MINUTES OF THE MEETING OF THE ASSEMBLY COMMITTEE ON GOVERNMENT AFFAIRS

Seventy-Ninth Session May 17, 2017

The Committee on Government Affairs was called to order by Chairman Edgar Flores at 10:30 a.m. on Wednesday, May 17, 2017, in Room 4100 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 at www.leg.state.nv.us/App/NELIS/REL/79th2017.

COMMITTEE MEMBERS PRESENT:

Assemblyman Edgar Flores, Chairman
Assemblywoman Dina Neal, Vice Chairwoman
Assemblywoman Shannon Bilbray-Axelrod
Assemblyman Chris Brooks
Assemblyman Richard Carrillo
Assemblyman Skip Daly
Assemblyman John Ellison
Assemblywoman Amber Joiner
Assemblyman Al Kramer
Assemblyman Jim Marchant
Assemblyman Richard McArthur
Assemblyman William McCurdy II
Assemblywoman Daniele Monroe-Moreno
Assemblywoman Melissa Woodbury

COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

None



STAFF MEMBERS PRESENT:

Jered McDonald, Committee Policy Analyst Jim Penrose, Committee Counsel Lori McCleary, Committee Secretary Cheryl Williams, Committee Assistant

OTHERS PRESENT:

Helen Foley, representing Nevada Assisted Living Association Kelly Crompton, Government Affairs Officer, Office of Administrative Services, City of Las Vegas

Chairman Flores:

[Roll was called. Committee rules and protocol were explained.] The only thing on the agenda today is a work session. We will start with <u>Senate Bill 10 (1st Reprint)</u>.

Senate Bill 10 (1st Reprint): Revises provisions governing the publication of information concerning unclaimed and abandoned property. (BDR 10-407)

Jered McDonald, Committee Policy Analyst:

<u>Senate Bill 10 (1st Reprint)</u> is sponsored by the Senate Committee on Judiciary and was heard in this Committee on April 28, 2017.

Senate Bill 10 (1st Reprint) revises provisions regarding the publication of notices and other information concerning unclaimed and abandoned property held by the Office of the State Treasurer. The measure provides that in a county whose population is 700,000 or more, such a notice must be published in a newspaper with the largest circulation in the county at least six times per year and must provide instructions on how to search and access information relating to unclaimed property. In a county whose population is less than 700,000, such a notice must be published in a newspaper with the largest circulation in the county not less than once each year and must include the last known city of any person named in the notice. The State Treasurer is also required to publish a notice at least 90 days before the date by which a holder of property must file certain reports. The State Treasurer is authorized to provide additional information concerning unclaimed or abandoned property in any manner the State Treasurer sees fit. Finally, the State Treasurer must publish a notice concerning the sale of certain abandoned property in a newspaper where the property is to be sold not less than 21 days before the sale takes place.

There was an amendment submitted. The amendment was prepared by the Legal Division of the Legislative Counsel Bureau and begins on page 2 of the work session document (Exhibit C). The amendment revises the frequency and size by which notices must be published; specifies the details regarding the circulation size of the newspapers described in the bill; and requires the administrator to publish a notice twice a year summarizing the requirements of the unclaimed property statutes as they apply to the holders of such property.

Chairman Flores:

I will entertain a motion to amend and do pass Senate Bill 10 (1st Reprint).

ASSEMBLYMAN DALY MADE A MOTION TO AMEND AND DO PASS SENATE BILL 10 (1ST REPRINT).

ASSEMBLYMAN KRAMER SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

Chairman Flores:

Assemblywoman Bilbray-Axelrod will take the floor statement. We will move on to Senate Bill 38.

Senate Bill 38: Revises provisions governing the State's Central Mailing Room. (BDR 33-129)

Jered McDonald, Committee Policy Analyst:

<u>Senate Bill 38</u> is sponsored by the Senate Committee on Education of behalf of the Division of State Library, Archives and Public Records of the Department of Administration and was heard in this Committee on May 15, 2017.

<u>Senate Bill 38</u> authorizes local and other government entities to use the services of the Central Mailing Room operated by the Division of State Library, Archives and Public Records. A government entity choosing to use these services must pay the cost of such services (Exhibit D). There were no amendments.

Chairman Flores:

I will entertain a motion to do pass Senate Bill 38.

ASSEMBLYWOMAN BILBRAY-AXELROD MADE A MOTION TO DO PASS SENATE BILL 38.

ASSEMBLYWOMAN MONROE-MORENO SECONDED THE MOTION.

THE MOTION PASSED. (ASSEMBLYMAN ELLISON VOTED NO.)

Chairman Flores:

Assemblywoman Monroe-Moreno will take the floor statement. We will move on to Senate Bill 72.

Senate Bill 72: Revises provisions governing the Merit Award Program. (BDR 23-239)

Jered McDonald, Committee Policy Analyst:

<u>Senate Bill 72</u> is sponsored by the Senate Committee on Legislative Operations and Elections on behalf of the Department of Administration and was heard in this Committee on May 15, 2017.

<u>Senate Bill 72</u> increases from \$1,000 to \$5,000 the maximum amount of money that may be expended by the Merit Award Board, Department of Administration, for expenses relating to Board operations and clarifies that an employee suggestion to reduce or eliminate State expenditures or improve State government operations must not have been previously considered by the State agency affected. Furthermore, <u>S.B. 72</u> revises the situations and time periods by which the head of the State agency or designee must report recommendations concerning the employee suggestions and the time period available to the State agency to make its recommendation to the Merit Award Board. <u>Senate Bill 72</u> also extends the time period in which a qualified award installment must be paid and when the report to the Budget Division of the Office of Finance, Office of the Governor, and the Interim Finance Committee must be provided.

Finally, the bill requires payments to be made 90 days after the end of the fiscal year during which the State realized a reduction, elimination, or avoidance of State expenditures, instead of 30 days after the end of the fiscal year of the employee suggestion/adoption, and specifies award distributions to a group of employees be made in equal proportion to each State employee in the group (Exhibit E).

There was one amendment which begins on page 2 of the work session document (Exhibit E) and was discussed in the hearing. The amendment deletes section 2, subsection 5, regarding a cap on the expenses relating to the operation of the Merit Award Board. The amendment removes a conflict with Assembly Bill 467, which was previously approved by this Committee

Chairman Flores:

I will entertain a motion to amend and do pass Senate Bill 72.

ASSEMBLYWOMAN JOINER MADE A MOTION TO AMEND AND DO PASS SENATE BILL 72.

ASSEMBLYMAN McCURDY SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

Chairman Flores:

Assemblywoman Bilbray-Axelrod will take the floor statement. We will move on to Senate Bill 375 (1st Reprint).

Senate Bill 375 (1st Reprint): Authorizes agreements between the Governor and Indian tribes in this State relating to the regulation of the use of marijuana. (BDR 18-321)

Jered McDonald, Committee Policy Analyst:

<u>Senate Bill 375 (1st Reprint)</u> is sponsored by Senator Segerblom and was heard in this Committee on May 1, 2017.

<u>Senate Bill 375 (1st Reprint)</u> authorizes the Governor or his or her designee to enter into agreements with tribal governments within this state to facilitate cooperation in the implementation of state laws and tribal laws governing the use of marijuana. An agreement may address matters including, but not limited to, criminal law and law enforcement; regulatory matters concerning the possession, delivery, production, processing, or use of marijuana products; medical and pharmaceutical research; taxation; immunity, preemption, or conflicts of law; and dispute resolution.

Any agreement entered into under these provisions must preserve public health and safety, ensure the security of marijuana establishments, and establish provisions regulating businesses involving marijuana that passes between tribal and nontribal lands in Nevada (Exhibit F). There were no amendments.

Chairman Flores:

I will entertain a motion to do pass Senate Bill 375 (1st Reprint).

ASSEMBLYWOMAN NEAL MADE A MOTION TO DO PASS SENATE BILL 375 (1ST REPRINT).

ASSEMBLYMAN McCURDY SECONDED THE MOTION.

Assemblywoman Bilbray-Axelrod:

I have some issues with this bill. Initially, I was worried about packaging for children, but after talking to the bill sponsor and the stakeholders, they showed me in the bill it does say they will conform to what we do on a state level to make sure that children are protected. I wanted to get that on the record.

Assemblyman Kramer:

I actually like the idea of having all the marijuana distributors in the state abiding by the same rules. I think this compact will do that. I have some issues, but I intend to vote it out of Committee. I do want to reserve my right to change my vote on the floor.

Assemblyman Ellison:

I am going to vote to get this bill out of Committee. I know it came out of the Senate with a unanimous vote. I would like to reserve my right to change my vote on the floor. I still believe the Office of the Governor needs to weigh in on this issue and talk about it openly. My other concern is I support medical marijuana, but I do not support recreational marijuana.

Assemblyman Carrillo:

I will be voting yes to get this bill out of Committee. I would like to thank the stakeholders for getting everything worked out.

Assemblywoman Woodbury:

I am also going to vote yes to get it out of Committee, but I would like to reserve my right to change my vote on the floor.

THE MOTION PASSED. (ASSEMBLYMAN McARTHUR VOTED NO.)

Chairman Flores:

Assemblywoman Bilbray-Axelrod will take the floor statement. We will move on to Senate Bill 400.

Senate Bill 400: Authorizes the Director of the Department of Health and Human Services to enter into success contracts. (BDR 18-310)

Jered McDonald, Committee Policy Analyst:

<u>Senate Bill 400</u> is sponsored by Senator Spearman and others and heard in this Committee on May 5, 2017.

<u>Senate Bill 400</u> authorizes the Director of the Department of Health and Human Services to enter into success contracts with a local government or a person to accomplish any purpose within the jurisdiction of the Department. The bill sets forth the required components of a success contract and requires any success contract to be competitively bid based on a request for proposals from the Department. Before entering into a contract, the Director must make certain determinations and after entering into the contract, publish the rationale for doing so on its website. The Success Contract Account is created in the State General Fund to be administered by the Director, and the Department is authorized to apply for and accept gifts, grants, and donations.

Finally, the Director must submit a biennial report to the Legislature each October before a legislative session identifying each success contract in the past two years and detailing its outcomes and cost savings (Exhibit G). There were no amendments.

Chairman Flores:

I will entertain a motion to do pass Senate Bill 400.

ASSEMBLYWOMAN NEAL MADE A MOTION TO DO PASS SENATE BILL 400.

ASSEMBLYWOMAN MONROE-MORENO SECONDED THE MOTION.

Assemblyman Daly:

I struggled with this bill when we had the hearing. I think I understand it a little better. I will vote yes and take a leap of faith with our counterparts in the Senate. I do have concerns over operations that are controlled and that the government provides and needs to provide because they are the best source to make it into a potential profit area for business. I am not sure that is always the best way to go, but we are going to try it and we will go from there. I just want to put my concerns on the record.

Assemblyman Ellison:

I will vote this out of Committee, but I would like to reserve my right to change my vote on the floor.

Assemblyman Kramer:

This is a bill I looked at and have a hard time believing it will actually happen the way it is said to. On the other hand, I could not really see a downside to making this available. I am in the position that I hope it works out. Therefore, I will vote yes.

THE MOTION PASSED UNANIMOUSLY.

Chairman Flores:

Assemblywoman Monroe-Moreno will take the floor statement. We will move on to Senate Bill 407 (1st Reprint).

Senate Bill 407 (1st Reprint): Creates the Nevada Clean Energy Fund. (BDR 58-1133)

Jered McDonald, Committee Policy Analyst:

<u>Senate Bill 407 (1st Reprint)</u> is sponsored by Senators Spearman, Segerblom, Manendo, Cancela, and Parks and was heard in this Committee on May 11, 2017.

<u>Senate Bill 407 (1st Reprint)</u> establishes the Nevada Clean Energy Fund to provide funding for and increase the pace and amount of investments in qualified clean energy projects in Nevada. The bill sets forth the duties and powers of the Board of Directors of the Fund (Exhibit H).

We did have an amendment that was proposed in the hearing. The mock-up is on page 2 of the work session document (<u>Exhibit H</u>) and deletes the terms "senior" and "subordinate loans" in section 1, subsection 1, paragraph (c).

Chairman Flores:

I will entertain a motion to amend and do pass Senate Bill 407 (1st Reprint).

ASSEMBLYMAN BROOKS MADE A MOTION TO AMEND AND DO PASS <u>SENATE BILL 407 (1ST REPRINT)</u>.

ASSEMBLYMAN McCURDY SECONDED THE MOTION.

Assemblyman Daly:

I do remember this bill in Committee and I did ask for the workers who would be performing the work to have some protections in the bill. We were unable to do that for whatever reason. I will be voting no. I want to be consistent, as I have been in the past. If we cannot provide protection for the workers, I will not be supportive.

THE MOTION PASSED. (ASSEMBLYMEN DALY, ELLISON, KRAMER, MARCHANT, McARTHUR, AND WOODBURY VOTED NO.)

Chairman Flores:

Assemblyman Brooks will take the floor statement. We will move on to Senate Bill 434.

Senate Bill 434: Requires certain city attorneys to be appointed rather than elected. (BDR S-1046)

Jered McDonald, Committee Policy Analyst:

<u>Senate Bill 434</u> is sponsored by the Senate Committee on Government Affairs and was heard in this Committee on May 10, 2017, and on May 16, 2017.

<u>Senate Bill 434</u> requires the city councils of Reno and Sparks to appoint the city attorney. The city attorney then serves under the direction and supervision of the city council and may be removed by a majority vote of the entire membership of the city council at any time (<u>Exhibit I</u>). There were no amendments.

Chairman Flores:

I will entertain a motion to do pass Senate Bill 434.

ASSEMBLYMAN McCURDY MADE A MOTION TO DO PASS SENATE BILL 434.

ASSEMBLYWOMAN JOINER SECONDED THE MOTION.

THE MOTION PASSED. (ASSEMBLYMEN DALY, ELLISON, KRAMER, MARCHANT, McARTHUR, AND WOODBURY VOTED NO.)

Chairman Flores:

Assemblyman Carrillo will take the floor statement. We will move on to the last bill in the work session, Senate Bill 477 (1st Reprint).

Senate Bill 477 (1st Reprint): Enacts provisions relating to residential establishments for persons with disabilities. (BDR 22-146)

Jered McDonald, Committee Policy Analyst:

<u>Senate Bill 477 (1st Reprint)</u> is sponsored by the Senate Committee on Government Affairs on behalf of the Legislative Committee on Senior Citizens, Veterans and Adults With Special Needs and was heard in this Committee on May 2, 2017.

<u>Senate Bill 477 (1st Reprint)</u> requires that in any ordinance adopted by a city or county, the definition of the term "single-family residence" must include: a residential facility for groups in which more than 2 and fewer than 11 persons with disabilities reside with house parents; a home for individual residential care; and a halfway house for recovering alcohol and drug abusers in which fewer than 11 persons reside.

A residential facility for groups must be equipped with a residential fire sprinkler system if the facility has three or more residents who would have difficulty perceiving danger or moving to safety in the event of a fire (Exhibit J).

There was an amendment submitted, and it begins on page 2 of the work session document (Exhibit J). The amendment revises the definition of "single-family residence" with regard to the number of persons with disabilities; deletes the word "residential" in section 16 regarding fire sprinkler systems; and creates section 20.5, which further clarifies requirements regarding the use of sprinkler systems in residential facilities for groups with residents who would have difficulty perceiving danger or moving to safety in the event of a fire.

Assemblywoman Neal:

There were some questions that went unanswered after the hearing. The City of Las Vegas had come to the table, and I had asked a question regarding zoning. There was a relationship to the zoning and distance requirement, but I never received resolution around those issues.

Helen Foley, representing Nevada Assisted Living Association:

Assemblywoman Neal, I sent to you what I received from the Civil Division of the Clark County District Attorney's Office, which was the agreement they reached in the *Nevada Fair Housing Center, Inc. v. Clark County*, [565 F.Supp. 2d 1178 (D. Nev. 2008)] decision. That decision dealt with the zoning issue. In speaking with Mr. Warhola from the Clark County District Attorney's Office yesterday, he said for zoning purposes, Clark County was fine with this amendment [page 2, (Exhibit J)].

Assemblywoman Neal:

I am referring to the City of Las Vegas and Mr. McAnallen who was the lobbyist who came to the table and the dialogue at the hearing for <u>S.B. 477 (R1)</u> [Assembly Committee on Government Affairs, May 2, 2017]. There was an issue, and I still need to hear from the City of Las Vegas because they do have some things in place that are different from what Clark County is doing.

Helen Foley:

Mr. McAnallen told me they were fine with this legislation the way it is written. When Clark County negotiated with the Nevada Fair Housing Center, it did change things a little bit. That is why in section 7, subsection 1, paragraph (a), rather than saying from three to ten beds, which is currently in the *Nevada Administrative Code* (NAC), we dealt with it the way Clark County had, which made it ". . . fewer than 11 unrelated persons with disabilities" They did not want to state one to two persons or two to four persons. We simply said anything fewer than 11, which conforms to the Nevada Fair Housing Center agreement.

Assemblywoman Neal:

From when we had the hearing, what has changed in the amendment that you proposed at the time?

Helen Foley:

What changed is when all the fire fighters came forward and wanted greater flexibility. They wanted to make sure the level of fire safety was sufficient within their own jurisdictions. We took out the word "residential" in section 16.

Assemblywoman Neal:

I am still confused and not comfortable because there are two different issues. There is the fire issue and the zoning issue. The zoning issue requires that if this kind of facility is in a residential area, there are distance requirements. I do not recall Mr. McAnallen coming to me and saying he was good with the amendment. What I recall after my conversations in that hearing and after the hearing was that people were still saying there were two different issues that were being dealt with in this bill. Your concern is the fire sprinkler issues, which I understand. There is another issue that has not been dealt with. I am not comfortable. The only thing I have heard was Mr. McAnallen said you were all trying to figure it out. I have never received a response.

Helen Foley:

What the law used to be was these residential facilities could be anywhere. However, Senator Augustine introduced a bill that said the residential homes could be no closer than 1,500 feet. There had to be a separation so streets could not be lined with these facilities. That happens quite often in the older homes that are single-story with larger lots that are more suited for residential facilities. The federal government said states could not discriminate, so the county reached an agreement in 2008. In 2013, the Legislature did away with Senator Augustine's limitation of a 1,500-foot distance requirement. The county's compromise was something like 660 feet between these locations. That is what the law is in southern Nevada in dealing with the Nevada Fair Housing Center. The federal government has said that is appropriate and there can be some kind of restriction, but not as great as 1,500 feet. I believe your legal counsel can back me up on that. If it is that way in Clark County, then it applies to the City of Las Vegas as well.

Mr. McAnallen is in the building, and I think if he had a continuing concern with this bill, he would be here to protest it.

Assemblywoman Neal:

I did try to reach Mr. McAnallen, but he was not answering the phone. I also tried to reach out to Kelly Crompton. Leaving the conversation as it is, because I am still not satisfied, I will be voting no. I did not get the answers I needed because there was a specific issue in my district and when I found there was some veracity to my thoughts, I still wanted clarification to be crystal clear about this issue. Once I found out I was not wishing or imagining anything, I wanted to know what the effect of this bill will be now in Las Vegas, which is the top part of my district.

Chairman Flores:

Should there be any additional concerns, I will make sure they reach out to you immediately, Ms. Foley. If the issues cannot be resolved, I am not sure if the bill will make it to the floor.

Assemblyman Ellison:

I have more of a statement. These facilities in the rural areas have shifts with someone there 24 hours a day. Someone is always there and awake. This bill would require these existing structures to have fire sprinklers. This would be a large impact to those smaller facilities and may shut them down completely. I will be voting no. It would be a cost of thousands of dollars to retrofit these facilities. I had asked that this bill be amended to exclude existing facilities, but that did not happen.

Helen Foley:

I do have a response to that. Currently, in the NAC any home that is a residential facility for groups, which means from three to ten persons, must have sprinklers. That is the current law in Nevada and has been since 1997. This bill actually makes it easier for these facilities not to have sprinklers. In section 16 of the amendment (Exhibit J) it states, "A residential facility for groups must be equipped with a fire sprinkler system if the facility has three or more residents who would have difficulty perceiving danger or moving to safety in the event of a fire." There could actually be up to ten individuals, and as long as they do not have three or more residents that could not get out by themselves, it loosens the law. It does not make it more difficult than it is today. The current standard is not only would they have to have a residential sprinkler, but they could also possibly have to have a commercial sprinkler, which would totally wipe them out. Most of these homes are not equipped to have commercial sprinkler systems. Right now, these homes must have a sprinkler system if they have between three and ten people in the home. In this legislation, it would be three people who are immobile or infirmed and could not get out themselves.

Assemblyman Ellison:

You said that law has been in existence since 1997. Were the existing structures exempted at that time? I have been in several of these older homes where they lock the door at night for safety purposes. These houses have vaulted ceilings so to retrofit them to bring them up to

code would be almost impossible. That is why they have 24/7 care. Could you find out if existing homes were exempted in 1997? Anything built after 1997 had to follow the code. This bill does not exempt anyone.

Chairman Flores:

Ms. Foley, please get that information to Assemblyman Ellison. I will entertain a motion to amend and do pass <u>Senate Bill 477 (1st Reprint)</u>.

ASSEMBLYMAN CARRILLO MADE A MOTION TO AMEND AND DO PASS SENATE BILL 477 (1ST REPRINT).

ASSEMBLYWOMAN BILBRAY-AXELROD SECONDED THE MOTION.

THE MOTION PASSED. (ASSEMBLYMEN ELLISON, MARCHANT, McARTHUR, NEAL, AND WOODBURY VOTED NO.)

Chairman Flores:

Assemblyman Brooks will take the floor statement. Is there anyone here for public comment?

Kelly Crompton, Government Affairs Officer, Office of Administrative Services, City of Las Vegas:

I am here in public comment because I heard my name as I was blocks away, so I ran over here. I will have Mr. McAnallen go to your office this afternoon, Assemblywoman Neal. He is the person with the answers to your questions.

Chairman Flores:

Having no further business, this meeting is adjourned [at 11:03 a.m.].

	RESPECTFULLY SUBMITTED:
	Isabel Youngs Recording Secretary
	Lori McCleary Transcribing Secretary
APPROVED BY:	
Assemblyman Edgar Flores, Chairman	
DATE:	

EXHIBITS

Exhibit A is the Agenda.

Exhibit B is the Attendance Roster.

<u>Exhibit C</u> is the Work Session Document for <u>Senate Bill 10 (1st Reprint)</u> presented by Jered McDonald, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

Exhibit D is the Work Session Document for Senate Bill 38 presented by Jered McDonald, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

<u>Exhibit E</u> is the Work Session Document for <u>Senate Bill 72</u> presented by Jered McDonald, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

<u>Exhibit F</u> is the Work Session Document for <u>Senate Bill 375 (1st Reprint)</u> presented by Jered McDonald, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

Exhibit G is the Work Session Document for Senate Bill 400 presented by Jered McDonald, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

Exhibit H is the Work Session Document for Senate Bill 407 (1st Reprint) presented by Jered McDonald, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

<u>Exhibit I</u> is the Work Session Document for <u>Senate Bill 434</u> presented by Jered McDonald, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

Exhibit J is the Work Session Document for Senate Bill 477 (1st Reprint) presented by Jered McDonald, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.