

**MINUTES OF THE
SENATE COMMITTEE ON FINANCE**

**Seventy-Eighth Session
May 31, 2015**

The Senate Committee on Finance was called to order by Chair Ben Kieckhefer at 9:21 a.m. on Sunday, May 31, 2015, in Room 2134 of the Legislative Building, Carson City, 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)

STAFF MEMBERS PRESENT:

Mark Krmpotic, Senate Fiscal Analyst
Alex Haartz, Principal Deputy Fiscal Analyst
Brenda Erdoes, Legislative Counsel
Julie Waller, Senior Program Analyst
Cathy Crocket, Program Analyst
Lona Domenici, Committee Manager
Emily Cervi, Committee Assistant
Trish O'Flinn, Committee Secretary

OTHERS PRESENT:

Budd Milazzo, Deputy Treasurer for Cash Management, Office of the State Treasurer
Sean McDonald, Administrator, Division of Central Services and Records, Department of Motor Vehicles

Chair Kieckhefer:

We will open the hearing with a work session on Senate Bill (S.B.) 325. This bill was presented by Lieutenant Governor Mark A. Hutchison. It is intended to give recognition to Nevada companies in the State procurement process.

SENATE BILL 325 (1st Reprint): Revises provisions relating to state purchasing.
(BDR 27-1024)

SENATOR ROBERSON MOVED TO DO PASS S.B. 325.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Chair Kieckhefer:

We will move next to the introduction of the Appropriations Act, Bill Draft Request (BDR) S-1288.

BILL DRAFT REQUEST S-1288: Makes various changes regarding state financial administration and makes appropriations for the support of the civil government of the State. (Later introduced as Senate Bill 514.)

Mark Krmpotic (Senate Fiscal Analyst):

I will refer to the BDR for the Appropriations Act. Sections 2 through 33 list all the appropriations for the operations of State government, excluding the kindergarten through Grade 12 (K-12) appropriations which the Committee heard yesterday. Section 33 of the Act is Highway Fund appropriations, while sections 2 through 32 of the Act are General Fund appropriations. The only General Fund agency not included is the Gaming Control Board. It is included in the Authorizations Act which has already been heard.

Section 34 of the Act requires the various State agencies to adhere to the State Budget Act included in *Nevada Revised Statutes* (NRS) 353.150 to 353.246, inclusive, with respect to work programs and transfers. Section 35 of the Act lists those agencies that are allowed to transfer appropriations between fiscal years (FY). This is largely carryover language that was included in the Appropriations Act in 2013. However, the Individuals with Disabilities Act and

the Educator Effectiveness budget accounts are no longer on this list of agencies and the Department of Motor Vehicles' (DMV) System Modernization account has been added.

EDUCATION

K-12 EDUCATION

NDE - Individuals With Disabilities (IDEA) — Budget Page K-12 EDUCATION-167
(Volume I)

Budget Account 101-2715

NDE - Educator Effectiveness — Budget Page K-12 EDUCATION-105 (Volume I)
Budget Account 101-2612

PUBLIC SAFETY

MOTOR VEHICLES

DMV - System Modernization — Budget Page DMV-17 (Volume III)
Budget Account 201-4716

Section 36 of the Act allows the transfer of certain monies between fiscal years. Approximately \$8.5 million in FY 2016 and \$8.4 million in FY 2017 can be transferred for funding for high school proficiency examinations and other statewide assessments. Approximately \$476,000 in FY 2016 and \$349,000 in FY 2017 can be transferred for State writing proficiency examinations.

Section 37 of the Act includes language to allow for the implementation of a managed care waiver program. It allows the transfer of appropriations between the Department of Health and Human Services' (DHHS) Division of Health Care Financing and Policy (DHCFP) and the three regional centers within the DHHS' Aging and Disability Services Division (ADSD). Before submitting to the Centers for Medicare and Medicaid Services an amendment to the State plan for Medicaid established pursuant to NRS 422.271 to implement a program of managed care for the waiver population, the DHHS shall submit to the Interim Finance Committee (IFC) an analysis of the fiscal impact of transitioning to and implementing such a program.

Section 38 of the Act allows the Office of the Secretary of State to transfer appropriations of \$3,907,600 in FY 2016 and \$7,879,600 in FY 2017 to finance the replacement of the existing Electronic Secretary of State software and hardware as an enhancement decision unit within the budget. Section 39 of the Act allows the transfer of approximately \$2.1 million in FY 2016 and \$2.2 million in FY 2017 within the Secretary of State's budget to fund credit card processing fees within its office.

ELECTED OFFICIALS

SOS - Secretary of State — Budget Page ELECTED-159 (Volume I)
Budget Account 101-1050

E-550 Technology Investment Request — Page ELECTED-165

Section 40 of the Act allows the DMV to transfer appropriations of \$2 million in both FY 2016 and FY 2017 to pay credit card processing fees with the approval of the IFC.

DMV - Administrative Services — Budget Page DMV-46 (Volume III)
Budget Account 201-4745

Section 41 of the Act sets out some of the requirements for the Breakfast After the Bell Program within the State Department of Agriculture pursuant to S.B. 503. The Department must allocate up to \$1 million each year of the biennium to school districts on behalf of each public school with 70 percent or more of enrolled pupils eligible for free- or reduced-price lunches participating in the Breakfast After the Bell Program. A public school that provided Breakfast After the Bell for the 2014-2015 school year is not eligible to receive such an allocation from the appropriation.

COMMERCE AND INDUSTRY

AGRICULTURAL

AGRI - Nutrition Education Programs — Budget Page AGRICULTURE-70
(Volume I)
Budget Account 101-2691

SENATE BILL 503 (2nd Reprint): Provides for the creation and implementation of the Breakfast After the Bell Program. (BDR 34-1200)

Section 42 of the Act allows for the sums appropriated to the DHHS' Division of Public and Behavioral Health (DPBH) to be transferred among the budget accounts of the Southern Nevada Adult Mental Health Services, Northern Nevada Adult Mental Health Services and the Facility for the Mental Offender, known as Lake's Crossing, with the approval of the IFC upon the recommendation of Governor Brian Sandoval. The Stein Hospital is due to open later this year and will house forensic clients in conjunction with Lake's Crossing and the ability to transfer appropriations among these budget accounts will give DPBH the flexibility to respond to changing circumstances.

HUMAN SERVICES

PUBLIC AND BEHAVIORAL HEALTH

HHS-DPBH - So NV Adult Mental Health Services — Budget Page
DHHS - PUBLIC HEALTH-205 (Volume II)
Budget Account 101-3161

HHS-DPBH - No NV Adult Mental Health Svcs — Budget Page DHHS - PUBLIC
HEALTH-192 (Volume II)
Budget Account 101-3162

HHS-DPBH - Facility For the Mental Offender — Budget Page DHHS - PUBLIC
HEALTH-221 (Volume II)
Budget Account 101-3645

Section 43 of the Act allows the \$1 million appropriated to the Department of Administration in FY 2016 to finance a business process consultant to review the State's business processes and is to be available for both fiscal years upon approval of the IFC.

Section 44 of the Act allows the DHHS' Division of Child and Family Services (DCFS) to carryover appropriations made for the 2013-2015 biennium for the purpose of reopening the Summit View Youth Correctional Center without approval of the IFC. The funds will not revert to the General Fund until June 30, 2016.

CHILD AND FAMILY SERVICES

HHS-DCFS - Juvenile Correctional Facility — Budget Page DHHS-DCFS-71
(Volume II)
Budget Account 101-3148

Section 45 of the Act allows for the transfer of funding between fiscal years for deferred maintenance projects. Section 46 of the Act allows for the transfer of funding between fiscal years for the Catalyst Account and the Knowledge Account. These accounts do not revert to the General Fund.

GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT

GOED - Nevada Knowledge Fund — Budget Page ECONOMIC
DEVELOPMENT-34 (Volume II)
Budget Account 101-1533

GOED - Nevada Catalyst Fund — Budget Page ECONOMIC DEVELOPMENT-27
(Volume II)
Budget Account 101-1529

Section 47 of the Act is an appropriation to the IFC in the amount of \$692,000 for allocation to the Office of Economic Development (GOED) for the unmanned aerial vehicle program for FY 2017. The GOED must submit an analysis demonstrating the need for the funds and a plan for utilizing the funding to the IFC. Any portion of the appropriated money not spent before September 15, 2017, must be reverted to the State General Fund on or before that date.

Section 48 of the Act is also an appropriation to the IFC in the amount of \$500,000 for allocation to GOED's Train Employees Now Program for FY 2017. Money can only be allocated by the IFC upon submittal of an analysis demonstrating the need for the funding by GOED. The money committees directed GOED to seek federal funds to continue the program, but, if they were unable to fund alternate funding sources, they would be able to approach IFC for allocation of these funds.

GOED - Governor's Office of Economic Dev — Budget Page ECONOMIC
DEVELOPMENT-7 (Volume II)
Budget Account 101-1526

E-231 Efficient and Responsive State Government — Page ECONOMIC
DEVELOPMENT-11

Section 49 of the Act allows the sums appropriated for support of the Legislative Counsel Bureau and Interim Legislative Operations to be available both years of the biennium upon approval of the Legislative Commission.

Section 50 of the Act reflects appropriations to the Fund for Aviation in the amount of \$100,000 each year of the biennium for the enlargement, improvement or maintenance of rural airports, landing areas or air navigation facilities in Nevada. These funds must be used by rural airports to match money available from the Federal Aviation Administration.

Cathy Crocket (Program Analyst):

Section 51 of the Act specifies that amounts appropriated to the Special Appropriations budget for the replacement of the State microwave communications system used by the Department of Transportation, the Nevada Highway Patrol and various local agencies for communications purposes are a loan to the Department of Administration's Division of Enterprise Information Technology Services and must be repaid. The detailed repayment schedule is found in section 51, subsections 2 and 3 of the Act.

Mr. Krmpotic:

Section 52 of the Act includes carryover language placing limits on the amounts appropriated to DHHS' Division of Welfare and Supportive Services (DWSS) and DHCFP with certain exceptions. These exceptions include:

- Subsection 1, increased State costs in FY 2017 if the federal financial participation rates are less than legislatively approved amounts effective October 1, 2016
- Subsection 2, costs related to additional services mandated by the federal government on or after October 1, 2015, and not specifically funded in the Nevada Medicaid account in FY 2016 or FY 2017
- Subsection 3, increased State costs in FY 2016 and FY 2017 in the event that costs related to providing federally mandated behavior

intervention services to children with autism spectrum disorder are higher than legislatively approved amounts in each fiscal year

- Subsection 4, costs related to the Medicaid county match and waiver populations that exceed the 8 cent county reimbursement cap established pursuant to NRS 428.285
- Subsection 5, increased State costs in FY 2016 and FY 2017 in the event that the annual allocation of federal Temporary Assistance for Needy Families block grant funds is lower than the amounts approved by the Legislature for either fiscal year

HEALTH CARE FINANCING AND POLICY

HHS-HCF&P - Nevada Medicaid Title XIX – Budget Page DHHS-DHCFP-41
(Volume II)
B/A 101-3243

Section 53 of the Act places limits on the Child Welfare Block Grants made to both Clark and Washoe Counties. Section 54 of the Act allows for the transfer among various budget accounts of DWSS upon the recommendation of the Governor and the approval of the IFC. Section 55 of the Act provides for the transfer among the various budgets of Nevada Medicaid and the DHCFP's Nevada Check Up Program upon recommendation of the Governor and approval of the IFC. Section 56 of the Act allows the transfer of appropriations among the three correctional facilities within the DCFS upon recommendation of the Governor and approval of the IFC.

HHS-DCFS - WASHOE County Child Welfare — Budget Page DHHS-DCFS-45
(Volume II)
Budget Account 101-3141

HHS-DCFS - Clark County Child Welfare — Budget Page DHHS-DCFS-48
(Volume II)
Budget Account 101-3142

HHS-HCF&P - Nevada Check-Up Program — Budget Page DHHS-DHCFP-36
(Volume II)
Budget Account 101-3178

Ms. Crocket:

Section 57 of the Act authorizes the DHHS to establish an account to transfer savings from various departmental budget accounts to provide the State share of supplemental upper payment limit program to private hospitals in the State. This is carryover language from the previous Appropriations Act.

Mr. Krmpotic:

Section 58 of the Act allows for the transfer of appropriations among the Desert Regional, Sierra Regional and Rural Regional Centers to provide for changes in expenses and funding for residential support, family and respite support and jobs and day training services with the approval of the IFC upon the recommendation of the Governor.

AGING AND DISABILITY SERVICES

HHS-ADSD - Rural Regional Center — Budget Page DHHS-ADSD-86 (Volume II)
Budget Account 101-3167

HHS-ADSD - Desert Regional Center — Budget Page DHHS-ADSD-77
(Volume II)
Budget Account 101-3279

HHS-ADSD - Sierra Regional Center — Budget Page DHHS-ADSD-68 (Volume II)
Budget Account 101-3280

Section 59 of the Act is an appropriation of approximately \$2.2 million in FY 2017 to the IFC for allocation to the Home and Community Based Services account within the DHHS for the costs of services provided by the Autism Treatment Assistance Program within the Aging and Disability Services Division (ADSD).

HHS-ADSD - Home and Community Based Services — Budget Page
DHHS-ADSD-39 (Volume II)
Budget Account 101-3266

Section 60 of the Act provides an appropriation of \$5 million in FY 2016 to the IFC for allocation to the ADSD for the implementation of a senior citizen's property tax assistance program. The ADSD must approach the IFC with a plan for the allocation of these funds.

Section 61, subsection 1 of the Act is an appropriation of \$4.6 million in FY 2016 to the DHCFP for costs related to increasing the reimbursement rate for acute inpatient hospital services to a total of 5 percent effective July 1, 2015, from the reimbursement rate paid by the Division for such services in FY 2015. Section 61, subsection 2 appropriates \$1,000 to the Nevada Check Up Program for the same costs.

Section 62 of the Act is an appropriation of approximately \$5.4 million to the Department of Taxation to fund additional staffing and programming costs that may be necessary due to legislation approved by the 78th Session of the Nevada Legislature. Section 62, subsection 2 of the Act states that money not spent before September 15, 2017, must be reverted to the State General Fund on or before that date.

Section 63 of the Act is an appropriation of approximately \$3.1 million in FY 2017 to the IFC for allocation to the Department of Corrections (NDOC) for 55 protective services positions. The Agency must provide a plan and approach the IFC for funds.

Section 64 of the Act is carryover language to allow NDOC to transfer appropriations among the various budget accounts of the Department.

Section 65 of the Act is carryover language to allow the transfer of appropriations among budget accounts within agencies up to their vacancy savings level.

Section 66 of the Act allows for the transfer of appropriations within the Western Interstate Commission for Higher Education. Section 67 of the Act allows for appropriations to be transferred among the various budgets of the Nevada System of Higher Education (NSHE). Section 68 of the Act requires NSHE to comply with any requests by the Governor to set aside money from the appropriations made by this Act in any specified amount. Section 69 of the Act allows for the carryover of any amounts used to match documented research grants in the NSHE which are not committed for expenditure by June 30 of each fiscal year of the 2015-2017 biennium; the amounts may be carried forward for a maximum of 2 fiscal years after which time any unexpended amounts revert to the State General Fund.

Section 70 of the Act deals with the Performance Funding Pool within NSHE. The sums appropriated to the Performance Funding Pool for FY 2017 may be transferred to the respective formula-funded budget accounts of the NSHE in FY 2017 with the approval of the IFC upon the recommendation of the Governor. The NSHE would approach IFC for the transfer of those amounts based on the performance outcomes of the seven teaching institutions. Any amounts that are not allocated in FY 2017 may be carried forward into FY 2018 for the same purpose. Subsequently, if the institution continued not to meet its performance criteria, those amounts can be carried forward to the State-Funded Perkins Loan account for financial aid.

NSHE

NSHE - Performance Funding Pool — Budget Page NSHE-106 (Volume I)
Budget Account 101-3013

NSHE - State-Funded Perkins Loan — Budget Page NSHE-22 (Volume I)
Budget Account 101-2993

Section 71, subsection 1 of the Act includes appropriations of \$5.9 million in FY 2016 and \$12.5 million in FY 2017 to fully fund start-up costs for the medical school at the University of Nevada, Las Vegas (UNLV). These monies are appropriated to the IFC; NSHE must present a detailed expenditure plan for operation and implementation of the medical school and a timeline for identifying milestones to be achieved through the expenditure of funding. Subsection 2 provides funding in the amounts of \$1.8 million in FY 2016 and \$2 million in FY 2017 for graduate medical education expansion at the medical school at the University of Nevada, Reno (UNR) in conjunction with the UNLV medical school to allow UNR to expand its offerings in northern Nevada.

NSHE - UNLV School of Medicine — Budget Page NSHE-59 (Volume I)
Budget Account 101-3014

NSHE - School of Medical Sciences — Budget Page NSHE-36 (Volume I)
Budget Account 101-2982

Section 71, subsection 3 of the Act provides appropriations of \$1.5 million in each year of the biennium to Great Basin College to mitigate reduction in General Fund appropriations and expenditures that would otherwise be

experienced in adjusting to the level of State support provided by the NSHE funding formula. Subsection 4 provides appropriations of \$1.1 million in FY 2016 and \$850,000 in FY 2017 to Western Nevada College for the same reason. Subsection 5 provides appropriations of \$477,312 each year of the biennium to the Desert Research Institute to mitigate the reduction in General Fund appropriations and expenditures due to the funding formula. Subsection 6 includes appropriations of \$500,000 in each fiscal year of the biennium to UNLV for statewide programs to fund personnel and operating expenditures to establish the International Center for Excellence in Gaming Regulation.

NSHE - Great Basin College — Budget Page NSHE-79 (Volume I)
Budget Account 101-2994

NSHE - Western Nevada College — Budget Page NSHE-85 (Volume I)
Budget Account 101-3012

NSHE - Desert Research Institute — Budget Page NSHE-76 (Volume I)
Budget Account 101-3010

Section 72 of the Act reflects appropriation of \$2.5 million in each year of the biennium to the NSHE Silver State Opportunity Grant Program to fund grants to pay a portion of the cost of education for eligible students enrolled in a State or community college within NSHE. These appropriations are only effective if S.B. 227 passes.

SENATE BILL 227 (2nd Reprint): Creates the Silver State Opportunity Grant Program. (BDR 34-216)

Section 73 of the Act reiterates the Legislature's intent that monies appropriated to NSHE in sections 17, 71 and 72 are not allocated for the support of any professional merit salary increases.

Section 74 of the Act is an appropriation of \$134,707 to the Public Employees' Retirement (PERS) Board to be expended for the administration of the Legislators' Retirement System in FY 2016 and FY 2017.

Section 75 of the Act lists the exceptions of those sections which are not subject to reversions of General Funds in each respective year of the biennium.

Section 76 of the Act is carryover language stating the State Controller must keep the books open for the fiscal year through the third Friday in September. Section 77 of the Act is carryover language instructing the State Controller to transfer among the appropriate accounts and funds the amounts necessary to carry out the budget approved by the Legislature. Section 78 of the Act is also carryover language instructing the State Controller on the payment of salaries of Supreme Court Justices, Court of Appeals Judges, District Court Judges, the Governor, the Lieutenant Governor, the Secretary of State, the State Controller and the Attorney General.

Section 79 of the Act is carryover language that allows for the advance from the General Fund to the State Department of Conservation and Natural Resources for fire suppression costs. Section 80 of the Act is carryover language that allows for the advance from the General Fund to the Nevada National Guard for an emergency as defined in subsection 1 of NRS 353.263.

Section 81 of the Act states that the Governor may direct the Director of the Office of Finance to require the State Controller or the head of each department, institution or agency to set aside a reserve of not more than 15 percent of the total amount of operating expenses or other appropriations and money otherwise available if the State Board of Examiners determines that the ending balance of the State General Fund is projected to be less than \$100 million for FY 2016 or FY 2017. This is carryover language except the ending balance was raised from \$80 million to \$100 million.

Section 82 of the Act is carryover language that states:

If the State of Nevada is required to make payment to the United States Treasury under the provisions of Public Law 101-453, the Case Management Improvement Act of 1990, the State Controller, upon approval of the State Board of Examiners, may make such payments from the interest earnings of the State General Fund or interest earnings in other funds when interest on federal money has been deposited in those funds.

Section 83 of the Act consists of separate appropriations of approximately \$11.2 million in FY 2016 and \$14.1 million in FY 2017 to the IFC for allocation to the DMV for system modernization costs. The DMV must approach the IFC once it has a vendor cost proposal for the software implementation, updated

cost estimates for the entire project and information on the actual equipment and software costs.

Section 84 of the Act delays the 1 percent transfer to the Account to Stabilize the Operation of State Government for the upcoming biennium.

Section 85 of the Act extends an appropriation for an information technology project for the Desert Regional Center made by the 77th Legislature for 1 year.

Section 86 of the Act states, "Section 9 of chapter 433, Statutes of Nevada 1997, at page 1532, is hereby repealed." This legislation required that the Nevada Supreme Court would be reduced if a Court of Appeals was established.

Section 87 states that if S.B. 469 does not become effective, any reference to the Office of Finance in the Office of the Governor in this Act shall be deemed to refer to the Budget Division of the Department of Administration.

SENATE BILL 469: Makes a supplemental appropriation to the Supreme Court of Nevada for an unanticipated shortfall in revenue for Fiscal Year 2014-2015 resulting from a deficit in the collection of administrative assessments. (BDR S-1228)

Section 88 enumerates the effective dates of various sections of the Act.

Chair Kieckhefer:

What is the total of the General Fund and Highway Fund appropriations in the Act?

Ms. Crocket:

Total General Fund appropriations amount to \$2,172,853,959 in FY 2016 and \$2,266,594,033 in FY 2017 for a total of \$4.4 billion over the biennium. Total Highway Fund appropriations amount to \$140,060,413 in FY 2016 and \$142,724,422 in FY 2017 for a total of \$282.8 million over the biennium.

Mr. Krmpotic:

These are the appropriations for the operation of State government.

SENATOR ROBERSON MOVED TO INTRODUCE BDR S-1288.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Chair Kieckhefer:

The hearing will be in recess at 10:19 a.m. until the call of the Chair.

The Senate Committee on Finance will come back to order at 2:40 p.m. We will start with S.B. 513.

SENATE BILL 513: Makes various changes relating to the subsidies paid to the Public Employees' Benefits Program for insurance for certain active and retired public officers and employees. (BDR 23-1276)

Mr. Krmpotic:

Senate Bill 513 is a budget implementation bill. It sets the rates for the Public Employees' Benefits Program for active employees and the rates for retired employees' group insurance for the upcoming biennium. The amounts reflected in the bill are the result of the closing actions taken by the Committee and calculations performed by Fiscal staff. Section 1, subsection 8 of the Act provides that a person employed by the State before January 2012 who had a break in service is eligible to continue to participate in PERS.

PUBLIC EMPLOYEES' RETIREMENT SYSTEM

PERS - Public Employees' Retirement System — Budget Page PERS-3
(Volume III)

Budget Account 101-4821

Chair Kieckhefer:

Is there any testimony in support of S.B. 513? Opposed? Neutral? Seeing none, we will close the hearing on S.B. 513. We will open the hearing on S.B. 514.

SENATE BILL 514: Makes various changes regarding state financial administration and makes appropriations for the support of the civil government of the State. (BDR S-1288)

Mr. Krmpotic:

Senate Bill 514 was presented this morning in BDR form; it is the Appropriations Act.

Chair Kieckhefer:

Is there any testimony in support of S.B. 514? Opposed? Neutral? Seeing none, we will close the hearing on S.B. 514. We will open the hearing on S.B. 515.

SENATE BILL 515: Ensures sufficient funding for K-12 public education for the 2015-2017 biennium. (BDR 34-1284)

Mr. Krmpotic:

Senate Bill 515 is commonly known as the Education Funding Bill. It provides for General Fund appropriations and authorizations to the Distributive School Account. It also includes appropriations to the other State program accounts which include many of the new programs recommended by the Governor and approved by the Legislature. It also includes appropriations to the School Remediation Trust Fund account and professional programs budget account. It implements funding for K-12 education for the next 2 years.

NDE - Distributive School Account — Budget Page K-12 EDUCATION-18
(Volume I)

Budget Account 101-2610

NDE - School Remediation Trust Fund — Budget Page K-12 EDUCATION-32
(Volume I)

Budget Account 101-2615

Chair Kieckhefer:

Is there any testimony in support of S.B. 515? Is there any testimony in opposition or neutral? Seeing none, we will close the hearing on S.B. 515. We will open the hearing on Assembly Bill (A.B.) 474.

ASSEMBLY BILL 474 (1st Reprint): Revises certain fees paid by homeowners' associations. (BDR 10-1170)

Budd Milazzo (Deputy Treasurer for Cash Management, Office of the State Treasurer):

This bill proposes to allow the Department of Business and Industry to raise the cap on unit fees from \$3 to \$5. Currently, the Department's budget is based on a \$4.25 fee. This is supported by the Common Interest Communities and the Manager's Association.

COMMERCE AND INDUSTRY

BUSINESS AND INDUSTRY

B&I - Common Interest Communities — Budget Page B & I-179 (Volume II)
Budget Account 101-3820

E-226 Efficient and Responsive State Government — Page B & I-182

Chair Kieckhefer:

Is this a budget implementation bill?

Mr. Krmpotic:

Yes, it is. The Common Interest Communities budget was built with an increased fee of \$4.25. That is necessary to keep the budget in the black for the next biennium.

Chair Kieckhefer:

Is there any other testimony in support of A.B. 474? Any testimony in opposition or neutral to A.B. 474? Seeing none, we will close the hearing on A.B. 474. We will open the hearing on A.B. 484.

ASSEMBLY BILL 484 (1st Reprint): Provides for the rolling reissuance of license plates by the Department of Motor Vehicles. (BDR 43-1179)

Sean McDonald (Administrator, Division of Central Services and Records, Department of Motor Vehicles):

There are three components of A.B. 484: the rolling reissuance of all license plates, the redesign of the existing plate and the prohibition of inappropriate personalized plates.

Chair Kieckhefer:

Will this require license plates to be reissued every 8 years?

Mr. McDonald:

Yes, it will. The graphic sheeting which is applied to aluminum substrate as part of the license plate manufacturing process degrades over time. The average lifespan of a license plate is 5 to 10 years, rendering the plate message no longer visible. The 125th commemorative, the 150th commemorative and the Blue Plates will be exempt from this requirement. The rolling reissuance will begin in FY 2017. The license plate factory will reissue 350,000 sets each year. It will take approximately 5 years to "catch up" those vehicles having plates older than 8 years. The DMV will start the reissuance with the oldest plates. The transaction will be tied to the regular annual renewal of registration. There will not be an influx of visitors to the DMV offices and the transaction could be done by mail. The reissued plates will be embossed as they were in the past.

Senator Goicoechea:

Where is the language exempting blue plates in S.B. 484?

Mr. McDonald:

It is not in the bill. It would be set in regulation.

Senator Goicoechea:

I suggest you include that language in the bill. There is a lot of opposition to this proposal.

Chair Kieckhefer:

Is there a reason it could not be put into the bill?

Mr. McDonald:

Regarding the blue plates, it is in current statute at NRS 482.270. If there is anything else with a historical component, the bill could be amended to include it.

Chair Kieckhefer:

There is a process currently whereby individuals can buy vintage plates and apply to have them used on their vehicles. Is there anything in A.B. 484 that prohibits that?

Mr. McDonald:

That process remains in place.

Senator Goicoechea:

Will you be able to get your blue plates reissued? And, would it still be legal to move a EUTR, Eureka Truck, plate to a car?

Mr. McDonald:

That would not change.

Senator Parks:

Regarding the transference of personalized plates, my neighbor has a license plate that reads "HOE" on his Chevrolet Tahoe. If he wanted to move that plate to his Corvette, would the DMV review that and veto that transfer?

Mr. McDonald:

That is a prime example of what the DMV is trying to address. There is a process in place for internal review. The DMV decided it would be better put into statute.

Senator Goicoechea:

Are the permanent farm tags subject to the 8-year rollover?

Mr. McDonald:

I am not positive, but I do not believe so.

Senator Parks:

When will the plate redesign be available?

Mr. McDonald:

The DMV is working with Department of Tourism and Cultural Affairs' graphic designers and the Governor's Office. There is no date for the rollout, but a decision will be made as soon as possible after July 1.

Chair Kieckhefer:

Is there any testimony in support of A.B. 484? In opposition or neutral on A.B. 484? Seeing none, we will close the hearing on A.B. 484.

We will open the work session on the five bills we just heard.

SENATOR LIPPARELLI MOVED TO DO PASS S.B. 513.

SENATOR ROBERSON SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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SENATOR LIPPARELLI MOVED TO DO PASS S.B. 514.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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SENATOR WOODHOUSE MOVED TO DO PASS S.B. 515.

SENATOR ROBERSON SECONDED THE MOTION.

Senator Goicoechea:

I will vote to pass S.B. 515 out of the Committee, but I reserve the right to change my vote on the Floor of the Senate.

THE MOTION CARRIED UNANIMOUSLY.

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SENATOR GOICOECHEA MOVED TO DO PASS A.B. 474.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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SENATOR PARKS MOVED TO DO PASS A.B. 484.

SENATOR ROBERSON SECONDED THE MOTION.

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THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Chair Kieckhefer:

The Senate Committee on Finance will be in recess at 3:09 p.m. until the call of the Chair.

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Chair Kieckhefer:

As there is no further business to come before the Committee, we will reconvene to adjourn at 9:47 p.m.

RESPECTFULLY SUBMITTED:

Trish O'Flinn,
Committee Secretary

APPROVED BY:

Senator Ben Kieckhefer, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit / # of pages		Witness / Entity	Description
	A	2		Agenda
	B	2		Attendance Roster