

**MINUTES OF THE  
SENATE COMMITTEE ON FINANCE**

**Seventy-Eighth Session  
May 13, 2015**

The Senate Committee on Finance was called to order by Chair Ben Kieckhefer at 6:07 p.m. on Wednesday, May 13, 2015, in Room 2134 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4404B of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

**COMMITTEE MEMBERS PRESENT:**

Senator Ben Kieckhefer, Chair  
Senator Michael Roberson, Vice Chair  
Senator Pete Goicoechea  
Senator Mark A. Lipparelli  
Senator David R. Parks  
Senator Joyce Woodhouse

**COMMITTEE MEMBERS ABSENT:**

Senator Debbie Smith (Excused)

**GUEST LEGISLATORS PRESENT:**

Senator Greg Brower, Senatorial District No. 15  
Senator Patricia Farley, Senatorial District No. 8

**STAFF MEMBERS PRESENT:**

Mark Krmpotic, Senate Fiscal Analyst  
Alex Haartz, Principal Deputy Fiscal Analyst  
Joi Davis, Senior Program Analyst  
Adam Drost, Program Analyst  
Lona Domenici, Committee Manager  
Emily Cervi, Committee Assistant  
Cynthia Clampitt, Committee Secretary

**OTHERS PRESENT:**

Brian A. Nix, Senior Appeals Officer, Hearings Division, Department of Administration  
Robert Jacot  
George Ross, Astellas Pharma U.S., Inc.  
Mark Krueger, Insurance Counsel, Division of Insurance, Department of Business and Industry  
Keith Lee, Nevada Association of Health Plans  
Jesse Wadhams, Fennemore Craig, PC, Guaranteed Asset Protection Alliance  
Jon Sasser, Legal Aid Center of Southern Nevada, Inc.  
Dan L. Wulz, Legal Aid Center of Southern Nevada, Inc.  
Mary Wherry, Deputy Administrator, Division of Public and Behavioral Health, Department of Health and Human Services  
Michael Hackett, Nevada Primary Care Association  
Laura Freed, Deputy Administrator of Regulatory and Planning Services, Division of Public and Behavioral Health, Department of Health and Human Services  
Kevin Quint, Bureau Chief, Substance Abuse Prevention and Treatment Agency, Division of Public and Behavioral Health, Department of Health and Human Services  
K. Neena Laxalt, Nevada Dental Hygienists' Association  
Terri L. Albertson, Administrator, Division of Management Services and Programs, Department of Motor Vehicles  
Peggy Lear Bowen

**Chair Kieckhefer:**

I will open the hearing on Senate Bill (S.B.) 230. It is my intent that for bills which have come to this Committee from a policy committee, we will focus primarily on the fiscal impacts of the bill with a brief overview of the purpose of the legislation.

**SENATE BILL 230:** Revises provisions governing the payment of compensation to certain victims of crime. (BDR 16-1038)

**Brian A. Nix (Senior Appeals Officer, Hearings Division, Department of Administration):**

I also serve as the coordinator for the Victims of Crime Program. Senate Bill 230 has been heard before the Senate Committee on Judiciary. The bill would

remove the cap on the statutory amount that can be paid on a victim's claim. The cap is currently set at \$150,000. The bill would give the Program the same authority as that held by the Board of Examiners to adopt policies for the payment of those claims.

The current claim limit of \$35,000 would not change. The change would allow the Department to pay the catastrophic injury claims, which often involve much larger medical bills or ongoing care. One current case will exceed the current cap within the next year. There may be similar situations in the future.

We have a sound financial package with 2 years of reserves available for claim payments. Over the past several years, the Victims of Crime Program has paid 100 percent of claims and we project we can continue 100 percent of payments, so S.B. 230 will have no impact on the Program.

**Chair Kieckhefer:**

What is your reserve balance?

**Mr. Nix:**

There is currently just over \$7 million in reserve and \$13 million available for payment of claims. We pay claims of approximately \$6 million annually, including catastrophic injury claims.

**Senator Greg Brower (Senatorial District No. 15):**

I am present to answer any questions the Committee may have on S.B. 230. I had questions when I was first approached about the bill, but my questions have been answered. There is no fiscal impact on the General Fund. The funding source is a special fund that will continue solvent operation with passage of this bill.

**Robert Jacot:**

My son Aiden is with me today. Aiden was 10 months old on May 12, 2010, when he was shaken and badly beaten by his babysitter. It caused him to have a skull fracture, swelling and a lack of oxygen to his brain. The injuries have left Aiden without use of his arms, legs and head. He cannot eat on his own and he must be fed every 3 to 4 hours through a gastrointestinal tube. He is blind in both eyes and can suffer a seizure at any time, requiring 24-hour care.

Over the past 5 years, we have incurred significant costs due to Aiden's injuries and care. The Victims of Crime Program has been there for us every step of the way. Without their financial support, there is no way Aiden would have progressed to where he is today.

Five years ago, we were in the Pediatric Intensive Care Unit at Renown Healthcare where they told us Aiden would never leave the hospital. Four weeks later, Aiden left the hospital. His doctors and therapists have told us not to stop what we are doing with regard to his care. They have also said that Aiden's recovery to this point is amazing. We are present in strong support of S.B. 230.

I will now show the video of Aiden's journey. I have provided the link to the YouTube video for Aiden ([Exhibit C](#)).

**Senator Brower:**

The Judiciary Committee was confident that this is the right policy change. We appreciate this Committee doing its due diligence as to the potential financial impact. I trust that Mr. Nix has answered any questions in that regard. We respectfully urge the Senate Committee on Finance to pass this bill.

**Chair Kieckhefer:**

Seeing no further testimony on the bill, we will close the hearing on S.B. 230 and move it into work session today. I will now open the hearing on S.B. 328.

**SENATE BILL 328 (1st Reprint):** Revises provisions relating to policies of health insurance. (BDR 57-794)

**Senator Patricia Farley (Senatorial District No. 8):**

I am here to present S.B. 328 for your consideration. It is a measure that will help Nevadans who are shopping for health insurance either on Healthcare.gov or another source. The measure will direct the Department of Business and Industry's (B&I) Division of Insurance, Commissioner of Insurance to develop regulations to create a standard template for health insurers to use when listing their drug formularies and consumer cost-sharing amounts for drugs in their formulary. It will also direct the health insurers to post these templates on their Web sites.

These changes to Nevada law will give persons who need to take many medications the ability to shop for health insurance and price out both the

premium and cost-share amounts for coverage. For instance, a patient may choose an insurance plan that charges a higher premium because the plan has better coverage for their required medications.

Several states have investigated drug formulary transparency. These include Colorado, California, Hawaii and Minnesota. I have worked with all interested stakeholders since the introduction of S.B. 328, and accepted several amendments at the suggestion of insurers. They include removing the requirements for health plans to differentiate drug coverages under their medical and pharmacy benefits. I removed extra protections for mentally ill patients and the application to individual policies of insurance, but not to small group health plans. This is addressed by removing the specific dollar amount for patient out-of-pocket costs, instead of providing what the copay or coinsurance amount would be.

With the first reprint of S.B. 328, I have the commitment of health insurers not to oppose the bill. However, after passage from the Senate Committee on Commerce, Labor and Energy, the insurers requested further amendments to the bill. I have met with the health insurers and will be proposing another set of amendments to reach agreement without taking away the needed consumer protections of S.B. 328. This bill will assist Nevadans purchasing health insurance, by giving them more information to make educated choices of which health insurance plan to purchase.

Amendments will strike the compromise needed to maintain the responsibilities of insurance companies while providing protections to the consumers.

**George Ross (Astellas Pharma U.S., Inc.):**

We proposed a much stronger bill and at one point had strong support from the patient advocacy groups. If you want to know where they are, they felt the bill has been reduced to a product that does not provide what they had anticipated.

We still feel it makes a significant contribution to an individual for drug purchases. Medicine is evolving by utilization of far more pills and fewer operations, resulting in longer lives. A person may need specific medications or they may need numerous medications.

A person purchasing insurance needs to see an understandable formulary to compare one plan to another and determine the cost tier to which the drug or

drugs belong. Then, they can make an intelligent decision as to which insurance plan to purchase. I am one of those people who take numerous medications and if I were purchasing coverage, S.B. 328 would benefit me significantly.

Senator Farley listened closely to the insurance companies and recognized there are a number of sizes and capabilities of insurance companies. The bill contains language stating that insurance companies will comply with the bill provisions to the extent practicable and without undue cost. In the regulatory process, this gives the Insurance Commissioner the ability to grant waivers for requirements of greater financial or technical abilities than they can meet.

At the same time, so much has been taken out of the legislation, it will not be an undue burden on anyone.

**Chair Kieckhefer:**

Is someone present from the Division of Insurance of the B&I to address the fiscal note on the bill?

**Mark Krueger (Insurance Counsel, Division of Insurance, Department of Business and Industry):**

For the record, "We had, and it may be my fault, in the format and ability to remove the fiscal note. Due to the changes in the amendments, they had removed the requirement to require the Division of Insurance to maintain the formularies on our Web site." With that gone, the fiscal note no longer applies.

**Chair Kieckhefer:**

With the first reprint of S.B. 328 is there no longer a fiscal note?

**Mr. Krueger:**

That is correct.

**Chair Kieckhefer:**

I know there are those present in opposition to this bill. We will stay focused on the fiscal aspects of the bill. I will open the hearing for additional testimony in support of S.B. 328. Seeing none, those in opposition, please come to the witness table.

**Keith Lee (Nevada Association of Health Plans):**

We have worked diligently with Senator Farley and Mr. Ross and we are close, but we are not there yet. Our concerns are that we have big insurers and small insurers. Senate Bill 328 will be a mandate that we are afraid will chase a number of current carriers out of Nevada because they will not be able to meet requirements of what may be a part of the regulations. If it is a pushdown of mandates, those mandates and costs are pushed to the members.

Our concern is that it is not a consumer-friendly bill. We will continue to work with Senator Farley and Mr. Ross to reach agreement.

**Chair Kieckhefer:**

Thank you for your willingness to work with the sponsors of the bill. Time to reach an agreement is limited.

I will close the hearing on S.B. 328. I will now open the hearing on S.B. 253.

**SENATE BILL 253 (1st Reprint)**: Enacts provisions governing the sale of guaranteed asset protection waivers. (BDR 57-795)

**Senator Patricia Farley (Senatorial District No. 8):**

Senate Bill 253 enacts provisions governing the sale of guaranteed asset protection (GAP) waivers. A GAP waiver is sometimes referred to as a debt cancellation agreement. In many cases, a standard auto insurance policy provides enough protection to cover the cost of repairs or replacement if a car is damaged or stolen. However, if the person totals a vehicle and the vehicle's actual cash value is lower than the amount owed on the loan balance or lease; that difference, the GAP, is not covered by insurance.

Insurance companies do not pay more than a vehicle is worth before damage. The result is the individual being required to pay the amounts remaining on the finance agreement. In this case, if the person has purchased a GAP waiver, the creditor will waive some or all the difference owed.

A GAP waiver is not insurance; it is debt cancellation. Under the provisions of S.B. 253, auto dealers must purchase insurance to ensure the obligation of each GAP waiver sold. The GAP waiver purchased by the customer is not insurance. Additionally, a consumer is offered a free look period in which he or she can cancel the GAP waiver and receive a full refund.

The Division of Insurance prepared a fiscal note for S.B. 253 as introduced stating the \$159,215 fiscal impact to the General Fund is in the form of lost revenue for fees over a 3-year period. The reason stated by the Division for the 3-year impact is that the fees are assessed for a 3-year period.

Based on discussions with the Division, the fiscal note was formed on the anticipated impact to limited lines of casualty insurance. The Division submitted a revised fiscal note on April 27, reducing the impact on the General Fund. The revised fiscal note has an anticipated impact of \$19,766 for the 2015-2017 biennium. This is a difference of roughly \$86,000 from the initial fiscal note for the same period. The revised fiscal note is only a presumption. There is no conclusive information that the limited lines of insurers will give up their authorization under this bill.

This bill provides another option to consumers. I urge your support of S.B. 253.

**Jesse Wadhams (Fennemore Craig, PC, Guaranteed Asset Protection Alliance):**

There are a number of consumer protection components to the amendment of a finance agreement or deficiency waiver. We worked with the Legal Division of the Legislative Counsel Bureau (LCB). The waiver is now fully optional with the addition of the amendment. It is cancellable and refundable.

**Senator Parks:**

The statement was made that this waiver is not an insurance product. I do not see the amended fiscal note.

**Mr. Wadhams:**

That is correct. It would be an agreement between a financier and a borrower. No insurer is involved.

**Senator Parks:**

Is the term GAP "insurance" a misnomer?

**Mr. Wadhams:**

In this case, it is a GAP waiver.

**Chair Kieckhefer:**

The revised fiscal note has not been posted at this time.

**Mr. Krueger:**

A revised fiscal note was submitted. Unfortunately, I did not ensure it was in the proper format. The revised fiscal note is \$19,766 over a 3-year period. That is not a cost to the Division of Insurance. It is potential lost revenue to the General Fund in that those are anticipated revenue losses from fees for a line of GAP insurance.

**Chair Kieckhefer:**

Where is that revenue currently deposited?

**Mr. Krueger:**

Currently, it is deposited into the General Fund.

**Chair Kieckhefer:**

Please provide the amended fiscal note in writing.

**Mr. Krueger:**

I will do so.

**Jon Sasser (Legal Aid Center of Southern Nevada, Inc.):**

We are in opposition to S.B. 253. The fiscal note is based on whether or not the waiver is a contract of insurance. The anticipated revised fiscal note is a guess as to how many people currently sell GAP insurance covering these protections. They will no longer sell GAP insurance because they can sell the new product, however, if it "looks like a duck, walks like a duck, quacks like a duck, must be a duck." The product covers the same circumstances as the current GAP insurance policies. The new product would not be subject to the regulations of the Division of Insurance, thus creating a loss of revenue.

**Dan L. Wulz (Legal Aid Center of Southern Nevada, Inc.):**

I have provided my written testimony with two attached exhibits ([Exhibit D](#)). This bill offers the creation of an insurance-like product, but with an end run around the insurance regulation process.

Senate Bill 253 authorizes the creation of a contract that has the same functions as GAP insurance, but claims it is not insurance and can therefore be sold at any price. The fiscal note proves our point. The GAP insurance will no longer be sold, resulting in a loss of revenue to the Division of Insurance. The bill hurts the State of Nevada and consumers who are your constituents. They

are car buyers who will pay more for a contract and get less. Statistics regarding debt protection products billed by the credit card sections of banks show debt protection products are 25 percent more expensive and provide 80 percent less in benefits.

The only ones who benefit from the passage of S.B. 253 are members of the Guaranteed Asset Protection Alliance. Those are entities such as Ford Motor Credit Company, Toyota Financial Services, Wells Fargo Dealer Services and others. In that regard, it is special interest legislation.

I can think of no good reason to authorize recognition of an insurance-like product, which replaces insurance at a higher cost with zero corresponding benefit.

**Chair Kieckhefer:**

Your written testimony and exhibits have been placed into the record as [Exhibit D](#).

I will now close the hearing on S.B. 253 and open the hearing on S.B. 498.

**SENATE BILL 498**: Provides for the regulation of community health worker pools. (BDR 40-1190)

**Mary Wherry (Deputy Administrator, Division of Public and Behavioral Health, Department of Health and Human Services):**

Senate Bill 498 is a budget bill for our Division. The bill corresponds to budget account (B/A) 101-3216, decision unit E-229.

HUMAN SERVICES

HEALTH CARE FINANCING AND POLICY

HHS-DPBH - Health Facilities Hospital Licensing — Budget Page DHHS - PUBLIC  
HEALTH-69 (Volume II)

Budget Account 101-3216

E-229 Efficient and Responsive State Government — Page DHHS - DPBH-74

The bill requires an agency that wants to operate a community health worker (CHW) certifying section to obtain a license from the Division of Public and Behavioral Health (DPBH), Bureau of Health Care Quality and Compliance (HCQC). Currently, there is no State mechanism in place to monitor the qualifications or standards of community health workers.

The bill would establish fees to certify a CHW, aligning the funding in decision unit E-229 with staff. It would include a 0.5 full-time equivalent (FTE) administrative assistant at approximately \$18,000, funded by the new fees and with a reserve of \$48,658. A U.S. Department of Labor study indicated there are currently several hundred CHWs in Nevada. We anticipate 40 to 50 CHWs would be certified each year of the biennium.

**Michael Hackett (Nevada Primary Care Association):**

I will present the proposed amendment ([Exhibit E](#)) to S.B. 498 that we worked on with the DPBH.

**Chair Kieckhefer:**

Does the amendment in any way address the fiscal impact of the bill?

**Ms. Wherry:**

It would not fiscally impact the bill at this time.

**Mr. Hackett:**

The proposed amendment does three things. First, it revises the definition of CHW in section 2 to more accurately reflect the roles and responsibilities of the positions.

Secondly, it deletes the term "community health worker pool" in section 3 and replaces it with "community health worker certifying body," and provides a definition of that new term. The change was made to provide for an external certifying body. In the case of the Nevada Primary Care Association, the health center members want to hire CHWs once individuals have been certified. Other social service organizations and health care practices would want that same ability. The language in S.B. 498, as introduced, identified the CHW pool as the entity that would employ the CHWs.

The last provision of the amendment adds a new subsection 4 to what is currently section 7 and requires the State Board of Health to adopt regulations establishing CHW certifying bodies.

**Chair Kieckhefer:**

Would these entities no longer be licensed as medical facilities?

**Ms. Wherry:**

It would not change the licensure category. What we are trying to change is some of the Federally Qualified Health Centers (FQHC) challenges they confront. If the FQHC cannot directly employ a community health worker, their liability coverage as an FQHC would not protect the CHW.

The intent of the amendment was for a healthcare community to independently hire a CHW and an FQHC would also hire a community health worker covering the person under the FQHC liability insurance.

The HCQC would continue to oversee the process though a certifying pool in a regulatory role.

**Chair Kieckhefer:**

I do not see that provision in the bill. I thought that the oversight of CHWs was created by locating them in a medical facility, which then established the fee revenue included in the budget.

**Ms. Wherry:**

The provision for HCQC is a part of section 4 of S.B. 498 where they would adopt the regulations establishing the certifying entities.

**Chair Kieckhefer:**

If the Board of Health establishes these entities, where is the authority for the HCQCs to generate fee revenue from those bodies?

**Ms. Wherry:**

The fee revenue would be collected by the bodies doing the work.

**Chair Kieckhefer:**

Where is the authority in S.B. 498 for that provision? Currently, the HCQC charges fees to license and certify medical facilities, but that provision is being

deleted from section 5 of the bill. The budget was passed authorizing the revenue, but legislation is required to identify what agency has authority to collect the revenue.

**Ms. Wherry:**

The budget specifies the HCQC would retain the 0.5 FTE to oversee the certifying bodies. The intention in discussions was the fees would be developed in the regulations, identifying the certifying bodies who would collect the fee revenue.

**Chair Kieckhefer:**

The revenue was placed into the HCQC budget, which has already been closed.

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

We would not need a 0.5 FTE position for the contemplated workload. As the Chair stated, a direct revenue source has not been authorized. As Ms. Wherry noted, the fees must be triangulated in regulation. We could support the 0.5 FTE administrative assistant position, if that person were performing the functions of certification oversight for the peer support recovery organizations bill that is also a part of the Executive Budget. Honestly, the current workload would not support a 0.5 FTE position.

**Chair Kieckhefer:**

We will close S.B. 498 at this time and open the hearing on S.B. 500.

**SENATE BILL 500:** Revises the requirements for licensure as a facility for the treatment of abuse of alcohol or drugs. (BDR 40-1160)

**Kevin Quint (Bureau Chief, Substance Abuse Prevention and Treatment Agency, Division of Public and Behavioral Health, Department of Health and Human Services):**

This is an Agency bill. Current law stipulates that a residential facility for the treatment of alcohol and drugs should obtain a license from HCQC only if it is certified by the Substance Abuse Prevention and Treatment Agency (SAPTA). Certification by SAPTA is only required for those residential programs that are funded by SAPTA. This creates a situation where a program not funded by

SAPTA can choose not to seek SAPTA certification, thus not requiring licensure by HCQC, allowing a treatment center can exist without being regulated.

For example, if a complaint were filed regarding treatment, services or quality of care, the complainant would not have recourse through our Department.

Senate Bill 500 closes that loophole by requiring all such programs to be licensed by HCQC. It will help to improve the quality of care.

**Chair Kieckhefer:**

The policy of the bill was heard in the Senate Committee on Health and Human Services. How many facilities would be captured under the bill provisions?

**Mr. Quint:**

We do not know what the number will be, because we are not typically aware of such facilities until a complaint is received. The SAPTA certifies several residential programs for funding.

**Chair Kieckhefer:**

There must be an estimate because revenue was placed in the budget to account for this legislation. Testimony had indicated an estimate of ten facilities. Do you agree?

**Mr. Quint:**

Yes, sir.

**Chair Kieckhefer:**

I will close the hearing on S.B. 500. I received a question today from one of our colleagues, so this bill will not be in work session today, although it will be scheduled soon.

I will now open the hearing on S.B. 501.

**SENATE BILL 501 (1st Reprint)**: Revises provisions relating to the State Dental Health Officer and the State Public Health Dental Hygienist.  
(BDR 40-1162)

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**Ms. Wherry:**

This is another Agency bill. It corresponds to B/A 101-3220, decision unit E-226 and B/A 101-3101, decision unit E-227.

HHS-DPBH - Chronic Disease — Budget Page DHHS - PUBLIC HEALTH-102  
(Volume II)

Budget Account 101-3220

E-226 Efficient and Responsive State Government — Page DHHS - DPBH-105

HHS-DPBH - Radiation Control — Budget Page DHHS - PUBLIC HEALTH-20  
(Volume II)

Budget Account 101-3101

E-227 Efficient and Responsive State Government — Page DHHS - DPBH-23

Senate Bill 501 requests authorization to fund two dental health positions; one State dental health officer and one State public health dental hygienist. We have worked on this legislation with your Committee staff during the budget hearings.

**Chair Kieckhefer:**

Those decision units were funded in the budget closing process. The bill was amended to allow hiring of contract workers or State employees for the positions.

**K. Neena Laxalt (Nevada Dental Hygienists' Association):**

We appreciate and support S.B. 501.

**Chair Kieckhefer:**

I will now open the hearing on S.B. 206, which I introduced.

[SENATE BILL 206 \(1st Reprint\)](#): Revises provisions relating to organ donation.  
(BDR 43-215)

**Senator Ben Kieckhefer (Senatorial District No. 16):**

Currently, when the Department of Motor Vehicles (DMV) issues a driver's license, identification card or certain driving permits, the person has the

opportunity to indicate whether they wish to donate all, or part of their body, or refuse to make an anatomical gift.

Section 1 of S.B. 206 revises the current language to provide that if the person, upon renewal of their driver's licenses, no longer wishes to make an anatomical gift, they must indicate so on their renewal application. It requires the DMV to provide notice to a person who previously elected to be a donor that if the person wishes to change that selection, the designation shall not change on the driver's license. If a person previously chose not to donate all or part of their body, the DMV must, at the time of renewal, provide an opportunity to change that election. This section further requires DMV to place a symbol or other indicator of a medical condition on a driver's license, if it has established such a program.

Section 2 makes the same changes to organ donation elections on identification cards. An amendment has been proposed that eliminates the fiscal note. Rather than requiring DMV to comply with the changes by January 1, 2016, sections 4.5 and 5 require the DMV to notify the Governor and the LCB as soon as sufficient resources are available to carry out the amendatory provisions of the bill.

This is the second bill I have introduced in my career concerning organ donation, trying to increase the number of donors in our State. People live or die by these donations. Whatever we can do to encourage donation is a positive step.

**Terri L. Albertson (Administrator, Division of Management Services and Programs, Department of Motor Vehicles):**

With the enabling legislation in S.B. 206 as amended, the fiscal note is removed.

**Senator Parks:**

The DMV is in the process of developing a new computer system. Would this be something included in the development of that system? Other enhancements are anticipated and it would seem this would be a natural addition for the contracted developer.

**Ms. Albertson:**

You are correct. A number of initiatives are being considered during this Legislative Session that, if they touch on other areas included in the system

upgrade, would be included. However, at the very least they would be included in the system modernization we anticipate to take from 3 to 5 years to implement.

**Peggy Lear Bowen:**

I ask you to enhance the accomplishments addressed in S.B. 206. My mother passed away in 2005. She had signed to donate her body to the University of Nevada, Reno, School of Medicine (UNSOM). I have had the organ donor designation on my driver's license since the program began. I have since signed to donate my body to the UNSOM.

Under the current provisions, I need to remove "organ donor" from my driver's license because if any organs are removed for that purpose, my body is no longer acceptable to the UNSOM. I would like to add a provision in the bill to make such wishes clear, and then the driver's licenses would not be blank for a body donor.

**Senator Parks:**

There have been discussions around "opting out" rather than "opting in" to an organ donor program. Is that something we should consider?

**Chair Kieckhefer:**

It is a subject of significant discussion within the organ donor community. I was asked to introduce an "opt out" bill, which is a step further than I am willing to support. However, it is a part of the dialogue.

I will now open the hearing in work session. Four of the bills heard tonight will be included in this work session.

We will begin the work session with S.B. 60.

**SENATE BILL 60 (1st Reprint)**: Revises various provisions related to the Office of the Attorney General. (BDR 16-470)

**Mark Krmpotic (Senate Fiscal Analyst):**

Proposed Amendment 7191 ([Exhibit F](#)) has been provided. Joi Davis, the analyst assigned to the Office of the Attorney General (AG), will discuss the bill and the proposed amendment.

**Joi Davis (Senior Program Analyst):**

The Committee heard S.B. 60 on May 7. Sections 1 through 5 would transfer the confidential address program from the Office of the Secretary of State to the Office of the AG. It would allow victims of domestic violence, human trafficking, sexual assault or stalking to obtain a fictitious address upon application to the AG. The Committee may recall that Brett Kandt from the AG's Office testified that the Office of the Secretary of State worked closely with the AG's Office to effectuate the transfer of duties. A letter from the Secretary of State's Office in support of the program transfer was provided during the policy committee hearing.

[Exhibit F](#) would add a new section 17.5 which would allow for the transfer of the funds currently in the budget of the State Controller to be transferred to the budget of the Office of the AG. The amount is \$11,388 in FY 2016 and \$11,385 in FY 2017 providing for operating costs to conduct the Program.

Sections 10 and 11 of S.B. 60 create the Office of Military Legal Assistance within the Office of the AG to facilitate the needs of current and former military personnel in the State. It would utilize local attorneys who are willing to provide pro bono legal assistance. This item was discussed during the budget closings where the money committees approved a special assistant attorney general for the Office of Military Legal Assistance within the Office of the AG.

Section 16 extends the sunset on the substance abuse working group. This is a working group within the Office of the AG that was established in 2011. This section of S.B. 60 would extend the working group through June 30, 2019. The Agency indicated extending the working group would help the office to continue its ongoing efforts regarding the impacts of substance abuse on our State. The extension is effective upon passage and approval of the bill. The remaining sections are effective on July 1.

**Chair Kieckhefer:**

Why are the funds in the budget of the Office of the Controller when the program is currently administered by the Secretary of State's Office?

**Ms. Davis:**

I misspoke. It is the Secretary of State's Office.

**Chair Kieckhefer:**

[Exhibit F](#) appears to state the funds would be moved from the Office of the Controller. Are the funds simply being transferred through the Office of the Controller but in the budget of the Secretary of State?

**Ms. Davis:**

The funds are currently in the budget of the Secretary of State.

SENATOR GOICOECHEA MOVED TO AMEND AND DO PASS S.B. 60 WITH PROPOSED AMENDMENT 7191.

SENATOR LIPPARELLI SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

**Chair Kieckhefer:**

We will now consider S.B. 69.

**SENATE BILL 69**: Revises provisions governing judicial retirement. (BDR 1-496)

**Mr. Krmpotic:**

Senate Bill 69 was considered in work session last week. However, the Committee expressed concerns regarding the passage relative to provisions passed by the Senate Body in S.B. 406 with the establishment of the critical labor shortage provisions for judges.

**SENATE BILL 406 (1st Reprint)**: Revises provisions relating to public retirement systems. (BDR 23-1049)

Subsequent to the hearing, LCB Fiscal Division staff met with LCB Legal Counsel; Tina Leiss, Executive Director of the Public Employees' Retirement System (PERS) and Ben Graham, representing the Administrative Office of the Courts. That meeting resulted in Proposed Amendment 7156 ([Exhibit G](#)) to S.B. 69, which has been provided for the Committee.

Page 2, section 2 subsection 4, is new language. Paragraph (a) subparagraph 1, states that the provisions in subsection 1 do not apply to a judge, who at the time of their reemployment is receiving a benefit that is not actuarially reduced pursuant to subsection 2 of *Nevada Revised Statutes* (NRS) 1A.350, or a benefit actuarially reduced pursuant to subsection 2 of NRS 1A.350 and has reached the required age at which the retired justice or judge could have retired with a benefit that was not actuarially reduced under subsection 2.

The subsection establishes the reemployment provisions for justices or judges that have not retired early and, if they retired early, they must reach the age of retirement to be reemployed.

Page 4 of [Exhibit G](#) allows for judges who are in PERS to be reappointed under the critical labor provisions.

SENATOR ROBERSON MOVED TO AMEND AND DO PASS S.B. 69 WITH PROPOSED AMENDMENT 7156.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

**Chair Kieckhefer:**

We will now consider S.B. 89.

**SENATE BILL 89**: Revises provisions regarding expenditures from the Fund for Cleaning Up Discharges of Petroleum. (BDR 51-370)

**Mr. Krmpotic:**

Senate Bill 89 was heard by the Committee on March 31. This bill was introduced on behalf of the Division of Environmental Protection of the State Department of Conservation and Natural Resources. It relates to the Fund for the Cleanup of Discharges of Petroleum and increases the limitation on expenditures, which is found in section 1. It increases the limitation from \$250,000 to \$2 million and the Agency may approach the Interim Finance Committee to request approval of expenditures exceeding \$2 million.

Under section 1, subsection 3, provides that those responsible for petroleum or other petrochemical discharges reimburse the Fund for the cost of cleanup activities. The bill is effective upon passage and approval.

SENATOR GOICOECHEA MOVED TO DO PASS S.B. 89.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

**Chair Kieckhefer:**

We will now consider S.B. 103.

**SENATE BILL 103 (1st Reprint)**: Exempts certain persons from the modified business tax on financial institutions. (BDR 32-42)

**Mr. Krmpotic:**

Senate Bill 103 was heard on May 7. The bill was originally amended and passed out of the Senate Committee on Revenue and Economic Development.

Section 1 of the bill exempts from the definition of financial institutions any person who is primarily engaged in the sale, solicitation or negotiation of insurance, making the person subject to the modified business tax applicable to employers in general.

Section 2 of S.B. 103 provides that the modified business tax is first applicable for the calendar quarter beginning after the effective date of the bill. When the bill was presented, Deonne Contine, Executive Director of the Department of Taxation, testified on the fiscal note to S.B. 103. The fiscal note estimate by the Department provided for a potential General Fund revenue decrease in the modified business tax of \$350,000 each year.

SENATOR LIPPARELLI MOVED TO DO PASS S.B. 103.

SENATOR ROBERSON SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

**Chair Kieckhefer:**

We will now consider S.B. 324.

**SENATE BILL 324 (1st Reprint)**: Revises provisions concerning the Department of Transportation. (BDR 35-23)

**Adam Drost (Program Analyst):**

Senate Bill 324 expands Chapter 408 of NRS and authorizes the director of the Department of Transportation (NDOT) to issue an encroachment permit for certain discharges onto a State highway or right-of-way. It provides civil penalties for unpermitted discharge onto those passageways.

This relates to NDOT's budget and the creation of a new environmental division based on a consent decree between NDOT and the U.S. Environmental Protection Agency. The bill was heard by this Committee on May 7 and a proposed amendment was submitted by NDOT and the Nevada Division of Environmental Protection ([Exhibit H](#)).

Section 3.5 in [Exhibit H](#) expands the definition of "discharge" to include pollutants as defined in NRS 445A.400, which includes both solid and liquid pollutants.

Section 4 states no person shall discharge or cause to be discharged upon a State highway or right-of-way unless the discharge is allowed pursuant to a National Pollutant Discharge Elimination System permit, a valid encroachment or the discharge complies with an encroachment permit issued by the Director of NDOT.

Section 4 also requires individuals who fail to abate, remove or remediate discharges pay an administrative fee not to exceed \$750 each day and a civil penalty, to be deposited into the Highway Fund.

Section 5 provides the Director or a designee may upon presenting proper credentials enter any premises to inspect where a discharge is occurring onto a State highway or right-of-way.

Section 6 allows the Director to issue compliance orders, begin civil actions or request an indictment by the AG against any person engaged in discharge violations.

Section 7 allows the Director to issue compliance orders prescribing the necessary corrective actions required of individuals discharging without a permit.

Section 8 allows the Director to seek injunctive relief to remedy unpermitted discharges.

Section 9 allows for a civil penalty of not more than \$25,000 for each day of violation.

Section 10 states the Director, shall, if practicable, conduct an independent investigation of the alleged act or practice related to unpermitted discharges before determining civil or criminal compliance sanctions. The independent investigation is not required, if the unpermitted discharge creates an imminent danger to public health or the environment.

Section 11 expands the definition of encroachment to include the discharge of any kind or character.

Section 12 eliminates the requirement that the chief counsel shall act as the attorney and legal advisor for unpermitted discharges.

Section 13 allows the addition of a third deputy director position to implement, manage, oversee and enforce any environmental program of the NDOT.

Section 14 increases the fee for encroachments charged by the Department from \$100 each day to \$150 each day.

Section 15 expands the ability of the Department to issue encroachment permits to include discharges upon a State highway or right-of-way.

The effective date of S.B. 324 is July 1.

SENATE GOICOECHEA MOVED TO AMEND AND DO PASS S.B. 324  
WITH THE PROPOSED AMENDMENT.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

**Chair Kieckhefer:**

We will now consider S.B. 206 for passage. Proposed Amendment 6872 ([Exhibit I](#)) addresses the fiscal note, which I proposed.

SENATOR LIPPARELLI MOVED TO AMEND AND DO PASS S.B. 206 WITH PROPOSED AMENDMENT 6872.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

**Chair Kieckhefer:**

We will now consider S.B. 230, which was heard this evening.

**Senator Parks:**

Is it a common occurrence that an individual would have ongoing medical and life-sustaining expenses that would fall under the provisions of this bill?

**Chair Kieckhefer:**

The Department of Administration testified there were three claims in FY 2014 and three claims in FY 2013. Some claims do extend over time.

**Senator Parks:**

Approximately three claims annually does not seem exorbitant.

SENATOR PARKS MOVED TO DO PASS S.B. 230.

SENATOR GOICOCHEA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

**Chair Kieckhefer:**

We will now consider S.B. 328, which was also heard this evening. There still appears to be disagreement on the bill, but time is of the essence. I recommend we rerefer the bill to the Floor of the Senate without recommendation, based on the removal of the fiscal note by the Division of Insurance.

SENATOR ROBERSON MOVED TO REREFER S.B. 328 TO THE FLOOR OF THE SENATE WITHOUT RECOMMENDATION.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

**Chair Kieckhefer:**

We will now consider S.B. 501, which was also heard this evening. The bill is consistent with the closing of the associated budgets.

SENATOR GOICOECHEA MOVED TO DO PASS S.B. 501.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

**Chair Kieckhefer:**

We will now open the hearing for public comment.

**Ms. Bowen:**

I want to address the subject of public charter schools. It is incumbent upon us all to protect the children in our State, to ensure they are educated in a fair and comparable manner.

If students begin Grade 9 in a public charter school and change their mind in their Grade 10 year, wishing to return to a traditional public school, they must begin again to earn credits toward graduation.

The public charter schools were meant to be an enhancement to the public school systems, adding classrooms in specialty areas. They too should meet similar graduation requirements. This would facilitate transfer between the two systems. The credits should be comparable, as should the teachers, who should be made members of PERS.

It is my understanding that at this time public charter schools, even though they reside within the Nevada Department of Education, have their own governing body. I was told recently that by 2019 the population of the public charter schools would exceed the population of the Washoe County School District.

The items from the "pencil and paper" tests should be placed into the graduation requirements making charter schools comply with the same standards as other public schools.

Remainder of page intentionally left blank; signature page to follow.

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**Chair Kieckhefer:**

Seeing no further public comment to come before the Committee we will stand adjourned at 7:27 p.m.

RESPECTFULLY SUBMITTED:

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Cynthia Clampitt,  
Committee Secretary

APPROVED BY:

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Senator Ben Kieckhefer, Chair

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

EXHIBIT SUMMARY				
Bill	Exhibit / # of pages		Witness / Entity	Description
	A	2		Agenda
	B	5		Attendance Roster
SB 230	C	1	Robert Jacot	Link to Aiden YouTube video
SB 253	D	15	Legal Aid Center of Southern Nevada	Prepared testimony
SB 498	E	13	Nevada Primary Care Association	Proposed Amendment
SB 60	F	1	Mark Krmpotic	Mock Up Amendment No. 7191
SB 69	G	4	Senator Ben Kieckhefer	Proposed Amendment No. 7156
SB 324	H	8	NDOT	Proposed Amendment dated March 16, 2015
SB 206	I	5	Senator Ben Kieckhefer	Mock Up Amendment No. 6872