman Kirkpatrick said she had discussed the fiscal note with Laura Freed, Deputy Administrator of Regulatory and Planning Services, Division of Public and Behavioral Health, Department of Health and Human Services, and the fiscal note had been reduced to approximately \$46,000. The fiscal note was based on the Division making one full-time-equivalent (FTE) position available to conduct investigations of seasonal or temporary recreational programs, should the need arise. The Division assumed there would be at least ten investigations that would take at least two days each, which was the reason for the fiscal note.

Assemblywoman Kirkpatrick indicated that she did not completely agree with the fiscal note attached to A.B. 197 (R1) because there were many other statutes or regulations that would allow the Division to approach the Legislative Commission or to establish regulations to allow for the costs to be incorporated into the fee structure. That had been done for programs in mental health and other areas, and Assemblywoman Kirkpatrick believed there were avenues available to address the costs for investigations, should that become necessary. However, until it became known whether investigations would be necessary, she opined that the fiscal note was premature.

Assemblywoman Titus believed that the intent of the bill was honorable and attempted to protect children; however, she had some concerns about the definition of "seasonal" or "temporary" recreational programs. Also, she wondered whether the bill would have an effect on church and other small recreational programs.

Assemblywoman Diaz said that the mandates of the bill would apply to any seasonal or temporary program, whether it was a church, camp, or athletic program. The mandates of the bill would only apply to seasonal or temporary recreational programs, rather than the larger year-round programs; however, those programs also followed the same mandates.

Vice Chair Hambrick asked whether there was testimony to come before the Committee in favor of A.B. 197 (R1).

Laura Freed, Deputy Administrator of Regulatory and Planning Services, Division of Public and Behavioral Health, Department of Health and Human Services,

stated that A.B. 197 (R1) specified certain requirements for the authorization of seasonal or temporary recreation programs. As originally introduced, the bill would have required the Division's child-care licensing program to issue permits for such recreational programs. The cost to the Division for the permitting process was originally estimated at \$299,912 over the biennium to fund the permitting and inspection investigation activities that would have resulted from the bill as introduced.

With the adoption of Amendment No. 301, said Ms. Freed, the requirement for the Division to permit the seasonal or temporary recreation programs was eliminated. However, there remained the responsibility for the Division to investigate complaints submitted about such programs, to prepare an evidentiary report based on that investigation, and to submit that report to the Office of the Attorney General or the office of the local district attorney.

Ms. Freed said with that change, the Division would still incur a cost to support investigation activities resulting from complaints. As noted, the cost was now substantially lower than the initial fiscal note, and as alluded to by Assemblywoman Kirkpatrick, the total cost estimated to be incurred by the Division was \$46,560 over the biennium. Ms. Freed said those costs would need to be absorbed into the fee structure for the child-care licensing program, as the bill did not authorize the collection of fees for investigations. Ms. Freed said the Division would approach the Legislative Commission to present a new fee structure.

Per Ms. Freed, the child-care licensing budget [budget account 3149, Child Care Services] was recently closed by the Assembly Committee on Ways and Means and the Senate Committee on Finance predicated on a new fee structure, and State General Fund revenue was eliminated from the budget. That meant if the bill moved forward, the fee structure that was approved by the Committees would be marginally increased.

Assemblywoman Kirkpatrick thanked Ms. Freed for her help in reducing the fiscal note. However, the Division could approach the Legislative Commission to approve the additional fees, if necessary. Parents had no avenue to file complaints against seasonal or temporary recreational programs if their children were injured or not well cared for when participating in such programs. Assemblywoman Kirkpatrick said she would support the Division's efforts as a member of the Legislative Commission should there be a need for additional fees for investigations.

Assemblyman Sprinkle asked about the exact amount of \$46,560 for the fiscal note, because it was unknown whether any investigation would even take place. He wondered how the Division was able to arrive at an actual amount.

Ms. Freed said the fiscal note revision was provided to Fiscal Analysis Division, Legislative Counsel Bureau staff on May 5, 2015, and was predicated on the following assumptions:

- Approximately ten complaints would be investigated, which was the average number of complaints received by the child-care licensing staff per year based on complaints about programs that were not licensed.
- An average of 24 hours would be needed to complete a complaint investigation conducted by child-care licensing staff. The number of hours was predicated on an investigation of a horse camp that was conducted last year. Those costs were subsidized by other licensees because the Division was not able to recover costs for the investigation.
- The average cost to perform an investigation, including the investigator's time, the administrative assistant's time to prepare documents, and all overhead costs associated with the investigation would be approximately \$97 per hour.

That was the basis of the fiscal note, said Ms. Freed, and the cost of the overhead was the same as the Division used for medical facility overhead.

Assemblyman Oscarson asked whether there were any statistics available regarding past complaints about seasonal or temporary recreational programs. He wondered whether there had been many complaints filed in the past. Assemblyman Oscarson was concerned that parents might file false complaints because there would be a vehicle available to address those complaints.

Ms. Freed said the Division was not aware of the total scope of the problem. The child-care licensing program reported to her approximately ten times per year about the complaints that had been lodged regarding out-of-season recreational programs. The Division had to inform those complainants that it had no jurisdiction over those programs. Ms. Freed said the Division was not aware of what might have occurred after the original attempt to lodge a complaint with the Division or whether those complaints were filed elsewhere.

Assemblywoman Titus believed that if complaints were not being brought to the Division, there would be no need for A.B. 197 (R1). Clearly, a problem had been identified, and the bill was brought forward to address that problem.

She felt that complaints would continue, and the Committee should be realistic about the fiscal component attached to the bill.

Assemblywoman Diaz hoped that the Committee would support A.B. 197 (R1), which would help close the loophole in statute and ensure that parents had recourse. Currently, because the seasonal or temporary recreational programs were not under the jurisdiction of the Division of Public and Behavioral Health, Department of Health and Human Services, complaints fell on deaf ears because there was no mechanism in place to address those complaints.

Assemblywoman Diaz said the bill would also prevent persons who, because of their background, should not be working with children and gaining access to children through the temporary or seasonal recreational programs. That was one loophole that remained and would be addressed by the bill.

Vice Chair Hambrick asked whether there was further testimony in opposition to, or neutral regarding A.B. 197 (R1), and there being none, the Vice Chair closed the hearing. Vice Chair Hambrick opened the hearing on Assembly Bill 388.

**Assembly Bill 388: Revises provisions governing certain leaves of absence for military duty for public officers and employees. (BDR 23-180)**

Assemblyman Paul Anderson, Assembly District No. 13, stated that Assembly Bill (A.B.) 388 was a trailer bill that addressed legislation passed by the 2013 Legislature to assist public officers and employees with leaves of absence for military duty. Assemblyman Anderson said the bill that passed in 2013 attempted to create equity for employees who had to leave their job for military duty or training.

The problem, said Assemblyman Anderson, was that persons who worked weekends on their normal shift, such as correctional officers or public safety personnel, were sometimes required to take unpaid leave to perform their military reserve duties or training on weekends. However, those employees who worked a normal Monday through Friday work week were not required to use leave to perform their military duties on the weekend.

Assemblyman Anderson said the original legislation attempted to create equity among employees who performed military reserve duties. Over the interim, it was discovered that there were some extra costs in overtime and shift differentials. He stated A.B. 388 would clean up the language in statute and maintain equity among employees who served in the military reserves.

Shelly Blotter, Deputy Administrator, Division of Human Resource Management, Department of Administration, provided the Committee with a copy of her written testimony, [Exhibit C](#), which pertained to proposed Amendment No. 7242 ([Exhibit D](#)) to A.B. 388.

Ms. Blotter said section 1 of the bill allowed for a public officer or employee to receive 15 paid days for military training or deployment, which remained unchanged. Section 1, subsection 2, currently provided that a public officer or employee who was serving under orders for monthly or annual training was eligible to receive 39 days of compensation. Ms. Blotter indicated the bill changed the language "to a period of not more than the number of hours equivalent to 24 working days in any 12-month period . . . to serve under orders for training that was scheduled on a Saturday or Sunday." Instead of receiving full compensation from the state, employees would receive the difference between their military and their state pay.

Ms. Blotter noted that employees on paid military leave for training purposes would receive all annual and sick leave accrued and would receive retirement credits as if they had been working for the state that day. Ms. Blotter also submitted an example of military pay for training being greater than state pay ([Exhibit E](#)). There was some additional language related to defining a work day, which would allow the Division to administer the mandates of the bill.

Ms. Blotter referred to the proposed amendment ([Exhibit D](#)) to the bill and said it was important to note that the amendment would not change the provisions of the bill, but simply clarified the compensation that public officers and employees who were active members of the military would receive. The amendment would clarify in statute that an employee would not be able to take paid military leave for training purposes, as well as take annual leave, compensatory time, or other forms of paid leave, or unpaid leave such as furlough days, at the same time as they were receiving paid military leave for training purposes.

Ms. Blotter explained that the reason for that language was because the leave codes provided the employee with their leave accrual and retirement credits. If the employee was allowed to take another form of leave during that military leave, the employee would receive double retirement credits and double paid leave. The same language would apply to furlough days.

Assemblywoman Dickman said it appeared that the bill would ultimately save money for the state, and she asked whether there was a fiscal note attached to the bill.



Assemblyman Anderson indicated there was a fiscal note attached to the bill initially because of the open-ended language in the original bill from the 2013 Legislature.

Assemblyman Kirner asked whether the mandates of the bill also applied to county and city government employees or whether those employees were covered by the counties and cities.

Ms. Blotter said the language in section 1 of the bill indicated the mandates also applied to public officers or employees of a political subdivision or an agency of a political subdivision, which covered city and county employees. The governments would use their own procedures to define the benefits to their employees.

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, commented that at one point the Office of the Military indicated it would need a full-time position to perform the timekeeping that would be required because of the bill. Subsequently, the Division of Human Resource Management better understood the coding in the state's timekeeping system and had removed that fiscal note. Ms. Jones stated the fiscal note was removed after the bill was referred to the Assembly Committee on Ways and Means.

Vice Chair Hambrick asked whether there was testimony to come before the Committee in favor of, in opposition to, or neutral regarding A.B. 388, and there being no further testimony, the Vice Chair closed the hearing and turned the meeting over to Chair Anderson.

Chair Anderson opened the hearing on Assembly Bill 410.

**Assembly Bill 410: Revises the membership of certain boards and commissions of the Executive Department of the State Government. (BDR 28-741)**

Assemblyman Heidi Swank, Assembly District No. 16, stated there was a proposed amendment ([Exhibit F](#)) to Assembly Bill (A.B.) 410. There was no longer a fiscal note attached to the bill because the Nevada Gaming Commission had been removed from the language in the bill.

Assemblywoman Swank said there was concern about the distribution of members on some statewide boards and commissions. The members should mirror the population of the state, and she had worked on a long-term plan to allocate geographic distribution of members of some statewide boards and commissions.

Currently, said Assemblywoman Swank, the bill only applied to the Real Estate Commission, Department of Business and Industry. As the Real Estate Commission was currently set up, the ratio of members of the Commission to actual citizens in the geographic area was very disproportionate. For example, Clark County had 2 members on the Real Estate Commission, which was a ratio of 1 member for every 950,000 persons in Clark County. Assemblywoman Swank said there were also 2 members on the Real Estate Commission from the Washoe County area, which was a ratio of 1 member for every 266,000 persons. In the rural counties, there was 1 member of the Commission for every 216,000 persons. The bill attempted to establish a plan that would adjust the membership of the Real Estate Commission over time as populations shifted.

Assemblywoman Swank referred to the proposed amendment, [Exhibit F](#), and indicated that in section 7, subsection 1, the Real Estate Commission would remain at 5 members, with 3 members from Clark County, which would bring the ratio to 1 member for every 600,000 persons; 1 member from Washoe County or the City of Fernley; and 1 member from one of the other counties, including Carson City.

Assemblywoman Swank said concerns were voiced about the difficulty of locating members in certain groupings, and the language in section 7, subsection 2, of the proposed amendment stated that if no qualified member was available in Clark County, the appointing authority must make the appointment from among the residents of the region with a population next in size to the region where the vacancy existed. That would continue until the vacancy was filled. Should no member be available from any region, that seat would be left vacant until the end of the term and then return to Clark County at that time.

Assemblywoman Swank said section 7, subsection 3, stated that every 10 years, after the census conducted by the Bureau of the Census, U.S. Department of Commerce, the regular legislative session would reconsider the distribution, which would better mirror the shifts in population. However, member apportionment would only be adjusted as members' terms expired.

Assemblyman Kirner said there was one fiscal note attached to the bill, and he asked whether Assemblywoman Swank had worked with the State Gaming Control Board to eliminate the fiscal note.

Assemblywoman Swank explained that, as amended, the bill would no longer apply to the members of the Gaming Commission; therefore, the fiscal note would be eliminated.

Chair Anderson asked whether there was further testimony to come before the Committee in support of, in opposition to, or neutral regarding A.B. 410, and there being none, the Chair closed the hearing. The Chair opened the hearing on Assembly Bill 445 (R1).

**Assembly Bill 445 (1st Reprint):    Makes various changes relating to redevelopment. (BDR 22-1100)**

Javier Trujillo, Director of Intergovernmental Relations, City of Henderson, stated that Assembly Bill (A.B.) 445 (1st Reprint) dealt with redevelopment areas. Currently, a redevelopment plan adopted after January 1, 1991, terminated no later than 30 years after the date the original redevelopment plan was adopted. Mr. Trujillo stated A.B. 445 (R1) would extend the termination date of the redevelopment plan for an additional 15 years.

There was a fiscal note attached to the bill from the City of Henderson, and Mr. Trujillo said the fiscal note was submitted to indicate that the extension of 15 years to Henderson's downtown redevelopment area would allow it to refinance, which would result in a savings of \$4.6 million in bond payments.

Assemblywoman Kirkpatrick stated that section 1, subsection 2, of the bill indicated that 18 percent of the revenue received from taxes on the taxable property located in the redevelopment area would be set aside to improve and preserve existing public educational facilities located within the redevelopment area or which served pupils who resided within the redevelopment area; that would provide savings to the state.

Mr. Trujillo confirmed that was correct. The 18 percent set-aside would also be a savings to Henderson, because that percentage could be provided to the school district. If the bill was approved, the 18 percent from the downtown Henderson redevelopment area would be approximately \$1 million per fiscal year beginning in 2017 through 2040. Those dollars could be used to improve and equip existing public education facilities within the redevelopment area.

Chair Anderson asked whether there was testimony to come before the Committee in support of A.B. 445 (R1).

Brian McAnallen, Government Affairs Manager, City of Las Vegas, stated that section 2 of the bill pertained to the City of Las Vegas, and the City supported the bill in its entirety.

Michelle Romero, AICP [American Institute of Certified Planners], EDFP [Economic Development Finance Professional], Redevelopment Manager,

City of Henderson, voiced support for the bill and stated she would be happy to answer questions.

Chair Anderson asked whether there was further testimony to come before the Committee in opposition to, or neutral regarding A.B. 445 (R1), and there being none, the Chair asked Mr. Trujillo whether he would like to provide a closing statement.

Mr. Trujillo stated that following the hearing for A.B. 445 (R1) by the Assembly Committee of Government Affairs, the City of Henderson met with the Clark County School District (CCSD) to address a concern that had arisen because of the original amendment. He had spoken to the Chair of the Committee on Government Affairs, and there was an agreement that the bill would be further amended as it related to the population cap. Currently, said Mr. Trujillo, the bill only applied to redevelopment authorities in cities within a county with a population of 700,000 or more. The City of Henderson would like to amend the bill to only apply to cities with a population of 250,000 or more, but less than 500,000. Mr. Trujillo said that would narrow the number of redevelopment authorities that would be eligible for the extension.

Assemblywoman Kirkpatrick said the current language indicated cities within a county with a population of over 700,000 would put aside 18 percent for the school districts. However, if that were amended to only apply to cities with a population of 250,000 that represented a change in policy.

Mr. Trujillo said the City of Henderson wanted to address any concerns raised by the CCSD, and perhaps a representative from CCSD could provide additional information.

Craig M. Stevens, Director of Intergovernmental Relations, CCSD, said when CCSD was first approached about A.B. 445 (R1), the language only concerned the City of Henderson. However, with the change to the bill because of the constitutionality of the original language, it extended the stipulations to other redevelopment authorities, and that was never the intent nor the agreement. Mr. Stevens said it was his understanding that over the length of the bill, as it was written, it would amount to approximately a \$75 million loss. The CCSD had explained its concerns to Mr. Trujillo and asked that the language of the bill be narrowed to include only the City of Henderson. Mr. Stevens said the redevelopment authority would then spend that funding in a blighted area to increase those property taxes, and once the full amount of local school support tax (LSST) was collected, CCSD believed that would be more of a windfall. Mr. Stevens said CCSD supported the bill with the narrow language that included only the City of Henderson.

Chair Anderson closed the hearing on A.B. 445 (R1) and opened the hearing on Assembly Bill 459 (1st Reprint).

**Assembly Bill 459 (1st Reprint):   Revises provisions relating to elections.  
(BDR 24-1082)**

Daniel Stewart, Assembly Leadership Policy Advisor, stated that the policy aspects of Assembly Bill (A.B.) 459 (1st Reprint) were intertwined with the financial aspects, and he would present a brief summary of the bill.

Mr. Stewart indicated that the bill made no statement regarding current immigration policy, nor the issue of potential noncitizen voting. The bill did not contain any follow-up critique or attempt to undermine the bill passed by the 2013 Legislature that granted driver authorization cards to persons who were noncitizens.

Mr. Stewart said what the bill attempted to do was find a safe, secure, and private way of providing data to properly maintain the voter rolls. There had been some confusion about the relationship between the driver authorization cards and the intent of A.B. 459 (R1).

According to Mr. Stewart, there was empirical evidence in the United States that noncitizens were registering to vote, and in almost every case, it was of no fault of the person registering. Often noncitizens were pressured into registering to vote and provided the form, and some noncitizens did not realize they had been registered to vote and only discovered that they were registered to vote during their naturalization hearing. The intent of the bill, said Mr. Stewart, was to discover the noncitizens who were registered to vote and maintain privacy for individuals without causing harm or embarrassment.

Mr. Stewart said section 2 of the bill was the first data point, which was driving the fiscal note. There was a highly reliable data source for noncitizen members of the population as they applied and obtained driver authorization cards. Currently, a citizen or a noncitizen could apply for such a card, and the intent was to maintain privacy so that federal agencies could not obtain the list and declare everyone on the list a noncitizen.

Mr. Stewart indicated that after a noncitizen applied for a driver authorization card and presented the various forms of identity from another country, the driver authorization number would be flagged in the system. When the data was reported between the systems, if the noncitizen tried to register to vote with the flagged driver authorization number, the system would indicate that the number was flagged. Mr. Stewart noted that flagging was already in place for

noncitizens, and the bill would require that the name, birthdate, and address be submitted to the Office of the Secretary of State (SOS) within 30 days after the issuance of a driver authorization card.

Mr. Stewart said the SOS would then have an opportunity to match the information against the voting rolls to see if the person was registered. He clarified that would simply give the SOS an opportunity to clean up the rolls, particularly in cases where noncitizens did not realize they had registered to vote. The bill contained some due process concerns, and if the driver authorization number was flagged, the SOS would send a letter to the individual indicating what had occurred and asking that person to provide proof of citizenship or the voting registration would be cancelled.

During the course of the policy hearing, said Mr. Stewart, there were some helpful additions to the list of potential documents that persons could provide to prove citizenship, such as copies of certification of naturalization; he noted that the language in the bill was as broad as possible. The bill also contained protections similar to federal law regarding mass purges of records from the voter rolls within 90 days of any election.

The second data point, said Mr. Stewart, was information from individuals who responded to summons for jury service. Currently, there were a number of noncitizens that asked to be excused from jury service because of noncitizen status. The bill would allow those persons to sign a form that would be sent to the Secretary of State to clear the voter rolls.

Mr. Stewart said the sponsors of the bill had worked closely with community stakeholders regarding A.B. 459 (R1), and there was agreement with the intent of the bill; he noted that the sponsors were trying to use the proper mechanism. One of the most significant concerns was confidentiality and how the use of the information would be handled. Mr. Stewart said he shared that concern, and he believed that concern was driving the fiscal note because the information was to be kept absolutely confidential: it was already established in statute that the information provided for driver authorization cards could not be used for any purpose related to immigration. The information could not be subpoenaed, could not be used in civil discovery, and was simply a way to check the voter rolls.

Assemblywoman Kirkpatrick said she was somewhat perplexed because she understood the bill would correct a technical problem, but now it appeared to be a political problem. She indicated she had contacted the Office of the Secretary of State (SOS) earlier today, which was willing to work on a conceptual amendment to the bill that would address the technical problem.

That would also solve the problem with the Department of Motor Vehicles (DMV), and it would remove the fiscal note. Assemblywoman Kirkpatrick said she would support an effort to correct any technical problems because it was never intended for noncitizens to register to vote or be summoned for jury duty. She asked Mr. Stewart whether he was amenable to an amendment to A.B. 459 (R1).

Mr. Stewart said he was amenable to discussion of any and all amendments to the bill. During the process, the sponsors had attempted to make the policy as acceptable as possible.

Assemblywoman Kirkpatrick noted that a representative was present from the SOS who could vouch for the willingness of the SOS to work on a conceptual amendment.

Scott W. Anderson, Chief Deputy, Office of the Secretary of State, stated that the SOS had been in contact with Assemblywoman Kirkpatrick and other stakeholders regarding a conceptual amendment. The SOS would work with all parties to determine the proper mechanism to provide the information to that office.

Assemblyman Sprinkle wondered, if the technical adjustments were made and the SOS was actually able to acquire the information and data, whether there would be an increase in staff workload that would create a fiscal note.

Mr. Anderson indicated that current staff could absorb the additional workload. He noted that the SOS currently matched a significant amount of information with the voter rolls, and the information pertaining to driver authorization cards would be an addition to that process.

Assemblywoman Bustamante Adams commented that she appreciated the SOS and Assemblywoman Kirkpatrick understanding the larger issue, that the information was to be kept confidential and could not be used for any other purpose. She believed there was a solution, and she appreciated the fact that several stakeholders had worked together on the bill.

Chair Anderson asked whether there was any testimony to come before the Committee in support of A.B. 459 (R1).

John Wagner, State Chairman, Independent American Party, stated that he agreed with the testimony presented on the bill. He did not feel the fiscal note was a significant problem because he did not think many people would fall into the noncitizen category to begin with. Mr. Wagner said all data was transmitted

electronically to the SOS, and it would not take long to verify whether a noncitizen was registered to vote.

Chair Anderson asked whether there was testimony to come before the Committee in opposition to A.B. 459 (R1).

Howard Watts III, representing the American Civil Liberties Union (ACLU) of Nevada, thanked Mr. Stewart and other stakeholders who had worked to address the issues in the bill. While progress had been made, some problems remained as presented in the first reprint, and because the proposed amendment was conceptual, the ACLU wanted to cover the policy concerns it had with the bill.

Mr. Watts said the first concern was the transmission of driver authorization card data to the SOS for matching and verification. The ACLU had concerns with the fact that the SOS would need a Spanish-speaking staff member to conduct the verification process and deal with any problems that arose in talking with voters who felt they were being inappropriately challenged or removed from the rolls. Another concern was the security protocol for the information. The ACLU worked extensively on the driver authorization cards to ensure that the information would be kept confidential and private.

Mr. Watts noted that in 2010, state officials in Utah distributed 1,300 names to law enforcement entities and newspapers of people the officials believed to be undocumented immigrants. The ACLU had faith in the SOS, but it wanted to ensure that the security protocols were in place to keep such events from happening in Nevada. If the DMV component was included in the bill, the ACLU would like to make sure that the matching occurred by the public voter file being sent to the DMV because of the strong existing security protocols at DMV, rather than DMV sending information to the SOS, where strong security protocols were not in place.

Mr. Watts said any data, whether from DMV or elsewhere, should have a strong multipoint match in place. In section 2, subsection 2, the bill stated that the county clerk shall determine whether the person who applied for a driver authorization card was a noncitizen and was registered to vote. Similar language appeared in section 3, subsection 1, and stated that the county clerk shall determine whether noncitizens who received a summons to appear for jury duty and declared they were not qualified because they were not citizens were registered to vote. The ACLU wanted to ensure that the language of the bill explicitly created that match and must include the full name, date of birth, and address. The ACLU wanted to make sure the language was targeted so that persons who were registered would not have their right to vote challenged.



Mr. Watts said that would also narrow the language of the bill and minimize the fiscal note.

Leora Olivas, Director, Silver State Voices, Let Nevadans Vote Coalition, echoed the comments made by Mr. Watts and stated that Silver State Voices and Let Nevadans Vote Coalition supported the concept of removing noncitizens from the voting rolls who might have registered by mistake and appreciated the fact that the bill was attempting to improve accuracy rather than punish honest mistakes. However, said Ms. Olivas, while the language of the bill had improved, concerns remained about the process of matching voter information. Silver State Voices and the Coalition believed that requiring a multipoint match and driver authorization card matching within DMV would protect privacy and reduce the chance of citizen voter registration being threatened. Ms. Olivas said Silver State Voices and the Coalition also believed that those changes would make the process more efficient and cost effective.

Hardeep "Dee" Sull, Managing Partner, Sull and Associates, Las Vegas, Nevada, stated she was an immigration attorney in Nevada and also practiced family law. Ms. Sull stated that A.B. 459 (R1) was not well thought out. She said she was uncertain as to the costs because certified mail was quite expensive; as an attorney, she frequently sent information via certified mail to her clients, and she believed the costs would be onerous and expensive and required the court clerk to report to the DMV.

Ms. Sull opined it was wasteful, and public resources were already stretched and limited. She also said she was unsure about discrimination against a very vulnerable population. The bill sent a message to constituents that "big brother was watching," and Ms. Sull did not think the Legislature should encourage such a message. She noted that DMV offices were understaffed, and most persons waited an average of three hours to be served.

Leo Murrieta, representing the Latino Leadership Council, said he was testifying in opposition to A.B. 459 (R1). Mr. Murrieta said the legislation that created the driver authorization card was heard by the 2013 Legislature, and there were many arguments at that time, which led to passage of language that was designed to increase public safety and create a sustainable revenue stream for DMV to provide the expanded services. The reason was to ensure that all Nevadans were protected on the roads, and that everyone who was driving on the roads understood the laws and policies of the state. Mr. Murrieta said that was a successful bipartisan measure that many of the current members of the Assembly had voted to support. Since the enactment of that legislation, several thousand individuals had successfully applied for the program, and it continued to offer a sustainable revenue stream for DMV.

However, said Mr. Murrieta, A.B. 459 (R1) seemed to be a measure that might unintentionally reverse the positive effect that legislation for the driver authorization cards had on the state's level of public safety and also on the revenue stream that helped sustain the expanded program at DMV. Although it was not the intent of the stakeholders, in a vulnerable community that feared government buildings, schools, post offices, and even the DMV, the bill would have a negative effect on the number of people who applied for driver authorization cards.

Mr. Murrieta said creating a policy that shared information with other agencies would feed the fear of the vulnerable community. He urged the Committee to oppose the bill that would create longer DMV wait-times and increase the workload for county clerks.

Brian J. Ramsey, Attorney, Millennium Legal, LLC, Las Vegas, Nevada, echoed the concerns of those who testified in opposition to the bill. He voiced concern about the cost to DMV and the cost to maintain the security of the personally identifiable information, which was strongly protected in the statutes pertaining to DMV. Mr. Ramsey said having worked in the high tech field, security and integrity of data was only as good as the weakest link in the custody chain. Because custody of the information would be transferred from DMV to the Office of the Secretary of State (SOS), Mr. Ramsey believed the bill had to address the cost to SOS and the technical concerns in protecting the information under the same security as that provided by DMV.

Mr. Ramsey said section 8 of A.B. 459 (R1) addressed the communication of information from the courts back to the SOS, and there was no funding included in that section. As an attorney, Mr. Ramsey said he was concerned that the mandates of the bill would delay the jury selection process. Once a person volunteered the information that he was a noncitizen, and a judge determined that the person was not going to serve, paperwork would be required, and there was no funding mechanism included in the bill for that paperwork. Mr. Ramsey said there was also a technical concern because he did not see how the Legislature could command the courts to submit the information to the SOS, based upon a separation of powers issue.

Mr. Ramsey said he also had an issue in section 6, subsection 5, which read, the county clerk shall cancel the registration: "Upon the request of any registered voter to affiliate with any political party or to change affiliation, if that change is made before the end of the last day to register to vote in the election." His concern was the language "any registered voter," and he wondered whether any registered voter could request the cancellation of

another voter's information. Mr. Ramsey opined that the language of section 6, subsection 6, was much better: "At the request of the person registered."

Chair Anderson asked whether there was further testimony to come before the Committee in opposition to or neutral regarding A.B. 459 (R1).

Troy Dillard, Director, Department of Motor Vehicles, stated that the conceptual amendment that was discussed earlier today with Assemblywoman Kirkpatrick and the SOS would eliminate the fiscal note that was submitted by DMV.

In closing, Mr. Stewart stated that most of the proposed changes were very reasonable, and the stakeholders would be happy to consider those changes; he noted that DMV and the SOS would work out the security of the data. The only clarification was that the language in section 6, subsection 5, was already included in existing law and would not be amended by the bill.

There being no further testimony to come before the Committee regarding A.B. 459 (R1), the Chair closed the hearing on the bill and opened the hearing on Assembly Bill 480 (1st Reprint).

**Assembly Bill 480 (1st Reprint):   Revises provisions relating to mortgage lending. (BDR 54-1174)**

Terry J. Reynolds, Deputy Director of Programs, Department of Business and Industry, stated that Assembly Bill (A.B.) 480 (1st Reprint) was originally a very comprehensive bill dealing with mortgage lending, escrow agents, and mortgage servicers. There had been amendments and deletions to the bill that would allow the Department of Business and Industry (B&I) to create regulations to address the revisions requested in the bill. Mr. Reynolds said B&I had worked with the mortgage lending industry to create a compromise that would allow the bill to move forward. The main purpose of the bill was to increase the fees for mortgage lending. He noted that the fee increase for escrow servicers had been removed, and in the future, through regulation, B&I would regulate mortgage servicers. The regulations would be vetted through public hearings and would be brought before the Legislative Commission.

In addition, said Mr. Reynolds, B&I had held a significant number of meetings with the construction control industry, which had been thrown in as escrow agents two biennia ago. The B&I worked with that industry to remove the language from the bill that would have separated the construction control industry through regulation by detailing those regulations that would better service that industry. Mr. Reynolds believed there had been good dialogue

among most of the stakeholders, and agreements had been reached regarding how B&I should move forward with the bill.

Chair Anderson asked for clarification regarding how A.B. 480 (R1) aligned with B&I's budget closing.

Mr. Reynolds explained that the fees for escrow agents were removed, and those fees were included in the budget closing. The fees for mortgage brokers were included in the budget closing and remained in the bill. The B&I proposed to bring back regulations regarding mortgage servicers. If that was not successful, B&I would refrain from hiring the individuals who would work through and process the mortgage servicer fees.

Chair Anderson asked whether any fees remained in the bill itself or whether all fees would be addressed through regulations.

Lisa Figueroa, Administrative Services Officer, Department of Business and Industry, stated there were no fees currently reflected in the budget.

Assemblywoman Dickman noted that section 17, subsection 4, read, "To charge the mortgage broker with whom the mortgage agent is associated, a person must pay a fee in an amount prescribed by regulation of the Commissioner, not to exceed \$50."

Jim Westrin, Commissioner, Division of Mortgage Lending, Department of Business and Industry, said there was an increase in fees for the association of mortgage agents to a mortgage broker, as noted in section 17, subsection 4. There was also an increase in fees for mortgage broker branch offices in section 16, subsection 5(a), and for mortgage banker branch officers in section 19, subsections 5(a) and 5(b).

Chair Anderson stated that it appeared the amount of the fees would be established by regulation up to a maximum amount determined by the bill.

Mr. Westrin replied that was correct.

Assemblywoman Carlton said it appeared the cap for existing fees would be raised, and there would be no additional fees.

Mr. Westrin replied that was correct: the cap for the existing fees included in the bill would be increased.

Assemblywoman Carlton said it appeared the bill would allow B&I to raise the fees up to the maximum amount established in the bill, and if B&I needed to raise the fees in the future, it could do so through regulation.

Chair Anderson asked whether there was further testimony to come before the Committee in support of A.B. 480 (R1).

Jon Gedde, Chairman, Board of Governors, Nevada Mortgage Lenders Association, said the Association was in agreement with the vast majority of the language included in the bill. The Association also agreed with the nominal fee increases and understood the importance of regulations and maintaining a level playing field. Mr. Gedde said there had been a last-minute discussion regarding one of the provisions, and he wanted to clarify that the intent was to ensure that mortgage servicers were complying with federal and Consumer Financial Protection Bureau (CFPB) standards for servicing loans and not to impose additional regulations on the servicers.

Mr. Gedde said he would prefer the language in section 86.5, subsection 1(b) to read, "or, if not subject to subsection 1(a)," which would ensure that the state was not imposing additional regulations that were conflicting with CFPB standards.

Mr. Gedde said the Association had a good working relationship with Commissioner Westrin, and he believed the language could be addressed in regulation. However, he wanted the record to reflect that it was the intent of the bill not to impose additional regulations on mortgage servicers, but to give the Division of Mortgage Lending the ability to enforce existing regulations and bring mortgage servicers that were not subject to federal jurisdiction under the umbrella of the Division.

George Ross, representing the Nevada Bankers Association, agreed with the language proposed by Mr. Gedde. The Association felt that section 86.5 as drafted would contribute to a conflict of laws. The Association could not be confident that future commissioners would not propose regulations that could conflict with CFPB rules for mortgage servicers. Mr. Ross said the Association was also concerned about the growth of case law. He noted that Senate Bill No. 321 of the 77th Session (2013) was based upon the same source of CFPB rules; however, the courts eventually developed case law that differed from federal regulations. The Association believed that the amendment to section 86.5 proposed by Mr. Gedde would be invaluable, and in fact, the bill would have problems without such an amendment; the Association strongly supported that amendment.

Assemblywoman Kirkpatrick noted that agencies adopted regulations through the Legislative Commission to remain in compliance with federal law. She commented that A.B. 480 (R1) had been a "train wreck" ever since it had been written, but unfortunately it was part of B&I's budget. Assemblywoman Kirkpatrick said she was very perplexed by Mr. Ross' comment that the language in section 86.5 needed to be amended at this late date.

Mr. Ross said he should have realized that the four words proposed by Mr. Gedde would solve the problem with the conflict of laws stemming from future case law, which was very concerning to the Nevada Bankers Association. He understood the situation regarding the lack of time remaining in session.

Brian J. Ramsey, Attorney, Millennium Legal, LLC, Las Vegas, Nevada said part of the bill was to expand the base of the licensed entities, which was good for the budget; however, he was somewhat concerned about some of the changes that were made in the expansion. He stated that in section 8, subsection 2(j) the following language had been stricken: "If for an escrow agency, designate a natural person to receive service of process in this State for the agency." Mr. Ramsey asked whether a designee for new mortgage servicers would be addressed via regulation as additional mortgage servicers were added.

Chair Anderson asked whether there was further testimony to come before the Committee in favor of, in opposition to, or neutral regarding A.B. 480 (R1), and there was no further testimony. The Chair closed the hearing on A.B. 480 (R1) and opened the hearing on Assembly Bill 481 (1st Reprint).

**Assembly Bill 481 (1st Reprint): Provides additional authority for the enforcement of the laws prohibiting deceptive trade practices. (BDR 52-1168)**

Terry J. Reynolds, Deputy Director, Programs, Department of Business and Industry, stated that Assembly Bill (A.B.) 481 (1st Reprint) continued the Consumer Affairs Unit. The Department of Business and Industry (B&I) had worked in concert with the Office of the Attorney General (AG) on the bill, and the Unit would continue to be financed by National Mortgage Settlement funds for two years. The bill changed the law and would allow the Unit to administer the deceptive trade practice laws for the State of Nevada.

Assemblyman Armstrong asked whether there was a proposed amendment to the bill.

Lisa Figueroa, Administrative Services Officer, Department of Business and Industry, replied that there was no proposed amendment to the bill.

Assemblyman Kirner said the financial arrangement to support the Consumer Affairs Unit was intact for the upcoming biennium, but there was no funding beyond that time frame. Mr. Reynolds replied that was correct.

Assemblyman Kirner said the 2017 Legislature would likely see a new financial arrangement to continue the Unit.

Mr. Reynolds said B&I had been looking at programs in other states to ascertain how consumer affairs units were funded. There were various funding mechanisms used, and the funding mechanism used by Utah was a rather comprehensive fee system to support a small, directed consumer affairs unit. The B&I would review the fees generated by the proposed Consumer Affairs Unit over the upcoming biennium to ascertain whether a program could be established to continue funding the unit.

Mr. Reynolds said there had been a steady increase in cases, and there had been approximately 1,500 inquiries over the past year. The number of cases projected for the next year was approximately 2,000, and that number would likely continue to grow as B&I became more involved in consumer affairs within the community.

Assemblyman Kirner stated the Consumer Affairs Unit had greatly suffered during the great recession. He said he was looking forward to B&I's plan to maintain funding for the Consumer Affairs Unit because it was very important to protect Nevada's citizens.

Mr. Reynolds said B&I covered a wide range of divisions, and it was able to call on those divisions to help with solving consumer issues, whether the issue was with real estate, mortgage lending, insurance, or in another area.

Assemblyman Sprinkle said there was a fiscal note attached to A.B. 481 (R1) from the AG for additional personnel. He asked whether the position was included in the budget.

Joi Davis, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said testimony was presented when the bill was first heard before the Committee on April 2, 2015, and the AG indicated that it had worked closely with B&I to work out the language of the amendment. At that time, the AG indicated there would be no fiscal effect. Ms. Davis said the AG further indicated in later conversations that it would monitor how many cases were

forwarded to it from B&I, so it could determine the use of the deputy attorneys general for those cases. If there was a need for further staff, the AG would come forward in future biennia to request additional positions.

Chair Anderson asked whether there was further testimony to come before the Committee in support of, in opposition to, or neutral regarding A.B. 481 (R1), and there being no further testimony, the Chair closed the hearing and opened the hearing on Senate Bill 334 (1st Reprint).

**Senate Bill 334 (1st Reprint): Proposes to exempt sales of certain durable medical equipment, mobility-enhancing equipment, hearing aids, hearing aid accessories, and ophthalmic or ocular devices or appliances from sales and use taxes and analogous taxes. (BDR 32-262)**

Joshua Hicks, representing the Nevada Hearing Society, stated he had also presented the bill to the Assembly Committee on Taxation. He indicated he would provide a brief overview of Senate Bill (S.B.) 334 (1st Reprint) because there was no sponsor present at the hearing.

Mr. Hicks said the bill dealt with sales and use tax on various medical equipment, and would create a ballot question for voters in November 2016. The voters would determine whether the exemptions would or would not be put into place. Mr. Hicks noted there were three exemptions in the bill that would be put into place if approved by the voters: (1) durable medical equipment and mobility-enhancing equipment that was prescribed by a physician; (2) hearing aids, with or without a prescription; and (3) ophthalmic or ocular devices prescribed by a physician or optometrist.

Mr. Hicks said if passed, the mandates of S.B. 334 (R1) would go into effect on January 1, 2017, and would remain in place for ten years, expiring on December 31, 2026. That was the basis of the bill: the question of whether or not to exempt from sales and use tax medical and mobility-enhancing equipment, hearing aids, or ophthalmic or ocular devices would be left up to the voters. Mr. Hicks said he had a spreadsheet regarding how different states that were part of the Streamlined Sales and Use Tax Agreement dealt with such exemptions. In most cases, Nevada was in the minority because it taxed many devices compared to other states.

Mr. Hicks said he supported the bill because as a tax attorney, he had represented taxpayers who were confused, particularly in the area of durable medical equipment. He believed the bill would greatly clarify the explanation of medical devices. Approval by the voters would create a fiscal effect, but it



would help many patients who required durable medical equipment and mobility equipment.

Assemblywoman Kirkpatrick noted there was a \$25,039,810 fiscal note attached to S.B. 334 (R1), and she wondered why the effective date was in the middle of a fiscal year. She also wondered how the state would be expected to deal with the decline in tax revenue from that date to the end of the fiscal year. Assemblywoman Kirkpatrick noted that section 23 of the bill indicated that if a majority of votes cast on the question were yes, the effective date would be January 1, 2017, and it would expire by limitation on December 31, 2026.

Mr. Hicks said it was not his bill, and he was not sure how the effective date had been determined. He supposed the date was tied to the 2016 election. The bill required a vote of the people to make substantive exemptions to Chapter 372 of *Nevada Revised Statutes*, and that had to be done at the time of a general election.

Mr. Hicks presumed that was the reason for the effective date; he was unsure about the amount of the fiscal note, and perhaps the Department of Taxation could answer that question. It appeared that the fiscal note for the first year would run from July 1, 2016, through June 30, 2017, and cover the end of that fiscal year.

Assemblywoman Kirkpatrick said her point was that in the middle of fiscal year (FY) 2017, there would be a drop in sales tax revenue, which was a premium piece of funding for the entire state. She believed that the date should be changed because the Legislature would need time to adjust the budget because of the decline in tax revenue.

Mr. Hicks said he understood Assemblywoman Kirkpatrick's concerns and would not be opposed to changing the effective date.

Assemblyman Kirner said durable medical equipment covered a broad range of equipment that went beyond what was included in S.B. 334 (R1). He wondered how the items included in the bill were selected.

Mr. Hicks said he did not know how the medical devices were selected for inclusion in the bill. He believed durable medical equipment was actually the defined term in regulation, as was mobility-enhancing equipment, and that was probably the reason why that language was chosen.

Assemblyman Kirner said, hypothetically, if a measure was placed on the ballot that asked whether persons wanted not to pay taxes, more than likely the vote

would be yes. His point was that it appeared to be more appropriate for the Legislature to determine whether to remove sales and use tax from certain items, rather than placing the question on the ballot.

Mr. Hicks said the Legislature could not make such a decision regarding removal of the sales and use tax legally under Chapter 372 of NRS because of the way the Sales and Use Tax Act was enacted in 1955. The Act required a vote of the people to change that tax, which was why the bill included a ballot question.

Assemblywoman Titus said the list of durable medical equipment was apparently based on definitions provided by the Centers for Medicare and Medicaid Services (CMS). She noted that most of the items included in the bill were reimbursable items, if prescribed, and she wondered whether that was the method used to determine the items included in the bill. Assemblywoman Titus said she was surprised that the items in the bill had not already been exempted.

Mr. Hicks said the way durable medical equipment and mobility-enhanced equipment was currently defined in regulation was within the context of CMS exemptions.

Chair Anderson asked whether there was testimony to come before the Committee in favor of S.B. 334 (R1).

Michael Hillerby, representing the Nevada Optometric Association, stated that the Association was not involved with the drafting of the bill, but once the Association was aware of the bill, it wanted to lend its support. Mr. Hillerby said the Association appreciated the Committee's consideration of putting the question before the voters. He noted that ophthalmic and ocular devices were an important part of healthcare, and allowing voters to make the decision regarding whether those devices should be taxed would be appropriate.

Jeanette K. Belz, representing the Nevada Academy of Ophthalmology, stated that the Academy also supported S.B. 334 (R1) and viewed ophthalmic and ocular devices as very similar to other prescribed exempt medications for the treatment of patients.

Chair Anderson asked whether there was further testimony to come before the Committee in favor of, in opposition to, or neutral regarding S.B. 334 (R1).

Sumiko Maser, Deputy Director, Administrative Services, Department of Taxation, stated the Department had submitted a fiscal note on S.B. 334 (R1) regarding the loss of tax revenue.

There being no further testimony to come before the Committee, the Chair closed the hearing on S.B. 334 (R1) and opened the hearing on Senate Bill 420 (1st Reprint).

**Senate Bill 420 (1st Reprint): Revises provisions governing the executive staff of the Public Employees' Retirement System. (BDR 23-1176)**

Tina M. Leiss, Executive Officer, Public Employees' Retirement System (PERS), stated that Senate Bill (S.B.) 420 (1st Reprint) was requested by the PERS Board to create the position of general counsel within the PERS executive staff structure. The costs associated with the creation of the position were included in the proposed budget submitted by PERS, and the funding was included when the budget was closed.

Ms. Leiss said that over time, the PERS Board felt that the addition of the position would be either cost-neutral, or there would ultimately be a savings because the position would improve the efficiency and effectiveness of PERS' legal representation and would serve as an important risk-control measure in the administration of PERS.

According to Ms. Leiss, *Nevada Revised Statutes* (NRS) 286.160 set forth certain positions that the PERS Board must employ and also provided the requirements a person must have to hold those positions. She indicated that S.B. 420 (R1) would amend NRS 286.160 to include the position of general counsel within the list of necessary positions and provided that the general counsel must be an attorney licensed to practice in Nevada.

Ms. Leiss indicated that the Public Employees' Retirement Fund was a trust fund that must be administered for the exclusive benefit of the members and beneficiaries of the system. The PERS Board members and certain staff members were fiduciaries to the trust fund, and as such, the PERS Board must exercise extreme care and independence when selecting its legal advisors. For that reason, the PERS Board determined that it would be most efficient at the present time to have in-house counsel. Ms. Leiss said legal representation of a public pension system was more complex than many areas of representation because of the fiduciary requirements, federal and state law requirements, and the complexity of benefit structures. The level of expertise that was needed to truly represent a public pension system could not be obtained if the person had to focus on any other areas of law, said Ms. Leiss, and the PERS Board believed that a person had to focus solely on public pension representation to provide the representation needed by PERS for its members and beneficiaries.

Chair Anderson noted that the position had been approved in the PERS budget. He asked whether there was any testimony to come before the Committee in support of, in opposition to, or neutral regarding S.B. 420 (R1). There being no further testimony, the Chair closed the hearing and opened the hearing on Senate Bill 422 (1st Reprint).

**Senate Bill 422 (1st Reprint): Allows for the continued inclusion of certain drugs on the list of preferred prescription drugs to be used for the Medicaid program. (BDR 38-1159)**

Elizabeth Aiello, Deputy Administrator, Division of Health Care Financing and Policy, Department of Health and Human Services, stated that this bill postponed a sunset regarding the Division's list of preferred prescription drugs to June 30, 2017. Postponing the sunset would allow the Division to continue to keep atypical and typical psychotropic medications as part of the preferred drug list in its fee-for-service Medicaid program, which had been the Division's practice since the 2010 Special Session.

Ms. Aiello said the Division, through its Pharmacy and Therapeutics Committee, had proven that generating the preferred drug list was a transparent process that allowed input by stakeholder prescribers and did not impede access to care for recipients. The Division's preferred drug list enabled the Division to receive supplemental rebates on drugs.

Mr. Aiello said the bill was part of the Division's approved budget, and if the bill failed to pass, there would be a revenue shortfall in the amount of \$1.3 million in fiscal year (FY) 2016 and \$1.3 million in FY 2017.

Assemblyman Kirner asked whether the preferred drug list was basically a formulary, and Ms. Aiello replied that was correct.

Assemblyman Kirner asked whether the Division's preferred drug list was available online to all citizens. Ms. Aiello replied that the Division's Medicaid fee-for-service formulary was available online.

Assemblyman Kirner asked whether the prices were included on the Medicaid formulary. Ms. Aiello replied that the Medicaid formulary included only the medications because Medicaid recipients did not pay for drugs.

Assemblywoman Carlton asked whether the formularies were member-protected or whether there was true public access. Ms. Aiello replied that the formularies were open for anyone to view. There were several formularies, the fee-for-service Medicaid formulary, and each of the Division's

managed care organizations (MCOs) had formularies. Ms. Aiello said Senate Bill (S.B.) 422 (1st Reprint) was specific to the Medicaid fee-for-service program, and the formulary was not member-protected.

Assemblywoman Carlton asked whether the Division had statistics regarding the amount of money that had been saved and whether there had been access concerns or complaints from patients and/or doctors about patients being denied prescribed medications. That was the major concern during the 2010 Special Session because there were no generics available for some psychotropic drugs.

Ms. Aiello stated there were some reports regarding psychotropic drug use online, and with prior authorization, Medicaid would pay for some drugs that were not part of the Division's formulary. She noted that complaints were usually about the process and activities, and she was not aware of any major concerns about access to psychotropic drugs.

Assemblywoman Titus asked whether there was something that prohibited the Division from including, rather than excluding, the psychotropic drugs from the formulary. It appeared that *Nevada Revised Statutes* (NRS) 422.4025 required the Department to include certain specified drugs on the list of drugs excluded from the restrictions. It also appeared that the Department was required to exclude certain atypical and typical antipsychotic medications and other medications from the restrictions that were imposed on drugs that were on the list of preferred prescription drugs. Assemblywoman Titus asked whether there was a "fix" that would eliminate the need for the Division to approach the Legislature to postpone the prospective expiration of such provisions.

Ms. Aiello explained that drugs the Division wanted to place on its formulary were reviewed by the Pharmacy and Therapeutics Committee, which met quarterly and reviewed new drugs through an open-meeting process. The original bill submitted by the Division during the 2010 Special Session eliminated the sunset entirely. The Division worked with Pharmaceutical Research and Manufacturers of America (PhRMA), and PhRMA voiced concerns regarding elimination of the sunset; therefore, the date had been extended for two years. The PhRMA indicated it would provide data to the Division if there were any concerns; however, to date, no data had been received, said Ms. Aiello, so the Division was requesting an extension of the sunset for two additional years to allow it to work with PhRMA over the next two years toward elimination of the sunset.

Assemblywoman Titus noted that formularies were fluid, and always had been, to allow for review of best practices and the drugs available on the market, but

the bill actually defined different categories of drugs as opposed to the overall concept of a formulary.

Ms. Aiello said a formulary for Nevada Medicaid had been in place since 2003, and when the ability to have a preferred drug list was passed by the Legislature, there were concerns that persons would be harmed if the psychotropic drugs were included on the preferred drug list. At that time, NRS indicated that certain drugs could not be placed on the formulary, and in 2010, having operated a successful formulary for seven years, the Division again approached the Legislature to add those drugs back to the preferred drug list. Once again, there were concerns voiced by PhRMA, so the sunset was added to the bill.

Assemblywoman Titus said hopefully in two years, the 2017 Legislature could determine whether persons had or had not been harmed, so the drugs could be included on a more permanent basis.

Chair Anderson asked whether there was further testimony to come before the Committee in favor of, in opposition to, or neutral regarding S.B. 422 (R1), and there being no further testimony, the Chair closed the hearing.

Chair Anderson declared the Committee in recess at 12:21 p.m. and reconvened the hearing at 1:22 p.m. The Chair announced that there were several bills heard today that he would like to pass out of Committee during work session, and he called for a motion to suspend the rules.

ASSEMBLYWOMAN TITUS MOVED TO SUSPEND RULE NO. 57  
OF ASSEMBLY RESOLUTION 1.

ASSEMBLYWOMAN DICKMAN SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

**Assembly Bill 483: Makes various changes relating to the compensation of certain public school employees. (BDR 34-1198)**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated Assembly Bill (A.B.) 483 made various changes related to compensation of certain public school employees. The bill was heard by the Committee on April 22, 2015, and required the board of trustees of each school district annually to reserve money for the payment of an increase in salaries to certain teachers and administrators employed by the school district and revised provisions relating to the program of performance pay and enhanced compensation to be established for each school district.

Ms. Jones indicated that A.B. 483 allowed school districts to reserve 10 percent of the State Distributive School Account (DSA) funds each fiscal year sufficient for the pay increases for certain teachers and administrators.

Assemblywoman Carlton said her concern was that the same amount of DSA funds would be received by the school districts each year, and a portion of that funding would be carved out and placed in the pay-for-performance category. In essence, the bill would lessen the pool of money that could be collectively bargained. Assemblywoman Carlton believed there might be continuing discussion about other funding placed in the pay-for-performance pool of money, thereby allowing the remaining portion of DSA funding to be collectively bargained. She indicated there would be no real incentive for teachers and administrators to go above and beyond because they would not earn extra money. Assemblywoman Carlton said she was trying to ensure that there was a good collective bargaining position and that the bill would appropriately use the available funding.

Chair Anderson said it was his understanding that the funds would be carved out to use as merit rewards and incentives to teachers and administrators to work in schools that were struggling to hire teachers. The money would be used in other ways to incentivize teachers to work in low-performing schools.

Assemblywoman Carlton asked whether the funding would be extra dollars or the same DSA funding amount.

Chair Anderson believed the school districts would receive the same DSA funding amount.

Assemblywoman Carlton said that was her concern. The bill would not put anything extra into the "pot" and was just telling teachers to fight for the merit increases.

Assemblymen Bustamante Adams, Kirkpatrick, Sprinkle, and Swank reserved their right to change their vote on the Assembly floor.

ASSEMBLYMAN EDWARDS MOVED TO DO PASS  
ASSEMBLY BILL 483.

ASSEMBLYMAN HICKEY SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Carlton voted no.)

**Assembly Bill 197 (1st Reprint): Establishes certain requirements for the operation of seasonal or temporary recreation programs. (BDR 38-506)**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated Assembly Bill (A.B.) 197 (1st Reprint) was heard earlier in the meeting and authorized certain requirements for operation of seasonal or temporary recreation programs. The bill had been amended to significantly reduce the fiscal note from the original amount of \$299,000 to approximately \$30,000. There was testimony from Laura Freed, Deputy Administrator of Regulatory and Planning Services, Division of Public and Behavioral Health, Department of Health and Human Services, which indicated the new requirements would require additional effort by the Division; however, the cost could be absorbed through a change to certain fees that could be reviewed by the Legislative Commission.

Assemblywoman Dickman reserved the right to change her vote on the Assembly floor.

ASSEMBLYWOMAN CARLTON MOVED TO DO PASS  
ASSEMBLY BILL 197 (1ST REPRINT) AS AMENDED.

ASSEMBLYMAN EDWARDS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

**Assembly Bill 388: Revises provisions governing certain leaves of absence for military duty for public officers and employees. (BDR 23-180)**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated Assembly Bill (A.B.) 388 was heard earlier in the day and revised provisions governing certain leaves of absence for military duty for public officers and employees. Amendment No. 7242 ([Exhibit D](#)) was presented by Shelly Blotter, Deputy Administrator, Division of Human Resource Management, Department of Administration that clarified the language. The bill was a trailer to legislation passed by the 2013 Legislation and would shore up the language so that the bill provided the leave compensation as originally intended by the bill's sponsor. Ms. Jones indicated she would work with the Legal Division, Legislative Counsel Bureau, to ensure that the amendment was completed.



ASSEMBLYMAN KIRNER MOVED TO AMEND AND DO PASS  
ASSEMBLY BILL 388 AS AMENDED.

ASSEMBLYMAN EDWARDS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

**Assembly Bill 410: Revises the membership of certain boards and commissions  
of the Executive Department of the State Government. (BDR 28-741)**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated Assembly Bill (A.B.) 410 was heard earlier in the day and revised membership of certain boards and commissions. The bill was sponsored by Assemblywoman Swank, who proposed an amendment ([Exhibit F](#)) to the bill. The amendment significantly changed the language of the bill so that the legislation would affect only the Real Estate Commission and its membership provisions. Therefore, the fiscal note that was submitted by the Nevada Gaming Commission no longer applied.

ASSEMBLYWOMAN BUSTAMANTE ADAMS MOVED TO AMEND  
AND DO PASS ASSEMBLY BILL 410 AS AMENDED.

ASSEMBLYWOMAN CARLTON SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

**Senate Bill 420 (1st Reprint): Revises provisions governing the executive staff  
of the Public Employees' Retirement System. (BDR 23-1176)**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated Senate Bill (S.B.) 420 (1st Reprint) was heard earlier in the day and added a general counsel position to the Public Employees' Retirement System (PERS). The position was included in the budget closing approved by the Assembly Committee on Ways and Means and the Senate Committee on Finance. Adding a general counsel position required a change to *Nevada Revised Statutes* (NRS) 286.160 because of another statutory requirement regarding the Office of the Attorney General (AG) that indicated if an agency employed counsel beyond that of the AG, the agency must have specific statutory authority for the position.

ASSEMBLYWOMAN BENITEZ-THOMPSON MOVED TO DO PASS  
SENATE BILL 420 (1ST REPRINT).

ASSEMBLYWOMAN DICKMAN SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Titus was not present  
for the vote.)

**Senate Bill 422 (1st Reprint): Allows for the continued inclusion of certain  
drugs on the list of preferred prescription drugs to be used for the  
Medicaid program. (BDR 38-1159)**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated Senate Bill (S.B.) 422 (1st Reprint) was heard earlier in the day and would postpone the prospective expiration of provisions governing the list of preferred prescription drugs to be used for the Medicaid program. Ms. Jones indicated that Elizabeth Aiello, Deputy Administrator, Division of Health Care Financing and Policy, Department of Health and Human Services, testified regarding S.B. 422 (R1). Ms. Aiello testified that the provisions of the bill were important to the legislatively approved budget, and should the bill not pass, there would be a hole in the Division's budget of approximately \$1.3 million per year.

ASSEMBLYMAN OSCARSON MOVED TO DO PASS  
SENATE BILL 422 (1ST REPRINT).

ASSEMBLYMAN KIRNER SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Titus was not present  
for the vote.)

**Assembly Bill 12: Provides for the continuation of the diversion program that  
allows certain probation violators to receive treatment for alcohol or drug  
abuse or mental illness in lieu of revocation of probation. (BDR 14-341)**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated Assembly Bill (A.B.) 12 provided for the continuation of the diversion program that allowed certain probation violators to receive treatment for alcohol or drug abuse or mental illness in lieu of revocation of probation. The bill was heard by the Committee on April 6, 2015, and would remove the sunset provision from the program that diverted certain probation violators to drug and alcohol abuse treatment or mental illness programs rather than incarceration. Per testimony from the Department of Corrections,

the program saved money because the diversionary programs were less expensive than the cost to incarcerate individuals.

Ms. Jones indicated that the Casa Grande Transitional Housing Center included funds in its base budget to house up to 11 probationers per year in the Opportunity for Probation Enforcement in Nevada (OPEN) program. If the bill was not approved, the pilot program would expire on July 1, 2015.

ASSEMBLYMAN HAMBRICK MOVED TO DO PASS  
ASSEMBLY BILL 12.

ASSEMBLYWOMAN DICKMAN SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Titus was not present for the vote.)

**Assembly Bill 71 (1st Reprint): Revises provisions relating to military veterans and members and relatives of members of the Nevada National Guard. (BDR 32-297)**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated Assembly Bill (A.B.) 71 (1st Reprint) was heard by the Committee on May 6, 2015, and provided certain tax exemptions for military members and their families. The Department of Taxation had originally submitted a fiscal note of \$666,059 in fiscal year (FY) 2016 and \$686,040 in FY 2017; however, the amendment to the bill had significantly reduced, if not removed, the entire fiscal note. The Department of Taxation was unable to determine the amount of participation in the specific tax exemptions and/or abatements; therefore, the Department was unable to place a fiscal note on the bill.

ASSEMBLYMAN KIRNER MOVED TO DO PASS  
ASSEMBLY BILL 71 (1ST REPRINT) AS AMENDED.

ASSEMBLYMAN EDWARDS SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Titus was not present for the vote.)

**Assembly Bill 203 (1st Reprint): Revises provisions pertaining to short-term lessors of vehicles. (BDR 43-572)**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that Assembly Bill (A.B.) 203 (1st Reprint) revised provisions related to short-term lessors of vehicles or rental cars. The bill was heard on May 19, 2015, and section 1 of the bill added to the list of permissible deductions the amount of any fee or charge that was imposed by governmental entities. The Department of Taxation testified that the mandates of the bill were already in practice, and the bill would amend the statutes accordingly.

Ms. Jones stated that the Department of Taxation requested some clarifying language, but Fiscal Analysis Division staff had not received any further information or amendments from the Department.

ASSEMBLYWOMAN DICKMAN MOVED TO DO PASS  
ASSEMBLY BILL 203 (1ST REPRINT) AS AMENDED.

ASSEMBLYMAN EDWARDS SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Titus was not present for the vote.)

**Assembly Bill 389 (1st Reprint): Revises provisions governing employee leasing companies. (BDR 53-766)**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that Assembly Bill (A.B.) 389 (1st Reprint) revised provisions governing employee leasing companies. The bill would allow leasing companies to choose whether to use their own calculated contribution rate or a calculated contribution rate of a client company for purposes of unemployment insurance. The bill also revised the definition of employee leasing companies and allowed the companies to submit a consolidated financial statement for the purpose of applying for a certificate of registration. The bill also repealed provisions requiring employee leasing companies to maintain a physical location in the state.

After amendment of the bill, said Ms. Jones, the Department of Employment, Training and Rehabilitation removed the significant fiscal note, and the Department of Taxation reduced its fiscal note regarding the effect on the modified business tax revenue loss of approximately \$3 million per year. However, the Department of Taxation was uncertain how many companies

would reorganize their businesses or take advantage of the provisions to reduce their unemployment insurance contribution rate or their modified business tax.

ASSEMBLYMAN EDWARDS MOVED TO DO PASS  
ASSEMBLY BILL 389 (1ST REPRINT) AS AMENDED.

ASSEMBLYWOMAN DICKMAN SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Titus was not present for the vote.)

**Assembly Bill 332 (1st Reprint): Makes various changes concerning government purchasing and bidding. (BDR 28-256)**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that Assembly Bill (A.B.) 332 (1st Reprint) was heard by the Committee on May 19, 2015. The bill prohibited a public body, including the state, its local governments, school districts, or any public agency that sponsored or financed a public work, from entering into certain contracts for public work, which allowed for purchase by the public body of the construction materials or goods to be used in the public work. The public body might, however, enter into a contract for a public work provided that the contract required the payment of any state or local taxes that would otherwise have been due for the purchase and use of such construction materials or goods for a capital project.

Ms. Jones indicated that the bill required that contractors who worked on state or local government projects pay sales taxes on materials for those projects. Proposed Amendment No. 6841 ([Exhibit G](#)) to A.B. 332 (R1) had been submitted for the Committee's review.

ASSEMBLYWOMAN BENITEZ-THOMPSON MOVED TO AMEND  
AND DO PASS ASSEMBLY BILL 332 (1ST REPRINT) AS  
AMENDED.

ASSEMBLYWOMAN BUSTAMANTE ADAMS SECONDED THE  
MOTION.

THE MOTION PASSED. (Assemblywoman Dickman voted no.  
Assemblywoman Titus was not present for the vote.)

**Assembly Bill 466: Revises provisions relating to the repayment of loans or other distributions of money made from the Renewable Energy Account to an officer or employee of the State. (BDR 23-1154)**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that Assembly Bill (A.B.) 466 was heard by the Committee on May 19, 2015. The bill authorized the Director of the Office of Energy, Office of the Governor, to adopt regulations to establish the procedure by which an officer or employee of the state to whom the Director had made a loan or other distribution of money from the Renewable Energy Account to enter into an agreement to repay that loan through payroll deduction.

Ms. Jones said that would facilitate the Office of Energy program by which employees could apply for and receive loans of up to \$6,000 to make energy retrofit improvements to their homes. The Direct Energy Assistance Loan (DEAL) program was included in budget account (BA) 4869, Renewable Energy Fund, decision unit Enhancement (E) 225, which was approved by the Assembly Committee on Ways and Means and Senate Committee on Finance during budget closings on April 13, 2015.

ASSEMBLYMAN EDWARDS MOVED TO DO PASS  
ASSEMBLY BILL 466.

ASSEMBLYWOMAN DICKMAN SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Titus was not present for the vote.)

**Assembly Bill 472: Revises provisions governing the use of money in the Patriot Relief Account. (BDR 36-1163)**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that Assembly Bill (A.B.) 472 revised provisions governing the use of funds in the Patriot Relief Account. The bill was heard by the Committee on April 6, 2015, and eliminated reimbursement to a member of the Nevada National Guard for premiums paid on a life insurance policy purchased pursuant to federal law, commonly known as Servicemembers' Group Life Insurance. The bill changed use of those funds to reimbursement for textbooks up to \$1,000 per semester, quarter, or term for National Guard members enrolled in college. Ms. Jones said budget account (BA) 3654, Military Patriot Relief Fund, decision unit Enhancement (E) 227, was approved by the Assembly Committee on Ways and Means and the Senate Committee on

Finance; therefore, passage and approval of A.B. 472 would support the budget, as approved.

ASSEMBLYMAN EDWARDS MOVED TO DO PASS  
ASSEMBLY BILL 472.

ASSEMBLYMAN HAMBRICK SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Titus was not present for the vote.)

**Assembly Bill 473: Revises provisions governing the composition of the State Department of Conservation and Natural Resources. (BDR 18-1166)**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that Assembly Bill (A.B.) 473 revised provisions governing the composition of the State Department of Conservation and Natural Resources (DCNR). The bill would add a second Deputy Director to DCNR, and a second Deputy Director position was approved in the budget closing for DCNR by the Assembly Committee on Ways and Means and the Senate Committee on Finance. Ms. Jones noted DCNR had previously had two Deputy Director positions and one position was eliminated during budget reductions and was subsequently removed from DCNR's statutory authority. The bill would add the second Deputy Director position into statute in harmony with the approved budget.

ASSEMBLYWOMAN DICKMAN MOVED TO DO PASS  
ASSEMBLY BILL 473.

ASSEMBLYMAN EDWARDS SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Titus was not present for the vote.)

**Assembly Bill 474: Revises certain fees paid by homeowners' associations. (BDR 10-1170)**

Jaimarie Dagdagan, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that Assembly Bill 474 was heard by the Committee on April 2, 2015. The bill would increase the per-unit fee paid by homeowners' associations (HOAs) to the Real Estate Administrator from a maximum of \$3 to a maximum of \$5 for actual costs of administering the Office of the Ombudsman for Owners in Common-Interest Communities and Condominium

Hotels. Ms. Dagdagan said A.B. 474 was a budget bill that aligned the budget account for common-interest communities that was closed by the Assembly Committee on Ways and Means and the Senate Committee on Finance on May 15, 2015.

Ms. Dagdagan indicated that Fiscal Analysis Division staff would recommend approval of the proposed amendment from the Real Estate Division, Department of Business and Industry, Exhibit H, which would change the effective date currently stated as July 1, 2015, to July 1, 2016, thereby aligning with the budget closing.

ASSEMBLYMAN OSCARSON MOVED TO AMEND AND DO PASS  
ASSEMBLY BILL 474 AS AMENDED.

ASSEMBLYMAN EDWARDS SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Dickman voted no.  
Assemblywoman Titus was not present for the vote.)

**Assembly Bill 475: Revises provisions governing the financial administration of the Real Estate Division of the Department of Business and Industry. (BDR 54-1171)**

Jaimarie Dagdagan, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that Assembly Bill 475 was heard by the Committee on April 2, 2015. The proposed amendment from the Real Estate Division, Department of Business and Industry, Exhibit I, would align the bill with the second budget amendment for budget account (BA) 3823, Real Estate Administration that was closed by the Assembly Committee on Ways and Means and the Senate Committee on Finance on May 15, 2015. The bill maintained the Real Estate Division budget being funded with both State General Fund appropriations and fees, rather than converting the budget to a fee-funded budget, as recommended in The Executive Budget.

Ms. Dagdagan indicated A.B. 475 changed the terms of real estate licensure from two years to one year for initial licensure, and from four years to two years for subsequent licensure and decreased licensing fees by 50 percent to account for the change in frequency. At the April 2, 2015, bill hearing, the Nevada Association of Realtors testified in support of the licensure renewal period change to coincide with the continuing education requirement.



ASSEMBLYMAN HAMBRICK MOVED TO AMEND AND DO PASS  
ASSEMBLY BILL 475 AS AMENDED.

ASSEMBLYMAN EDWARDS SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Dickman voted no.  
Assemblywoman Titus was not present for the vote.)

**Assembly Bill 476: Revises provisions relating to unarmed combat.  
(BDR 41-1172)**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that Assembly Bill (A.B.) 476 was heard by the Committee on April 14, 2015. The bill required the Governor to designate a member of the Nevada Athletic Commission as the Chair of the Commission, and increased the percentage of the total gross receipts from admission fees to a live contest or exhibition of unarmed combat required to be paid by a promoter as part of the license fee. The bill also required a portion of the percentage to be deposited with the State Treasurer for credit to the Athletic Commission's Agency Account. The additional funds would be deposited in reserves, which would be undedicated; however, the Athletic Commission planned to approach the Interim Finance Committee (IFC) to use those reserves, should the revenue be realized as projected, to develop the program further in recognition of the expansion of the related sports, to provide an expanded drug testing program, and to provide additional personnel and training programs for referees and judges.

Ms. Jones indicated there was a proposed amendment to the bill, [Exhibit J](#), which was submitted on April 14, 2015, when the bill was heard. The amendment changed the effective date to July 1, 2015, rather than upon passage and approval.

ASSEMBLYMAN ARMSTRONG MOVED TO AMEND AND DO PASS  
ASSEMBLY BILL 476 AS AMENDED.

ASSEMBLYMAN EDWARDS SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Dickman voted no.  
Assemblywomen Kirkpatrick and Titus were not present for the  
vote.)

**Assembly Bill 478: Revises certain fees collected by the Real Estate Division of the Department of Business and Industry and imposes certain new fees to be collected by the Division. (BDR 10-1173)**

Assembly Bill 478 was agendized, but not heard.

**Assembly Bill 482: Provides for the establishment of a Veterans Policy Leadership Institute within the Nevada System of Higher Education and provides for the preparation of certain reports relating to veterans. (BDR 34-1197)**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that Assembly Bill (A.B.) 482 provided for the establishment of a Veterans Policy Leadership Institute within the Nevada System of Higher Education (NSHE) and also provided for the preparation of certain reports. Ms. Jones said the bill was heard by the Committee on May 6, 2015, and an amendment ([Exhibit K](#)) was submitted to the Committee for review.

Caleb S. Cage, Director of Military and Veterans Policy, Office of the Governor, explained that in its original format, A.B. 482 was meant to address a specific challenge that was created by passage of other bills regarding veterans during the 2015 Session. Mr. Cage said four of the five bills submitted from the Office of the Governor to improve outcomes to veterans involved reporting mechanisms from state agencies to the Interagency Council on Veterans Affairs. Agencies that served veterans would track that data so the Council could measure outcomes and make informed policy decisions going forward based on those outcomes.

For example, said Mr. Cage, the Department of Employment, Training and Rehabilitation (DETR) provided access to data regarding unemployment insurance (UI) or unemployment compensation for ex-service members (UCX) used by service members and veterans in Nevada, which depicted the rate of veteran unemployment in the state.

Mr. Cage said all reports required in the four bills would be brought together in the Interagency Council on Veterans Affairs annual report. There was not a public body that was capable of synthesizing that volume of data as it was received, make meaningful recommendations, and provide insights from that data.

Mr. Cage said the original bill would establish the Veterans Policy Leadership Institute under NSHE to create a privately funded nonprofit foundation that

would work with scholars at the University of Nevada, Las Vegas (UNLV) and University of Nevada, Reno (UNR), the state's research institutions, to analyze that data and make meaningful reports going forward.

After discussing the bill with all stakeholders, the Legal Division of the Legislative Counsel Bureau was uncomfortable with the original structure as outlined in the bill because to create the foundation, the bill followed the model used to establish the Desert Research Institute, the Institute of Ethics, and others. However, said Mr. Cage, the Legal Division was not comfortable with a statutorily created, privately funded foundation, and NSHE was also not comfortable with the model. The Legal Division was not comfortable with designating a private foundation in statute, and there were many other complicating factors.

Because of those concerns, said Mr. Cage, he was in contact with both UNR and UNLV to establish the institute, the duties, and creation of state-level recommendations. There had been a significant amount of revenue raised through philanthropy. Rather than creating the Veterans Policy and Leadership Institute in statute, those duties would be moved to the Interagency Council on Veterans Affairs, which was an existing body created by the Legislature during the 2013 Session. The requirements would be undertaken by the Interagency Council, with the intent of working with the Veterans Policy and Leadership Institute to ensure that the data was properly synthesized and meaningful to ensure the leadership models, the outreach models, and the service-provider coordination models were vetted by scholars, persons in the field, and others.

Mr. Cage stated proposed Amendment No. 6915 ([Exhibit K](#)) would not remove the reporting requirements of the Department of Veterans Services for an annual budget report, nor would it remove the requirement for the Nevada Veterans Services Commission to provide an annual report and recommendations.

ASSEMBLYMAN OSCARSON MOVED TO AMEND AND DO PASS  
ASSEMBLY BILL 482 AS AMENDED.

ASSEMBLYMAN EDWARDS SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Titus was not present for the vote.)

**Assembly Bill 484: Provides for the rolling reissuance of license plates by the Department of Motor Vehicles. (BDR 43-1179)**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that Assembly Bill (A.B.) 484 was heard by the Committee on April 22, 2015. The bill provided for the rolling reissuance of license plates by the Department of Motor Vehicles (DMV).

Ms. Jones indicated that The Executive Budget recommended a new eight-year rolling reissuance of license plates, which was projected to generate additional license fees and special plate fees. The Executive Budget projected \$683,483 would be retained in DMV's reserve by the end of 2017; however, that amount had been reduced because the figure was based on a \$4 per-plate fee and the amount approved in budget closings was a \$3.50 per-plate fee.

Assemblywoman Carlton believed it was within the regulatory authority of DVM to actually set the plate fee, and she was unsure whether the Legislature should establish the fee. She did not think the Legislature should create any conflicts in the establishment of fees through regulations.

Ms. Jones explained that the amount that was set was a budgetary amount, and the ability to establish the actual fees would be maintained by DMV. It was simply a matter of how much was approved in the expenditures that could be supported in the DMV budget by those fees. If DVM raised the fee or raised more revenue than was approved by the Legislature on the \$3.50 per-plate fee, DMV would approach the Interim Finance Committee (IFC) for approval to use or accept those additional funds.

Assemblyman Armstrong noted that there was a proposed amendment to A.B. 484, and he asked for clarification.

Ms. Jones explained that the amendment was a "friendly amendment to A.B. 484," ([Exhibit L](#)) dated April 23, 2015, submitted by DMV to amend section 14 of the bill, changing the effective dates for section 14, subsection 2 by striking out July 1, 2015, and indicating sections 3, 4, 7, and sections 9 through 13 of the act would become effective upon passage and approval. Sections 1, 2, 5, 6, and 8 of the act would become effective July 1, 2016. The Department had also submitted a letter ([Exhibit M](#)) dated May 22, 2015, regarding the bill.

ASSEMBLYMAN HICKEY MOVED TO AMEND AND DO PASS  
ASSEMBLY BILL 484 AS AMENDED.

ASSEMBLYMAN EDWARDS SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Dickman voted no.  
Assemblywoman Titus was not present for the vote.)

**Assembly Bill 485: Revises provisions governing the duties and structure of the  
Office of Science, Innovation and Technology. (BDR 18-1155)**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that Assembly Bill (A.B.) 485 was heard by the Committee on May 5, 2015. The bill revised the duties of the Director of the Office of Science, Innovation and Technology, Office of the Governor. Previously, the statutory language had focused on biotechnology companies, and the efforts of the Office of Science, Innovation and Technology would be refocused toward science, technology, engineering, and math disciplines.

Ms. Jones indicated the budget was approved by the Assembly Committee on Ways and Means and the Senate Committee on Finance at \$5 million over the biennium for the Office of Science, Innovation and Technology.

Per Ms. Jones, there was a proposed amendment ([Exhibit N](#)) to A.B. 485 from the Department of Administration that would provide travel cost reimbursements for board members, establish events, and recognize students who demonstrated exemplary achievement in the fields of science, technology, engineering, and mathematics.

Ms. Jones said in conversations with Michael J. Willden, Chief of Staff, Office of the Governor, it was indicated that any costs associated with those provisions would be absorbed within the budget, and a work program would be presented to the Interim Finance Committee (IFC) if necessary.

Assemblywoman Kirkpatrick said she would not support A.B. 485 and had not supported the budget. She indicated some teachers who had worked with high school students on math and science projects would be eliminated. Assemblywoman Kirkpatrick said she supported science, technology, and engineering, but the bill would eliminate some persons who had worked diligently to create programs because of the reduced membership on the Advisory Council on Science, Technology, Engineering and Mathematics. While she approved of placing the Advisory Council in the Office of the Governor to leverage additional grant funding, she could not support the bill.

Assemblywoman Kirkpatrick said there were some amazing high school science and technology students in Clark County, and the teachers who had invested their time to help students work on projects should be part of the mix.

ASSEMBLYWOMAN DICKMAN MOVED TO AMEND AND DO PASS  
ASSEMBLY BILL 485 AS AMENDED.

ASSEMBLYMAN EDWARDS SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywomen Bustamante Adams, Carlton, and Kirkpatrick voted no. Assemblywoman Titus was not present for the vote.)

Chair Anderson opened public comment, and there was no public comment to come before the Committee. The Chair adjourned the meeting at 2:18 p.m.

RESPECTFULLY SUBMITTED:

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Carol Thomsen  
Committee Secretary

APPROVED BY:

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Assemblyman Paul Anderson, Chair

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

**EXHIBITS**

**Committee Name:** Assembly Committee on Ways and Means

**Date:** May 23, 2015

**Time of Meeting:** 10:20 a.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
A.B. 388	C	Shelly Blotter, Department of Administration	Testimony regarding proposed Amendment No. 7242
A.B. 388	D	Shelly Blotter, Department of Administration	Mock-up of proposed Amendment No. 7242
A.B. 388	E	Shelly Blotter, Department of Administration	Examples of military pay for training
A.B. 410	F	Assemblywoman Swank	Proposed amendment
A.B. 332 (R1)	G	Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, LCB	Mock-up of proposed Amendment No. 6841
A.B. 474	H	Jaimarie Dagdagan, Program Analyst, Fiscal Analysis Division, LCB	Real Estate Division, Department of Business and Industry, proposed amendment
A.B. 475	I	Jaimarie Dagdagan, Program Analyst, Fiscal Analysis Division, LCB	Real Estate Division, Department of Business and Industry, proposed amendment
A.B. 476	J	Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, LCB	Athletic Commission, Department of Business and Industry, proposed amendment
A.B. 482	K	Caleb S. Cage, Director of Military and Veterans Policy, Office of the Governor	Mock-up of proposed Amendment No. 6915
A.B. 484	L	Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, LCB	Department of Motor Vehicles, friendly amendment

A.B. 484	M	Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, LCB	Letter dated May 22, 2015, from the Department of Motor Vehicles
A.B. 485	N	Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, LCB	Mock-up of proposed Amendment No. 7047 from the Department of Administration