MINUTES OF THE MEETING OF THE ASSEMBLY COMMITTEE ON NATURAL RESOURCES, AGRICULTURE, AND MINING

Seventy-Ninth Session May 11, 2017

The Committee on Natural Resources, Agriculture, and Mining was called to order by Chair Heidi Swank at 1:38 p.m. on Thursday, May 11, 2017, in Room 3138 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, and to Room 203, Carl A. Diekhans Center for Industrial Technology, Great Basin College, 1500 College Parkway, Elko, 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:

Assemblywoman Heidi Swank, Chair
Assemblywoman Lesley E. Cohen, Vice Chair
Assemblyman Chris Brooks
Assemblywoman Maggie Carlton
Assemblyman John Ellison
Assemblywoman Sandra Jauregui
Assemblywoman Lisa Krasner
Assemblywoman Robin L. Titus
Assemblyman Justin Watkins
Assemblyman Jim Wheeler
Assemblyman Steve Yeager

COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

Senator Pete Goicoechea, Senate District No. 19 Senator Pat Spearman, Senate District No. 1 Senator Ben Kieckhefer, Senate District No. 16



STAFF MEMBERS PRESENT:

Susan E. Scholley, Committee Policy Analyst Randy Stephenson, Committee Counsel Nancy Davis, Committee Secretary Cheryl Williams, Committee Assistant

OTHERS PRESENT:

George Ross, Chair, Board to Review Claims, Division of Environmental Protection, State Department of Conservation and Natural Resources

Peter D. Krueger, representing the Nevada Petroleum Marketers and Convenience Store Association

Greg Lovato, Administrator, Division of Environmental Protection, State Department of Conservation and Natural Resources

David Gaskin, Deputy Director, Stormwater Management Program, Director's Office, Department of Transportation

Kyle Davis, representing Nevada Conservation League; and Coalition for Nevada's Wildlife

Jeremy Drew, Commissioner, Board of Wildlife Commissioners, Department of Wildlife

Tyler Turnipseed, Chief Game Warden, Division of Law Enforcement, Department of Wildlife

Joseph Royer, Private Citizen, Lamoille, Nevada

William Adler, representing Sierra Cannabis Coalition

Wendy Stolyarov, Legislative Director, Libertarian Party of Nevada

Doug Busselman, Executive Vice President, Nevada Farm Bureau Federation

Cristina Alfonso-Zea, Private Citizen, Las Vegas, Nevada

Cindy Brown, Private Citizen, Las Vegas, Nevada

Darlene Mea, Private Citizen, Las Vegas, Nevada

PJ Belanger, Private Citizen, Las Vegas, Nevada

Pete Rendon, Private Citizen, Las Vegas, Nevada

Tyson Falk, Private Citizen, Reno, Nevada

John Pickett, Forester, Tahoe Douglas Fire Protection District

Steve Teshara, Principal, Sustainable Community Advocates, Zephyr Cove, Nevada

James R. Lawrence, Deputy Director, State Department of Conservation and Natural Resources

Mike Brown, Private Citizen, Carson City, Nevada

Chair Swank:

[Roll was called and standard rules of the Committee were reviewed.] We are going to start with a work session. The first bill is <u>Senate Bill 51 (1st Reprint)</u>.

Senate Bill 51 (1st Reprint): Makes various changes relating to the adjudication of vested water rights. (BDR 48-180)

Susan E. Scholley, Committee Policy Analyst:

Senate Bill 51 (1st Reprint) was sponsored by the Senate Committee on Natural Resources on behalf of the Division of Water Resources, State Department of Conservation and Natural Resources, and was heard in this Committee on May 4, 2017. The bill revises the process of adjudicating vested water rights. It removes requirements relating to the State Engineer determining relative rights of claimants in order of the importance of the stream for irrigation. It requires the State Engineer to provide notice of the pendency of the proceedings and provides additional requirements about what the notice must include. The bill revises information that must be included in proofs of appropriation and provides a process for return and correction of defective proofs. The bill authorizes the State Engineer to make a preliminary order and an order of determination available on the Internet and to let folks know that their order is available on the website. It also provides that the State Engineer must hold a hearing on objections to the preliminary order and a hearing notice may be sent/served upon persons affected by the objections. Senate Bill 51 (R1) also modernizes and revises provisions regarding transcriptions of the hearing by a court reporter and responsibility for payments of transcription costs. There were no amendments proposed, and the Senate vote was unanimous (Exhibit C).

Chair Swank:

I will entertain a motion to do pass Senate Bill 51 (R1).

ASSEMBLYWOMAN JAUREGUI MADE A MOTION TO DO PASS SENATE BILL 51 (1ST REPRINT).

ASSEMBLYWOMAN COHEN SECONDED THE MOTION.

Is there any discussion on the motion? Seeing none, we will vote.

THE MOTION PASSED. (ASSEMBLYWOMAN KRASNER VOTED NO. ASSEMBLYWOMAN TITUS WAS ABSENT FOR THE VOTE.)

I will give the floor assignment to Assemblyman Wheeler. We will now move on to Senate Bill 75 (1st Reprint).

Senate Bill 75 (1st Reprint): Makes various changes relating to the Department of Wildlife. (BDR 45-139)

Susan E. Scholley, Committee Policy Analyst:

<u>Senate Bill 75 (1st Reprint)</u> was sponsored by the Senate Committee on Natural Resources on behalf of the Department of Wildlife and was heard in this Committee on May 9, 2017. This bill would make confidential information concerning a person who has requested assistance from the Department of Wildlife or has reported any information concerning potentially dangerous wildlife or nuisance wildlife. The measure also provides that certain

reports the Department is required to submit may be posted on the Department's website in lieu of providing hard copies. No amendments were proposed and the Senate vote was unanimous (Exhibit D).

Chair Swank:

I will entertain a motion to do pass Senate Bill 75 (R1).

ASSEMBLYMAN YEAGER MADE A MOTION TO DO PASS SENATE BILL 75 (1ST REPRINT).

ASSEMBLYWOMAN COHEN SECONDED THE MOTION.

Is there any discussion on the motion? Seeing none, we will vote.

THE MOTION PASSED. (ASSEMBLYMEN KRASNER AND WATKINS VOTED NO. ASSEMBLYWOMAN TITUS WAS ABSENT FOR THE VOTE.)

I will take the floor statement. Next is Senate Bill 411 (1st Reprint).

Senate Bill 411 (1st Reprint): Revises provisions governing cruelty to animals. (BDR 50-11)

Susan E. Scholley, Committee Policy Analyst:

<u>Senate Bill 411 (1st Reprint)</u> was sponsored by Senator Manendo and heard in this Committee on May 9, 2017. This bill provides that the release of a feral cat that has been caught for the purpose of vaccinating, spaying or neutering and then releasing it back to the location where it was caught does not constitute abandonment. No amendments were proposed, and it was a unanimous vote in the Senate (<u>Exhibit E</u>).

Chair Swank:

I will entertain a motion to do pass Senate Bill 411 (R1).

ASSEMBLYWOMAN COHEN MADE A MOTION TO DO PASS SENATE BILL 411 (1ST REPRINT).

ASSEMBLYWOMAN JAUREGUI SECONDED THE MOTION.

Chair Swank:

Is there any discussion on the motion? Seeing none, we will vote.

THE MOTION PASSED. (ASSEMBLYMEN ELLISON AND KRASNER VOTED NO. ASSEMBLYWOMAN TITUS WAS ABSENT FOR THE VOTE.)

I will give the floor assignment to Assemblywoman Jauregui. We will now move on to Senate Bill 513.

Senate Bill 513: Increases the limit on the assessment for water distribution expenses. (BDR 48-905)

Susan E. Scholley, Committee Policy Analyst:

<u>Senate Bill 513</u> is sponsored by the Senate Committee on Natural Resources on behalf of the Office of Finance in the Office of the Governor and was heard in this Committee on April 27, 2017. The bill increases the cap on the assessment for water distribution expenses, from 30 cents to \$1 per acre-foot of decreed water. There were no amendments proposed and there was one nay vote in the Senate (<u>Exhibit F</u>).

Chair Swank:

I will entertain a motion to do pass Senate Bill 513.

ASSEMBLYWOMAN CARLTON MADE A MOTION TO DO PASS SENATE BILL 513.

ASSEMBLYWOMAN COHEN SECONDED THE MOTION.

Is there any discussion on the motion?

Assemblyman Ellison:

I am going to vote yes to get it out of Committee, but I would like to meet with my colleagues and get a couple of questions answered.

Chair Swank:

Is there any further discussion? Seeing none, we will vote.

THE MOTION PASSED. (ASSEMBLYMEN KRASNER AND WHEELER VOTED NO. ASSEMBLYWOMAN TITUS WAS ABSENT FOR THE VOTE.)

I will give the floor statement to Assemblywoman Cohen. We have finished our work sessions today. At the request of the sponsor, we have rolled the work session on Senate Bill 194 (1st Reprint) to Tuesday.

Senate Bill 194 (1st Reprint): Prohibits the sale of products derived from or containing certain animal species under certain circumstances. (BDR 52-664)

I will open the hearing on Senate Bill 251 (1st Reprint).

Senate Bill 251 (1st Reprint): Requires the Board to Review Claims to adopt regulations for the administration of certain programs to assist operators of petroleum storage tanks. (BDR 40-942)

Senator Pete Goicoechea, Senate District No. 19:

Senate Bill 251 (1st Reprint) allows for a grant program administered by the Division of Environmental Protection (NDEP) of the State Department of Conservation and Natural Resources, to loan money for the prevention and cleanup of some smaller gas stations. There are financial requirements in the bill that would be considered in order to grant or loan the money to the operators. Some of those considerations are where the gas station is and how far to the next gas station. Those factors would enter in the determination if it could be a grant. If the gas station is in Pioche, Caliente, or Currie, there might only be one gas station. This bill would allow the gas station to stay open, meet the requirements, and avoid any contamination of spills. Some of these operators are barely getting by, but they need some improvements to their infrastructure. This is a grant program that we think could help some of the more rural areas and the smaller gas stations.

George Ross, Chair, Board to Review Claims, Division of Environmental Protection, State Department of Conservation and Natural Resources:

The State of Nevada Board to Review Claims is also known as the Petroleum Fund Board. This Board oversees the Fund for Cleaning Up Discharges of Petroleum and its insurance and cleanup program for leaky underground storage tanks. I do not think any of you were in the Legislature in 1989 when the Legislature responded to federal requirements and put a few of us in a room and said, Do not come out until you have this thing figured out.

With some great input from other folks, we put together this program, which was then fleshed out with a set of regulations. Subsequently, we have run this petroleum fund program for about 27 years. What happens is, if you are an operator and you have an underground storage tank for petroleum, you can register it with the Bureau of Corrective Actions within NDEP and get it insured. All of us, as individuals, then pay 0.75 cent per gallon when we buy gasoline or diesel at the pump. This goes into the petroleum fund. I want to make that clear because this is not General Fund money. It is a completely separate account for the purpose of cleaning up leaky underground storage tanks.

Why do we want to clean up leaky underground storage tanks? Because when those leaks become rather large or if groundwater happens to be near the surface, the leaks can get into the groundwater and contaminate it. In the 250 or so cases where that has happened, the cost was an average of \$658,000 to clean up. Over its life, the petroleum fund has cleaned up over 1,100 leaks and spills and has dispensed over \$200 million to do so. Typically, we have between \$5 million to \$8 million in the fund, sometimes more. Originally, when it went over \$7.5 million, the fee would come off and go back on when the fund got to under \$5 million. In 2010, the construction industry was hurting very badly. In a special session, the Legislature said, any time at the end of a fiscal year that the fund has over \$7.5 million, that money will go to the Department of Transportation (NDOT).

What happens now is that the federal government has another regulation to further prevent leaks at gas stations. If the gas station owner does not comply, he has to close his business. Depending on the number of tanks the station has, it is going to cost between \$38,000 and \$90,000 per station in order to comply. We have a fair number of stations in this state which are small, not high volume, and owned by independent operators. Just because there is a major-brand sign on the station does not mean that company owns the station. Many of them are owned by families and are independent operators who are not in great financial shape. Until we switch to all-electric or all-hydrogen cars, it is in the state's interest to ensure we have a sufficient number of gas stations as we motor about the state. That applies to rural as well as urban areas.

This bill sets up a program, with criteria that will be fleshed out in regulations, to award grant money from the fund to an operator who has demonstrated financial need for assistance in defraying the costs of any infrastructure required by the operator to comply with any law or regulation relating to preventing discharges. The word "prevention" is important because the current law says "cleaning up". We are expanding the responsibilities of the program to include prevention as well as cleanup.

We would develop the regulations, which obviously go through the Legislative Commission, so if any of you are worried about a detail or two, you will have a second glance through the Legislative Commission. The criteria which would be used to prioritize include financial need—obviously one of the major oil companies that owns a station is not going to get help from this program—the availability and proximity of other dispensing locations, and the total volume. We also have, in section 1, subsection 1, paragraph (b), subparagraph (4), a provision which allows us to make sure the operator is financially responsible and to audit him to ensure he is not spending the money in an inappropriate way.

That is basically the program. We feel that there are about 83 or 84 stations that could possibly meet the criteria. As you will hear from Greg Lovato of NDEP, they have done subsequent analysis to determine the number of stations that could be involved in this would be somewhat lower than that. Even at the maximum, this is only about \$7 million spent over three or four years. The impact to NDOT would be minimal, and frankly, they would get more money in the end because it does not take long for a \$658,000 savings to add up to quite a lot of money. We will be avoiding many of those situations.

I will say, parenthetically, that in the oil industry, many people thought that the regulations that went in place in the late 1980s would be a big solution. Many people certainly thought that the tank replacement programs of the mid to late 1990s was the big salvation, and leaks still occur.

The other provision we have in this bill is that NDEP shall, in accordance to regulations, administer a program to provide assistance to an operator in complying with any law or regulation relating to the prevention of discharges that are applicable to storage tanks. That enables NDEP, most likely with a contractor, to provide advice and counsel. When an owner comes in with a leak and we find that he has not done everything he should have done by not

reacting properly to the indications of a potential leak, he would not get as much money as he otherwise would. Often he was not fully informed or aware or had not fully trained his people. We want to help, and we believe this will help to prevent future leaks. That is what this bill is about: first, preventing future leaks; and second, keeping more of those stations alive and operating.

Peter D. Krueger, representing the Nevada Petroleum Marketers and Convenience Store Association:

It is the men and women of our association that actually dispense the fuel. It is imperative that you understand that just because, in your own district you see a Chevron or Arco sign, or any major oil-company sign, that is a brand and those stations are not owned or operated by those major oil companies. We believe that of the approximately 1,200 to 1,400 operating retail gas stations in Nevada, there are about 782 in Clark County, and 227 stations in Washoe County. In each of your districts, I can assure you there is a station that could qualify for this grant program. I can say that because I know my members, and as you have probably seen, the fueling business has changed radically. It is now an entry-level business for so many people who are beginning as entrepreneurs. Part of the program is convenience stores that provide your districts with convenience and fuel that, without a program like this, might not be there.

Mr. Ross discussed the basic qualifications and regulations. We believe—like California and the state of Washington, which have similar programs, and I think you would all agree are both very ecologically friendly and sound—there is a need for this. You may be thinking, This petroleum fund has been around since 1990, why have we not needed it before? We really have needed it. Every couple of years there are new federal requirements to upgrade, as there should be. Gas stations should be upgraded so we prevent the discharge and leaks from tanks and from the pipes.

The reason for this particular bill now, is that the new federal requirements begin right at the dispenser, or gas pump—where you and I get our fuel. Below that are the devices that heretofore have not been required that collect fuel through a leak or an overfill. There are all sorts of new requirements. As Mr. Ross indicated, this does not come inexpensively, once you have to break concrete and tear up pipes. These are the types of things that will help prevent leaks in the future. We want to thank Senator Goicoechea for recognizing this.

I think there is some concern from those of you from urban areas that this would not impact the stations in your area. That is not true. About 80 percent of potential stations that have been preliminarily identified are in the urban areas. This is something that will affect and could enable your district operators to stay in business, and will benefit the entire state. On behalf of the Nevada Petroleum Marketers, men and women who do the fueling and operate the convenience stores, are strongly in support of this and will be there during the regulation process, should we get there.

Assemblywoman Jauregui:

Under what circumstances would a gas station not be able to repair their own tank?

Peter Krueger:

Cost is the primary reason. If you spend time in your district, you can see that there are many new entrepreneurs who have moved into the fuel retailing business. That is a good thing, but they may not have enough capitalization or money in the bank. The average retail gas station nets approximately 4 to 6 cents per gallon. You can see, that is not a huge margin.

Assemblywoman Jauregui:

So the gas station owner is not making as much profit anymore because of the amount of competition, correct?

Peter Krueger:

I would say that is right. We just have to look at the big box stores that are selling huge volumes and impacting the local gas stations.

Assemblywoman Jauregui:

Mr. Ross, you stated that approximately 83 stations would benefit from this grant. Can we be assured that those 83 stations are spread evenly across all of our districts?

George Ross:

Those 83 stations are the maximum. Regulatorily, we can do a lot of things, if necessary. I think the key would be to keep the maximum number of stations that are key in their areas where they are. There will be some that are very critical and some that are not quite so critical for that district. More importantly, there are some stations that are basically mom-and-pop stations. They do not have high volume, but they are very important for that neighborhood. In some cases they are very important for the next 300 miles of driving; in other cases, they are just important for a little corner gas station. When those people are not in a position where they have been able to pack a lot of money away and do not have a lot of revenue, it is hard to qualify for a loan. The reason we are looking for grants is that some of these owners do not have the credit to get a loan. If it became something where we needed to be sure that the geographical spread was critical, that can be part of the regulations.

Assemblyman Watkins:

As I understand it, this petroleum fund, since it was instituted in 1989, has been funded based on 0.75 cent per gallon of gas pumped in this state, unless it was suspended, is that right?

George Ross:

It was suspended a few times prior to 2010. Subsequently, it has always been in effect.

Assemblyman Watkins:

I assume it is fair to say that the bulk of the money that is in the petroleum fund came from either Clark County or Washoe County where most of the population of the state is.

George Ross:

That is correct.

Assemblyman Watkins:

Philosophically, I have a little bit of a problem with all the money being funded in one part of the state and having criteria in statute that basically precludes any money going back to the places that funded it. If one of the criteria is the distance between gas stations, then those mom-and-pop shops in Las Vegas that are in the same scenario that you discussed for Pioche, Ely, or any other small town, do not qualify. We are going to let mom and pop in Las Vegas fail, but ensure that the rural operators who have more distance between two stations get a free retrofit. Can you explain the thinking behind including the distance between stations as one of the factors?

Senator Goicoechea:

It is 110 miles between Lund and Alamo, and if the station in Lund is closed, you may not make it to your destination. I do not think there is anything in the bill that would say this grant could not be awarded to someone in Clark County or in Las Vegas proper. One of the other criteria is the amount of fuel that is dispensed. An urban area station would dispense far more fuel than a grocery store in Lund.

George Ross:

I would like to add that 80 percent of the stations are in Washoe County and Clark County, and I can guarantee, from my work on the board for the last 10 years, that a great many of the stations who get much of the larger grants are urban stations. Urban peoples' money in this fund is being spent very heavily in urban areas. While this is a new program, the amount of money we are talking about, approximately \$3 million to \$4 million worth of grants, is a very tiny amount of money compared to the overall amount of money that has been spent cleaning up petroleum leaks in urban areas.

Assemblyman Watkins:

The other thing that perplexes me, because I thought we were to encourage free market to work, is that we are going to provide free retrofitting to mom-and-pop gas stations that do not have great financials, have bad credit and out-of-date systems, and encourage them to stay in business, rather than allow the free market to come in as a new owner who possibly does not have bad credit, and good financials, and is maybe a better businessperson. I have a problem with the policy consideration put in here, knowing that none of us want any leaky gas tanks, but there must be some set of factors we could put in here to make this a little more appropriate for our capitalistic system.

Senator Goicoechea:

You are right, we are looking to help the small mom-and-pop stations. If someone has \$1 million to spend, he is not going to put his business in Alamo or Hiko, he is going to put it on some good corner that will cost him \$10 million, if you are talking about a truly capitalistic approach. My understanding of this bill is it is trying to maintain the stations that are in place. They are in everyone's district. You have all got a station owner in your district who cannot afford to continue. All it takes is one leak and the owner is out of business

because he does not have the money to fix his leak. He may be making a living, raising his family, and providing a service to his community, but that one little leak and he is out of business. These station owners are not deadbeats, but it is marginal.

Assemblywoman Carlton:

Every year we set aside the money for this to be taken care of. This is for NDEP to take care of the cleanups that need to be done. This money is for NDEP to deal with those issues. By opening these dollars up for other folks, I have concerns that the dollars will not be available if there was ever a large leak or something else that would need to be dealt with. I hear the argument that you are making, but I am concerned about a grant program. I understand that you are trying to help these folks. If it is hard to get capital, maybe there is a possibility of making it a loan program, so the money will come back into the state. We are taking money from every other gas station in the state and giving it to one. Granted, that one station pays, but so does everyone else. My concern is the draining of the petroleum funds and then having to go to the General Fund if there was a large leak that would have to be addressed. I would not want to see these cleanup funds depleted too greatly.

Senator Goicoechea:

The 0.75 cent is imposed for the program and NDEP. It would probably be far more appropriate to have Mr. Lovato address those reserves. I think that NDEP has cleaned up a lot of the underground storage tanks, so the demand is not there like it was 20 years ago. All it takes is one of these little station owners who has to ignore the leak because he cannot afford to change the pipes in his tanks, and he is hoping to sneak by. Then, if in fact, he does have a leak that gets into the groundwater, and suddenly we went from a \$10,000 fix to a \$600,000 to \$1 million program to clean it up. That is what the 0.75 cent is for, to provide cleanup money. This is a pay me now or pay me later kind of a scenario. I am not saying this is the greatest plan, but it might be the best "pay me now" plan we have got.

Assemblywoman Carlton:

If there is a balance above \$7.5 million, those dollars transfer. I am going to remember the citation on the transfer. My concern is making sure the state's General Fund is protected in this, and that we do not end up bearing the burden of a large cleanup. I will research how those dollars balance.

Assemblyman Ellison:

There was a federal law that they would do a cleanup on all of the old tanks in the United States, and they put up X amount of money. They did this for years and years until the program went broke. Several gas stations in Elko were cleaned up years ago. I thought that came from a federal fund that could be matched to help with the cleanup. Many of these tanks in old gas stations were sold over the years. Someone could have bought a gas station over 20 years ago and not known they had a leak. Some of these stations in rural Nevada were sold, and they are leaking.

Peter Krueger:

There has never been a matching federal program of loans or grants. In 1988, the federal government began the process of cleaning up contaminated petroleum sites—most of them were retail and scattered across the United States—and mandated that all owners and operators of underground storage tanks must demonstrate financial responsibility. That was the beginning of the petroleum fund. Outside of the few major oil companies, such as Exxon and Chevron, there was not a company in the state of Nevada at that time that could afford to do that cleanup. The fund was created so that we could keep our retail gas stations and facilities open.

As far as regarding buying a facility, early on that happened because the sophistication of leak detection and the sophistication of buyers and sellers was not what it is today. We have moved beyond that. I did want to state that there is no General Fund money involved in this program; there never has been. The reason is that when and if—and it has happened over the course of 27 years—there is not sufficient money in the fund, the claims are prorated so that the fund balance is never depleted. Recently, due to NDEPs management of the fund, we have not had to do that. There is no demand on the State General Fund for these dollars. These are funds dedicated to the petroleum cleanup fund, and if there is not money to pay the claims, the work will have to wait.

I would also like to address that these stations we are talking about are not out of compliance with anything. The first criteria is financial need, and it makes no difference, urban or rural, where the financial need is. The second criteria is proximity, and I see that would be a concern for urban areas, and rightfully so. The third criteria is volume. A small-volume station might have a bit of an advantage there. The importance of this program is that between either your policies or the regulations of NDEP, the concerns I have heard about urban stations being at a disadvantage can be worked through. This program is important, and I think there is a way to work on those issues.

Assemblywoman Carlton:

Mr. Krueger is correct that they do prorate the claims. In *Nevada Revised Statutes* (NRS) Chapter 445C, there is a provision that if the claim is over \$7.5 million, it reverts to the State Highway Fund. When the dominoes fall, that means there could possibly be an impact to the Highway Fund.

Assemblyman Ellison:

Does this apply to both gas and diesel?

Peter Krueger:

Yes.

Assemblyman Brooks:

Senator Goicoechea, let me get this straight. We are going to subsidize an energy source for the greater good of Nevada, societal benefit, economic development, and to protect our environment?

Senator Goicoechea:

That is very well stated.

Chair Swank:

Is there anyone in support of S.B. 251 (R1)?

Greg Lovato, Administrator, Division of Environmental Protection, State Department of Conservation and Natural Resources:

I appreciate the opportunity to testify in support of <u>S.B. 251 (R1)</u>. My testimony will briefly review the expected benefits of the program and how the Division anticipates we will implement the program if the legislation is passed.

Although the equipment upgrades to comply with these new regulations can be costly, ranging between \$30,000 and \$90,000 per facility, depending on the number of tanks and the distance from the vendor, the costs pale in comparison to the total costs of cleanup realized by owners and operators and the petroleum fund due to a leaking tank system. Analysis of past petroleum fund cleanup expenditures indicate that where groundwater is affected—that has been at over 250 releases statewide to date—the petroleum fund expends \$658,000 per leak for cleanup. For every leak we prevent, the program more than pays for itself.

To understand what kind of demand there may be for the financial assistance proposed by <u>S.B. 251 (R1)</u> and the availability of funds to meet that demand, the Division analyzed the underground storage tank (UST) facility population in Nevada and the recent history of petroleum fund revenues.

First, the Division prepared a geographic information system (GIS) analysis to determine that of the 1,262 UST facilities in Nevada, 83 have 4 or fewer UST facilities within a 15-mile radius. Accounting for financial need considerations, we anticipate the program would be offered to some fraction of the 83 facilities.

The Division then reviewed available revenue. Since the 26th (2010) Special Legislative Session, the Fund for Cleaning up Discharges of Petroleum has transferred funds that exceed \$7.5 million as of June 30 of each year, to the State Highway Fund. Over the past 6 years, the petroleum fund has transferred an average of \$4.16 million to the State Highway Fund, with a low of \$2.76 million and a high of \$5.5 million. The Division estimates the fund could provide approximately \$2 million per year on average to fund the highest-ranked UST facilities, which would pay for equipment replacement at between 20 and 40 facilities per year, and would be completed in 3 to 4 years, or within the next two biennia.

Because the UST regulations go into effect in October 2018, the Division will need to adopt the grant program regulations and obtain budget authority in 2017 and then start to administer the program in early 2018. We have performed an initial review of similar financial assistance programs administered in Utah and California and anticipate that lessons learned in those programs and others such as the state of Washington will inform Nevada's program.

In summary, the Division believes $\underline{S.B.}$ $\underline{251}$ $\underline{(R1)}$ will bring benefits to the state, UST operators, and the environment, and the Division supports its passage. [Written testimony was also provided ($\underline{Exhibit G}$).]

Assemblywoman Carlton:

Will you repeat those numbers and the years they are associated with?

Greg Lovato:

In 2011, it was \$4.76 million; 2012, \$5.5 million; 2013, \$4.2 million; 2014, \$3.43 million; 2015, \$2.76 million; and in 2016, 4.33 million. The annual average is \$4.16 million.

David Gaskin, Deputy Director, Stormwater Management Program, Director's Office, Department of Transportation:

I am here in support of <u>S.B. 251 (R1)</u>, even though this bill would result in a small decrease in the amount of funding that would revert to the State Highway Fund and eventually to Department of Transportation (NDOT) projects. We support NDEP and the intended purpose of this bill. We believe it is in the best interest of the state. Since the total amount of petroleum fund money available for NDOT is a small percentage of our total capital project expenditures, <u>S.B. 251 (R1)</u> will not jeopardize our ability to deliver future NDOT projects. I would point out that we are mandated by statute to expend those funds with 70 percent to Clark County, 20 percent to Washoe County, and 10 percent to other counties.

Assemblywoman Carlton:

Did I hear you say this would not have an impact? I find that very hard to believe. Keep in mind, highway dollars were very precious from 2009 through 2015. The fact that these amounts would not have gone to the highway fund, I think would have had an impact. I just want to make sure I understood what you said.

David Gaskin:

I said it will not jeopardize our ability to deliver future NDOT projects overall. We have flexibility within the expenditure of these funds for these specific projects under this specific funding. Normally, we run out of personnel to manage projects before we run out of cash flow. We are able to adjust our project list in order to accomplish those projects that need to be done.

Assemblywoman Carlton:

I am going to have to talk to a few folks about that. The goal of most of the people in this building is to protect those highway funds. When we start talking about money not transferring to the State Highway Fund, that is going to have an impact.

Greg Lovato:

When you look at the long-term life of the petroleum fund, dollars invested in prevention ultimately will reduce the money we spend on cleanup. For every dollar we invest in prevention, and we are talking \$30,000 to \$60,000 per station, if we can prevent any of those \$500,000 cleanups—of which we have had 250—the program more than pays for itself. This

would benefit the taxpayer and any other fund that would receive money from the petroleum fund in the future. That is an important perspective to have on the short-term versus the long-term.

Assemblywoman Carlton:

Why not a loan program? Why are we just giving them the money?

Greg Lovato:

Our initial review, based on our experience with all the cleanups we have before the Petroleum Fund Board, is that more often than not, establishing collateral and ensuring that we are going to get the money we invest back, for \$30,000 to \$60,000 per station, is going to be difficult. Requiring that in statute now would obviate the ability to even provide a grant program and still be able to save the money in the long run. We do have some ideas about establishing financial need based on denial of credit, or other circumstances such that now we are dealing with a noncompliant station and this may be the only way we will be able to ensure that leaks will be prevented.

Kyle Davis, representing Nevada Conservation League:

The Nevada Conservation League is in support of this bill. I think generally anytime we are doing something that is going to allow for us to clean up dirty underground storage tanks that might be leaking it is something we are going to be in support of.

Chair Swank:

Is there anyone in opposition? Seeing no one, is there anyone in neutral? [There was no one.] I will close the hearing on S.B. 251 (R1). I will open the hearing on Senate Bill 370.

Senate Bill 370: Revises provisions governing the transportation of game, hunters and hunting equipment. (BDR 45-206)

Senator Goicoechea:

<u>Senate Bill 370</u> is a fairly simple bill, but has quite a bit of background to it. This is all about helicopters and heliports. The bottom line is, several years ago, Ruby Mountains Heli-Experience, which has been providing a helicopter skiing service into the Ruby Mountains in Elko County for a number of years, applied for a heliport on some of their private property in the Ruby Mountains. After they entered in negotiations, it became clear that while Elko County can, in fact, issue a heliport license, Elko County and the lawyers voluntarily agreed that the Ruby Mountains Heli-Experience would not transport hunters, game, or equipment to the heliport site in the Rubies.

As we started looking at this, it became apparent that another jurisdiction could probably designate a heliport on a number of mountain ranges, whether on private property or not, for example, Shell Creek, Monte Cristo Range, or the Diamond Mountains. If you happen to have a small parcel of land, you could request it be designated as a heliport. This bill does nothing to prohibit a heliport, in any way, shape, or form, no matter what your business is. The bottom line is it would prohibit you from transporting hunters, their equipment, and

game from that site, if it cannot be accessed by a public road. It seems to me that if you are flying into an area, how do you keep the hunter from seeing game? The Department of Wildlife (NDOW) will tell you, you cannot fly into the area 30 days prior to the season starting. Without this bill, there is nothing that would stop you from transporting hunters in a helicopter to a designated heliport.

Again, I want to make very clear that the lawyers for Ruby Mountains Heli-Experience entered into an agreement with Elko County and volunteered not to transport hunters. However, this could occur in another jurisdiction, such as White Pine County or Nye County, where a legitimate company could come in and say, I want a heliport; I want to set it up on Mount Hamilton where I own 40 acres. Without this piece of legislation in place, they could fly hunters, equipment, and game, in or out. I think this is a fairly simple bill that is all about fair chase. I appreciate Ruby Mountains Heli-Experience in that they voluntarily negotiated with Elko County and said they would not transport hunters. The hole in this program is that this does not mean everyone is going to be that kind of player.

Assemblywoman Titus:

I have big concerns with this bill. I am a pilot; I have flown into the backcountry many times, especially in Idaho. I have been flown into Alaska for the purpose of hunting, although we did not spot any game on the way. I have been to the Flying B Ranch along the Middle Fork of the Salmon River, I have flown and paddled into there. None of those hunting camps are accessible by public roads.

I am concerned that this bill may have an unintended consequence. There is precedent set throughout our nation that there are hunting camps that are only accessible by airplane, fixed-wing or however you get there. The law is already very clear that you cannot spot an animal 24 hours before hunting, and nothing in this bill prevents someone from doing that. The law already says you should not fly around and see where the animals are. Section 1, subsection 5 says "any other aircraft." I have big concerns because this happens in the backcountry and I have done that. Can you address those concerns?

Senator Goicoechea:

The bill originally started as just heliports, then it evolved into all aircraft. I realize there are some bush pilots who can land anywhere. It is my understanding that even in Alaska, helicopters are outlawed from transporting hunters, game or hunting equipment. I do not know if private airports are under the same jurisdiction as a heliport. I would think if you wanted to land on a strip on private property that is 100 yards long and 10 feet wide, that is a little different scenario.

Assemblywoman Titus:

There is a book about backcountry flying in Idaho that says you should never land on a runway that is shorter than the altitude you are trying to land in. In any case, I would appreciate some cleanup language identifying that. I do not think that is your intent, to restrict legitimate hunting backcountry folks who fly in people because it is the only access

to a spot. I do not know how many areas in Nevada there are like that, but certainly nationwide there are plenty of areas like that. I understand what you are trying to do, but I am concerned about the unintended consequences.

Senator Goicoechea:

I agree. It is my understanding that Idaho has regulations that are very similar to this. In fact, we almost copied their law. The fact that it is an established camp, that may be what qualifies it, but we will check into it.

Assemblyman Ellison:

Mr. Royer, the owner of Ruby Mountains Heli-Experience has 1,100 acres and a large ski lodge in the Ruby Mountains. If someone flew up there and spent the day skiing, during the hunting season, could they hunt or not? You are saying if they fly up in a helicopter, they would be banned from hunting?

Senator Goicoechea:

The language in the bill clearly states that you cannot transport hunters, gear, or game animals. In those heliports in the Rubies, that is already established. That agreement is between Elko County and Ruby Mountains Heli-Experience. I am extremely happy that they entered into that agreement because it did bring into focus that it could occur in other places in the state. Currently, there is nothing in law that says once you have a heliport in place, you cannot fly that equipment in. I know that personal property issues come into this. Many people say, I own my property, I can do what I damn well please with it. This is a case where flying into your private property could be an unfair advantage to the rest of the world.

Chair Swank:

I will now hear from anyone who would like to testify in support of S.B. 370.

Kyle Davis, representing Coalition for Nevada's Wildlife:

We are in support of <u>S.B. 370</u>. We were aware of the situation Senator Goicoechea mentioned in the Ruby Mountains and were able to resolve it in a way that was fair to all hunters involved. I think this bill tries to strike that balance. We think that it does not make sense that we would allow for a situation for this type of transport as it diminishes the backcountry hunting experience, as well as providing an unfair advantage. We urge support for this bill and would be happy to work with everyone in terms of any cleanup that is needed. We do think this bill is a necessary step in ensuring that we have the right laws on the books.

Jeremy Drew, Commissioner, Board of Wildlife Commissioners, Department of Wildlife:

The Nevada Board of Wildlife Commissioners has had an opportunity to review <u>S.B. 370</u>, and we are in support of it.

Chair Swank:

Is there anyone else in support of <u>S.B. 370</u>? Seeing no one, is there anyone in opposition? [There was no one.] Is there anyone in neutral?

Tyler Turnipseed, Chief Game Warden, Division of Law Enforcement, Department of Wildlife:

We are neutral to the bill, but I thought I could answer some questions from the Committee and explain some of the history of why this bill was born. I am familiar with the Flying B airstrip that was mentioned by Assemblywoman Titus. I think the difference is that in Idaho, that tract of wilderness is 40 to 60 miles across. Without that airstrip, it would be a two-day pack trip with a pack train to get to the area. Nevada is a much smaller scale, with smaller mountain ranges.

Historically, this statute said that it is illegal to use a helicopter to transport hunters, their gear, or their game unless it is taking off and landing at a county, municipal, or federally recognized heliport. That statute stood for decades, and we never gave it much thought until Elko County designated these heliports on top of the Rubies at 9,000 to 10,000 feet. That made us realize that counties in other parts of the state could designate a little private heliport on top of Table Mountain or Arc Dome, for example, and that would circumvent the statute in allowing the transport of hunters and their gear to the top of a mountain range. For what one person would have to hike all day to get to, another person could hop in a helicopter and be on top of the mountain. This bill tries to prevent that.

Assemblywoman Titus:

I appreciate the clarification. I have friends near O'Neil Basin, and although they are accessible by road, it is so nice to be able to fly in and visit them. They would not be affected by this, because of the road. I do not know if there is anything in Nevada relevant to what I have experienced in Idaho, Montana, and Alaska, but I would hate to see us paint ourselves into a corner if there was. I am still a little anxious about this bill.

Tyler Turnipseed:

I think that is a good point. If someone flies in and out of their ranch or has a cow camp they fly in and out of, it would still be fine under this law because it is accessible by a road, and you could use it as a drop-off and pick-up point. This is just for places that are not accessible by a road, and would eliminate transporting hunters to those spots.

Chair Swank:

I will now hear from the gentleman in Elko.

Joseph Royer, Private Citizen, Lamoille, Nevada:

I am the owner/operator of Ruby Mountains Heli-Experience. My comments are neutral. The reason they are neutral is because when we applied for these heliports, we did that on private ground in order to establish them so that Elko County, the U.S. Forest Service, and the U.S. Department of Agriculture knew what was taking place and there would be no surprises. In the process of doing that, the situation came to a head, that if you had a heliport

designated by an agency, you could legally fly hunters from helipad to helipad. It had to be designated by an agency. We had no intention of doing that; we are not hunters. We have been flying skiers for 40 years. I want to be 100 percent certain that it is understood that our intention is not to be flying hunters, nor will we be flying hunters. We gave our word to the Elko County Board of Commissioners. It was a heated debate, we ended up winning the debate 7 to 0, with full support from the Elko County Board of Commissioners.

With that said, and we will honor that, of course, but it also is a little bit of an infringement on private owners. This limits the ability to use your private ground as you wish. I struggle with that a little. There are ranchers from all over. Less than 20 percent of the state of Nevada is owned privately. If they restrict private owners further, I will have a little bit of an issue with it, even though I do accept the conditions that we have for our heliports in Elko County. I also want to make 100 percent certain that even though we may not be flying hunters, during the hunting season, we have the right to use our aircraft to fly from point A to point B. As long as we are not hunting, transporting hunters, transporting hunters' equipment, or game, we should be able to fly. [Written testimony was also provided (Exhibit H).]

Chair Swank:

Thank you very much for your patience. Senator, would you like to make some closing remarks?

Senator Goicoechea:

It does not matter what purpose that helicopter and heliport is serving; it can fly anytime, 365 days a year as long as it is not transporting hunters, game, or their equipment. I understand that Mr. Royer's business is to fly people up and let them enjoy the experience. He flies people from the lodge to remote places on the Rubies and they can stay in a yurt and hike from there. This bill is only about fair chase for hunters.

Chair Swank:

With that, we will close the hearing on <u>Senate Bill 370</u>. I will now open the hearing on <u>Senate Bill 396 (1st Reprint)</u>.

Senate Bill 396 (1st Reprint): Revises provisions relating to industrial hemp. (BDR 49-53)

Senator Pat Spearman, Senate District No. 1:

I am here to present <u>Senate Bill 396 (1st Reprint)</u>, which relates to industrial hemp and agricultural hemp seed. Industrial hemp refers to the nonpsychoactive varieties of cannabis. Both hemp and marijuana come from the same cannabis species, but are genetically distinct and are distinguished by use, chemical make-up, and cultivation methods. Industrial hemp is utilized in multiple products, and its seeds and flowers are used in health foods and organic body care.

Existing law authorizes an institution of higher education or the State Department of Agriculture to grow or cultivate industrial hemp for purposes of research conducted under an agricultural pilot program or for other agricultural or academic research.

This measure creates a new program for the growth and cultivation of industrial hemp and allows for the production of agricultural hemp seed by entities other than an institution of higher education or the State Department of Agriculture. This is clarified in section 11 of the measure.

Sections 1 through 10 provide that *Nevada Revised Statutes* (NRS) Chapter 557, relating to industrial hemp, are amended by the measure and provide certain definitions.

Section 12 requires a person who wishes to grow or handle industrial hemp or produce agricultural hemp seed to register with the State Department of Agriculture.

Section 21 provides that persons who do not register with the Department are guilty of a misdemeanor, punishable by imprisonment up to six months or by a fine up to \$1,000 or both.

Sections 13 through 17 of the measure establish registration requirements for such growers, handlers, and producers.

Section 19 requires the testing of commodities or products made using industrial hemp by an independent testing laboratory.

Section 20 provides that the Department may refuse to issue, renew, suspend, or revoke a registration. In addition, this section authorizes the Department to impose an administrative fine up to \$2,500 on any person who violates the provisions of the program.

Section 24 authorizes a facility for the production of edible marijuana products or marijuana-infused products to use industrial hemp to manufacture such products. This section also authorizes a medical marijuana dispensary to dispense industrial hemp and edible marijuana products and marijuana-infused products containing industrial hemp.

Section 25 of the measure requires the Division of Public and Behavioral Health of the Department of Health and Human Services to adopt regulations setting forth minimum requirements for industrial hemp.

Sections 18 and 19 authorize the Department of Agriculture to adopt regulations relating to this measure.

Section 22 and 23 provide conforming changes.

Finally, section 26 provides an effective date of July 1, 2017, for the measure. This section also clarifies that the provisions contained in sections 13 and 14 relating to child support will expire on the date upon which the federal code to improve the effectiveness of child support enforcement goes into effect.

I would like to say that this is an opportunity for Nevada. There are also experiments going on to see how we might be able to create renewable energy from industrial hemp. There are cosmetic products that use industrial hemp. Industrial hemp does not contain tetrahydrocannabinol (THC). There are hemp products that are used by people in medicine, particularly those who are licensed to do massage therapy—in other states, it has not happened here yet—they use hemp as a way to relieve pain. They do so because opioids are rather dangerous. I think it has only been very recently that we have discovered just how addictive opioids can be. There are people who are undergoing treatment for post-traumatic stress disorder (PTSD), for muscle spasms and the like, for those who have served overseas in combat areas. They are using this in other areas so that they can eliminate or alleviate some of the pain.

When I presented this bill in the Senate, we had a young man who had been in Afghanistan, a veteran who talked about how he got addicted to opioids, trying to relieve the pain and trying to get past the PTSD. He said at one time he was on 39 different drugs, some of them psychotropic. They had him acting and doing things that were just not him. He said, I kept telling myself I can stop, I am not addicted. He said he tried to stop three or four times. His cold turkey approach was to lock himself in his home with laxatives and try to get the opioids out of his system. Someone suggested that he look at industrial hemp and medical marijuana as a way to get relief from the opioids. He did that, and I believe he has been three years "clean."

This is important legislation. I know that most people in our generation were taught that this is very, very bad and that the boogeyman is going to come get you if you indulge. Well, there has been research and there have been medical studies done that show just how important it is to consider this as an option for medical therapies. I would encourage you to support this bill.

William Adler, representing Sierra Cannabis Coalition:

In 2015, I was one of the major supporters and sponsors of the original hemp bill, which was to create an industrial hemp pilot program for rural Nevada and other agricultural areas in the state to see how hemp did in Nevada, grow some test crops and see how it could develop, through the university system. We have the research from that now. We have grown over 500 acres of hemp in Nevada. In some cases it failed; in some cases it thrived. It is kind of a mixed bag, figuring out which strains worked best here. The State Department of Agriculture led that charge. They even had a hemp booth at Ag Day here on the legislative grounds to show how successful the hemp program was.

Senate Bill 396 (R1) is a good bill because it is taking hemp out of the minimal pilot program and creating an agricultural crop for Nevada. You can use hemp as a farmer in the agricultural sense. Maybe more importantly, it gives a direct economic pipeline to success for these farmers. Section 24, subsection 8 amends the NRS Chapter 453A that allows for hemp to be sold to marijuana production facilities. This is more important than it looks. Right now, we sell hemp products in dispensaries in our stores in Nevada, but a lot of that hemp comes from overseas—from France, Eastern Europe, or from Canada. Much of that hemp is not grown here, tested here, or under our conditions. Because the hemp is not tested by us, it does not quite meet the medical marijuana standards. If you take hemp from Nevada and give it to a production facility in Nevada, it would actually have to be tested through our current medical marijuana testing standards to ensure that you get a very sustainable, yet very potent medicine for the medical marijuana patients. I support this bill and think it is a well thought-out project that expands the current hemp study that we did into a real hemp program through the State Department of Agriculture.

Assemblywoman Cohen:

Is industrial hemp different than the medicinal marijuana from the dispensaries?

Will Adler:

Yes, kind of. Hemp itself is a form of cannabis and cannabis is a form of medical marijuana. They are actually all the same plant, but there are different genera inside a single plant species. All hemp strains are *Cannabis sativa*, which is a taller, stronger hemp/cannabis that grows tall, strong, and has a thick coarse fiber in the middle. That is why you can make 10,000 products out of it. You can make renewable energy fuels, hemp rope, sails, rubber, even silk-like fabric that can be used to make shirts. It is a pretty incredible crop.

Cannabis that is used for recreational or medical marijuana uses is usually the *Cannabis indica* species, which is a shorter, more bushy, more bud filled form of cannabis. Some forms of *Cannabis sativa* can be used for marijuana, but it does not have a potent THC quality. For this program, the *Cannabis sativa* is limited to about 28 to 30 strains of hemp that are less than three-tenths of 1 percent THC in their dry weight. That means they have a nonpsychoactive amount of THC. You can smoke all the hemp you want, and you will just get a headache; you will never get high. It is not used for that directly, but the cannabidiol (CBD) quality in the oil are the same as CBD in other marijuana strains. If you condense the CBD through a production process, it can be used for the same effect, but CBD is a nonpsychoactive part of marijuana or hemp. It is more of a muscle relaxant or has a tingling effect. It does not actually affect you psychoactively.

Assemblywoman Cohen:

If the bill passes, will there be some research for other industrial uses of hemp?

Senator Spearman:

This gives us a pathway to explore just how many ways hemp might help agriculture and help with everyday life. Sometimes I liken it to George Washington Carver and his experiment with peanuts. There are so many things that can be done, and you do not know how much until you actually open the door and do the research. Hemp is energy, and it is ropes. I have a family member who suffers from gout; he was unable to walk because the gout was so bad. He used some CBD, and it relieved the pain enough that he could move around, go to work, and for him it was like a miracle drug. He does not live in Nevada, he lives in a place where he can actually get it and use it. The uses for it are endless. One of the things we said in 2010, as we were clawing our way back from the deep recession, was we want to make sure that we pursue economic diversification. I believe that this bill adds another plank to that platform.

Will Adler:

It is not so much having to do research of what products can be made out of hemp, as much as it is going back to what we used to make from hemp. Hemp became illegal to grow in the 1930s when we made other cannabis products illegal to grow. It was actually the most commonly grown crop for fiber in America. You can make paper, rope, and many other things out of it. It was grown by every one of our Founding Fathers. It is not so much research, it is having industry come here to use our hemp for industrial purposes. It used to be it had to be decorticated in a field with open water. Now we have high tech factories that have decorticating operations that can be set up anywhere. You can put an actual facility in Reno or Winnemucca, for example. I think if the market is big enough, and we grow enough of it, someone will fill the niche of actually producing it into whatever they choose to.

Assemblywoman Cohen:

So then the stories about William Randolph Hearst are true—that he helped to make hemp illegal?

Will Adler:

I do not know about that, but I believe hemp paper came out, and there are lots of boogeyman conspiracies about why marijuana became illegal because of hemp. I am sure there are hundreds of YouTube videos about that. Everyone is welcome to do their own research. Today, we are making hemp legal again. That is why we are here.

Assemblywoman Carlton:

I want to understand about the oil. We are not talking about the oil that we have seen on a number of television shows that is given to children to deal with epilepsy, et cetera. This is a different type of oil. It can be used for a number of different things. I know if you have high cholesterol it is good for you. It can help with inflammation. There are a number of different things. You are actually talking about a grade of hemp oil that would be available over the counter, this is not a prescription or a higher-level drug.

Will Adler:

That is correct. This hemp oil will have to be less than three-tenths of 1 percent THC quantity. It is not going to be a medical marijuana-grade product. We do sell oils like that in our store because they have other qualities. Hemp oil can be made many different ways. It can be made into an olive oil-like quality that can actually replace olive oil. You can use it as a high protein substance by grinding up the seeds. There is more than just the CBD qualities of the oil. It is actually a very diverse plant, and you can do a lot with the various pieces of it. This will not be medical-grade oil for medical-grade marijuana, or a recreational-grade marijuana. This is CBD only, with low THC in order to be sold as hemp.

Senator Spearman:

It is mostly for topical use.

Assemblywoman Carlton:

I was not around when hemp was made illegal, but I do know the history.

Chair Swank:

I have a question regarding the water usage for growing industrial hemp. How much water does it use, and what kind of irrigation is used?

Will Adler:

When the pilot program launched, we thought it would use about a quarter of the water that alfalfa uses. We found out that it varies widely depending on what strain of hemp you are growing. Some are taller, some shorter; some are bushier, some are thinner. Also, water usage varies by where you grow it in Nevada, a south-facing slope versus a north-facing slope. All plants have variations, but in general it uses less water than alfalfa when grown successfully. It grew better with strains of hemp that came from France. Right now, it takes about one-half to one-third of the water usage for alfalfa, which is what I was told on Ag Day by the Department of Agriculture.

Chair Swank:

There are a lot of things that take less water than alfalfa. What kind of irrigation is used?

Will Adler:

There are different irrigation methods also. Wheel irrigation was used as well as driplines. This was a pilot program. They were trying to develop the best practices through that program. I think they are going to release a study to the general agricultural community on how it worked best and their recommendations going forward.

Chair Swank:

I would like a copy of that report when it is available. I will now hear those in support of S.B. 396 (R1).

Wendy Stolyarov, Legislative Director, Libertarian Party of Nevada:

We believe that expanding the industrial hemp industry would be a massive victory for economic growth and personal freedom in Nevada. Hemp grows well in this state and requires substantially less water than cotton, making it good for Nevada agriculture. It is always better to legalize and regulate than to ban outright, especially with a harmless industrial product with a long history of American production like this one. After all, according to mountvernon.org, throughout his lifetime, George Washington cultivated hemp at Mount Vernon for industrial uses. There is nothing more quintessentially American than growing industrial hemp. The Libertarian Party of Nevada is happy to wholeheartedly support S.B. 396 (R1). It opens the door for creativity and growth to Nevada's entrepreneurs. It is a safe, commonsense economic opportunity for our state's economy, and we strongly urge you to support it.

Doug Busselman, Executive Vice President, Nevada Farm Bureau Federation:

The Nevada Farm Bureau Federation's policy supports the authorization of industrial hemp to be operated within the guidelines of the Department of Agriculture, at the national level as well as the state level. I think one of the things that needs to be paid specific attention to is that the last farm bill authorized the research component, which was spoken of earlier, that allowed for the establishment of the research and development through universities. We would not want, in any way, to jeopardize that federal authority that is granted through that farm bill. That is the way the program is operated to date. I think, as the language of the bill is written, it authorizes the Department of Agriculture to develop regulations. Through those regulations, I think we can continue to be tracking what we need to at the national level. We support this bill.

Cristina Alfonso-Zea, Private Citizen, Las Vegas, Nevada:

I just want to state for the record that I am in support of <u>S.B. 396 (R1)</u>. I am a veteran. I have suffered for numerous years. After four attempts of suicide, I developed Blissful Vets to help veterans in Las Vegas to cope with some of their symptoms. I believe that hemp is going to be the next chapter of our healing. I personally believe that this should pass. I deal with homeless veterans, and one of the most important things about hemp is that bed bugs do not like the taste of hemp products. If I make pajamas or bed linings for the homeless, then we can try to tackle the bed bug issue from that angle. Also, termites do not like the taste of hemp. These little factors can help us veterans try to get to the next level of healing.

Cindy Brown, Private Citizen, Las Vegas, Nevada:

I represent Patient to Patient, a group of patients consisting of around 300 people. We are very much in favor of this hemp bill. One other thing you may not know is that the CBD oil will counteract the THC. If you take too much THC, the CBD oil will help you calm back down and get back to normalness. We are very much in favor of this. We appreciate all the work you have done so far. Bruce Perlowin of Hemp, Inc., would like to give you major accolades for allowing the hemp growers to continue to use their seeds to grow the next crop. Some other states do not let the growers use their own seeds.

Darlene Mea, Private Citizen, Las Vegas, Nevada:

I am with Hempington Post. We have been studying the hemp plant over the last four years. I have been working with a company called Hemp, Inc. This plant is far different than marijuana. I support making it okay for our farmers to grow and for us to start developing industrial hemp—it can be used for everything, textiles, housing, even bridges. It is a plant that has no narcotic effect. For our economics, environment, and for the people, we need our farmers to grow, we need our industry to grow, and we need our economics to grow. Nevada is an amazing place for hemp because we have the land, the temperatures, it takes less water, and actually cleans the soil. The hemp plant emits oxygen into the air, it is fire retardant for housing, and it is very important that this bill passes.

We also need to learn to differentiate between hemp and marijuana. The entire cannabis plant is good, but whatever you are doing with the marijuana side is different. Hemp should be legal so that we can put economics back in America. It needs to be legal on a federal level, ideally, so that the feds do not come in and stop what we are doing on a state level. Hempington Post covers stories. Hemp is legal in countries all over the world, which is why we import over half a billion dollars a year in hemp products. We can eat it, we can wear it, and we can build with it. We can do everything with it, except our farmers cannot grow it. We appreciate your approval on <u>S.B. 396 (R1)</u>.

PJ Belanger, Private Citizen, Las Vegas, Nevada:

I am a certified health and wellness educator in Las Vegas. I am a medicinal herbalist. I am producing a documentary called "Divine Compassionate Medicine." This is an inalienable rights issue. It is not how do we research to get this into the economy, it is how do we get it back. Give us back our plants is what we are asking. This plant was put into prohibition because of its uses. The textile industry was the one that put out the propaganda against hemp, because it could replace cotton, plastics, it could replace everything. We have basically been hijacked economically by not allowing this plant in our country.

Our first president, George Washington, brought the hemp seeds to America from China, under penalty of death. Let that sink in for a minute. That is how powerful this plant is. You could even pay your taxes with hemp. If you were growing hemp, you could avoid the war and the draft. That is how important this plant was to our economy and to the foundation of our country.

I also represent *Cannabis Nurse's Magazine* as a patient. I am battling a second autoimmune disease, Graves' Disease now. Twenty years ago, in my thirties, I overcame lupus, because I have avoided the medical industry. I can stand before you as a grandma, in my fifties, healthier than most people in their thirties, although I have been battling diseases my whole life. This is another way, not just economic, but also the inalienable rights of patients who need to be able to choose their own medicine. I have personally seen a child's and a dog's seizures stop instantly with a drop of CBD oil under their tongue. It is medicinal, it is over the counter, it is preventative, it is textile, lumber, cotton, and everything that we need.

Chair Swank:

Is there anyone else in Las Vegas who would like to testify in support?

Pete Rendon, Private Citizen, Las Vegas, Nevada:

I am with the Kannabis Plug. We are a media outlet for the industry of cannabis. We are in favor of the industrial uses of cannabis and everything with it. This is a plant that was taken from us, and the facts are there. Hemp is always going to be something that we can replace many items with, and the sooner the better. When we talk about economics and how we are trying to bounce back, this will get us there a lot quicker. Also, the endocannabinoid system is something that we have in our bodies, it is a part of us. This plant is going to bring back the livestock, all of our cows and chickens, which are fed through hemp. This will be a great economic impact around the world, but better for Nevada because we have the space, the land, and we have the people ready for it.

Tyson Falk, Private Citizen, Reno, Nevada:

I agree with everything that has been said. I would like to mention a couple of other things in particular for Nevada as to why industrial hemp is beneficial here. It is an extremely drought-resistant crop and can grow in a lot of different spots here in Nevada. It would certainly be beneficial when farmers want to leave some fields fallow; it can be used as a nice crop in the crop rotation. Another thing you will want to consider, I just attended a conference where there are a lot of folks doing environmental mitigation around solar farms. They are planting a lot of native vegetation to increase the pollinator population, such as bumblebees, moths, et cetera. Hemp is an incredibly good environment for these types of pollinators. That certainly helps with the environment. Soil erosion prevention also; the environmental impact is very big for industrial hemp.

Chair Swank:

Is there anyone in opposition to <u>S.B. 396 (R1)</u>? Seeing no one, I will move to anyone in neutral? Seeing no one, Senator do you have closing remarks?

Senator Spearman:

I was raised in the Midwest. In Indiana they had tall trees that had things that looked like cigars growing on them. I remember, I was seven or eight, and my younger brother had the great idea that we could smoke this stuff. We went in my dad's closet—that is how smart we were—with all of his clothes, and Michael lit one up. All it did was burn, and it started a fire. I say that because there are some people who would want to equate what we are talking about in terms of industrial hemp with medical marijuana. They are not the same. You cannot smoke the stuff that comes off of a tree that looks like a cigar. This is very different. I encourage your support and thank you for taking the time to listen to us.

Chair Swank:

With that, I will close the hearing on <u>Senate Bill 396 (R1)</u>. I will open the hearing on <u>Senate Bill 499 (1st Reprint)</u>.

Senate Bill 499 (1st Reprint): Revises provisions relating to forestry. (BDR 47-492)

Senator Ben Kieckhefer, Senate District No. 16:

I am here to present <u>Senate Bill 499 (1st Reprint)</u>. As a part of my district, I have the honor of representing the Washoe and Carson portions of Lake Tahoe, which includes Crystal Bay, Incline Village, and almost to Glenbrook, which is in Douglas County. Every interim since 1985, with the exception of one, Nevada Legislature has provided a review and oversight of the Tahoe Regional Planning Agency, either through an interim study or the statutory committee. The official name of the committee is the Legislative Committee for the Review and Oversight of the Tahoe Regional Planning Agency and the Marlette Lake Water System, which we tend to call the Tahoe Oversight Committee. I had the honor of chairing this Committee in this most recent interim. Many of you are familiar with the Tahoe Oversight Committee. Madam Chair, you and Assemblywoman Carlton served on it in the past, as well as Assemblywoman Titus and Assemblyman Wheeler recently. It is pretty well understood by many members of this Committee.

In this most recent interim, the Tahoe Oversight Committee voted unanimously to request the bill that is before you today, revising *Nevada Revised Statutes* (NRS) Chapter 528. The legislation is intended to ensure that residential and commercial landowners who are not conducting logging operations may create defensible space on their properties without obtaining a variance from a committee that is composed of the State Forester Firewarden, the Director of the Department of Wildlife, and the State Engineer. That is a committee that is created in statute that must give a variance for logging operations that are near bodies of water.

This issue was brought to the attention of the Tahoe Oversight Committee on May 26, 2016, by residents of the Lake Tahoe basin during public comment and was further explained by Forest Schafer of the North Lake Tahoe Fire Protection District, John Pickett of the Tahoe Douglas Fire Protection District, and John Christopherson, Resource Management Program Manager, Division of Forestry, State Department of Conservation and Natural Resources. As I understand it, the Division of Forestry did not previously consider such activities to fall within the purview of the statute, then there was a change in policy and the residents became upset when they began to require this variance when they were trying to create some simple defensible space around their property.

This is the first reprint of <u>S.B. 499 (R1)</u>, which came out late, based on the introduction deadline. The amendments that were adopted in the Senate were clarifying language that were designed to ensure the intent of the original request was met. There is nothing truly substantive in the amendment itself. I would like to introduce John Pickett and Steve Teshara, who are going to provide a little more detail with the bill.

John Pickett, Forester, Tahoe Douglas Fire Protection District:

It is interesting, retired fire chief Mike Brown, from North Lake Tahoe Fire Protection District is here today. I believe he was still a battalion chief or captain when they formed Neighbors for Defensible Space, in the late 1980s. We have known in the Sierra Nevada that we have a fire-dependent ecosystem, that communities are at risk from catastrophic wildfire, and that wildfire is a natural part of our ecosystem. It is going to happen every year.

We have implemented programs throughout the state, particularly in the Lake Tahoe basin, to thin fuels and thin forests around communities to try to minimize the size of wildfires, as they have proximity to houses. Also, to inform and encourage homeowners to provide defensible space around their homes, ultimately with the goal of preventing home ignition during a wildland fire event.

Last year, in our fire district alone, we had 14 wildland fire starts. That is 14 fires that started in the wildland that we responded to and we were able to suppress because of the implementation of these types of programs—thinning forests and encouraging homeowners to create defensible space. These activities are regulated in the Lake Tahoe basin, quite extensively, by the Tahoe Regional Planning Agency (TRPA). Throughout the state of Nevada, this bill will allow homeowners to be able to implement practices that would enable them to remove trees or other vegetation around their home to prevent the spread of wildland fire to their home.

This is a new interpretation, a 2014 interpretation of the Nevada Forest Practice Act [of 1955]. This 2014 interpretation extended a provision of the NRS that applied to logging practices to the residential environment. Homeowners who would cut a single tree on their property that was within 200 feet of a blue line creek would be subject to this statute and would have to first obtain a permit from the Nevada Department of Wildlife, the Nevada Division of Forestry, and the State Engineer. Obviously, that would be very difficult to do. It would prevent homeowners throughout the state of Nevada, who live in such proximity of a blue line creek from being able to basically cut down trees, something that might be just a landscaping activity.

This proposed legislation clarifies the intent. If we are doing a project that includes commercial removal of timber for fuels reduction or other beneficial purpose for the ecosystem, I would still be required to get a permit and meet with the Stream Variance Committee. We agree with that. This applies to parcels that are dedicated to urban or other commercial uses where it would be overly burdensome for an individual homeowner to be required to get a permit from the Stream Variance Committee composed of the three agencies. I request your support for this legislation. [Written testimony was also provided (Exhibit I).]

Steve Teshara, Principal, Sustainable Community Advocates. Zephyr Cove, Nevada:

I help the Tahoe Basin fire chiefs with legislative matters. I would like to point out that June 24, 2017, will mark the ten-year anniversary of the first day of the Angora Fire. As many of you know, after that, the Governor of Nevada and the Governor of California came together to create the Bi-State Fire Commission. One of the recommendations out of that was to not have burdensome regulatory barriers on people's ability to create defensible space. I think we were fine until this interpretation came up a couple of years ago. This legislation cures that so that we can go back to being consistent with the recommendation of the bi-state fire commission. I want to thank Senator Kieckhefer, the members of the interim committee, and the members of this Committee for being sensitive and responsive to the needs that we brought forward to your Committee today. I urge your support for this bill.

Assemblyman Yeager:

I am reading the letter that was submitted (<u>Exhibit I</u>), along with the testimony I heard today, and I am trying to wrap my head around what appears to be a new interpretation of NRS 528.053. In looking at the statutory history, it looks like that particular statute has not been amended since 2003. Is this interpretation that came from the Office of the Attorney General something that was provided in writing or was that communicated verbally? I would be very interested in seeing it in writing and knowing who at the Attorney General's Office apparently shifted course after almost 13 years of the existing statute.

John Pickett:

The interpretation of this statute was provided to our fire protection district by the Division of Forestry (NDF). The communication from the Attorney General's Office went directly to NDF. We do not have a copy of that communication.

Assemblyman Yeager:

Is it possible to get a copy of that communication? We are being asked to put something into statute that seems to be a real shift in interpretation. It seems, by the tone of the letter, that there was some disagreement about the Attorney General's interpretation because it was a new interpretation and created some redundancy. I sure would like to see the legal analysis in terms of why the big change so long after the last change of the statute.

Senator Kieckhefer:

I think Mr. Lawrence from the State Department of Conservation and Natural Resources might be able to address some of those concerns.

James R. Lawrence, Deputy Director, State Department of Conservation and Natural Resources:

The Division of Forestry is one of the divisions in the State Department of Conservation and Natural Resources (DCNR). For disclosure, I also serve as the chair of the Tahoe Regional Planning Agency Governing Board (TRPA). Officially, both DCNR and TRPA are neutral on the bill. As to my understanding of how this new interpretation came about—I would not call it a new interpretation—I think when the statute was originally written, the intent was to address commercial logging operations in stream and large river areas. The question came up as we started to beef up our programs, at Lake Tahoe in particular, to address defensible space and to reduce the risk of catastrophic wildfire. When the question came up, the Attorney General's Office looked at the statute, and said that technically the stream zone variance would apply at the Lake Tahoe basin to urban lots next to really small streams. In many ways, we view this bill as cleanup language in order to align the statute with its original intent. We do appreciate the Lake Tahoe Oversight Committee looking at this and working hand-in-hand with our Division of Forestry to ensure that the language that is being proposed, including the amendment, aligns with the intention of the original legislation. We feel this is a good way to move forward and get necessary defensible space work done.

Assemblyman Yeager:

I will not belabor the point, I just note that the letter (<u>Exhibit I</u>) characterizes this as a new interpretation, probably half a dozen times. It also indicates there is a redundant regulatory burden. That piqued my interest in why the change. If the answer is that it really is not a change, and just that the issue has not come up, I can live with that.

James Lawrence:

I will certainly look into the records for this. I believe there was email correspondence back and forth.

Assemblywoman Carlton:

There was a time when I was on the Tahoe Oversite Committee where there was a guy who got in trouble because he tried to poison a tree because it was blocking his view. He wanted the tree to die so he had an excuse to cut it down. I support defensible space. I understand what you are trying to do. Also, I have been around long enough that when you say blue line stream, it all comes right back. I want to make sure there is nothing in here that would give someone the opportunity to cut down something that does not need to be cut down. We do not make rules for the good guys. I want to make sure that this cannot be used to be able to enhance someone's view. This is a very fine balancing act between protecting the ecosystem and defensible space. The property values at Lake Tahoe are way beyond what I can comprehend.

John Pickett:

I have worked with Tahoe Regional Planning Agency with the enforcement of the tree removal ordinances in relation to people who have illegally cut trees without a permit. The tree removal regulations in the Lake Tahoe basin continue to be complicated. Dead trees can be removed without a permit, except if the tree is over 24 inches in diameter, or if the tree is in a conservation area. Those regulations remain in effect. Lakefront property owners would have to have a permit issued by myself or by a forester from North Lake Tahoe for them to remove a tree greater than 6 inches in diameter between the lake and their property. Any tree greater than 14 inches in diameter would require a permit issued by myself or the TRPA prior to being able to remove that tree. Any tree within a stream environment zone would require a permit issued by myself or the TRPA prior to the removal of that tree. All of that regulation remains in place.

We do, of course, work with our partners at the TRPA, but the fire districts are the ones who have the defensible space programs. We are the ones who take the hit when word gets out that people are cutting trees for reasons like improving their view. It may improve their view, but reduce the value of the property of their neighbors. We understand the importance of living in a small community in Lake Tahoe, and also balancing that with the needs of the 254 homeowners who lost their homes in the Angora Fire. This is a complicated balancing act that we will continue to work on, and continue to have people like myself to issue permits and thread that needle between ecosystem values, property values, and public safety.

Assemblywoman Carlton:

Thank you very much for putting that on the record. I think it is excellent that we have in the Committee minutes what we are trying to do. Someone will try to show up and get that tree cut down to get the better view. If they are going to fight over the color of paint on their house, they are going to fight over trees.

Assemblywoman Titus:

I enjoyed being on the Tahoe Oversight Committee and listening to the multiple agencies that are involved in being good stewards of the Tahoe area. I know that during the interim that committee was presented with some problems that there was no place to take this timber. What should homeowners do with the trees that they cut down, or the slash that they cleared out. There used to be some areas that would gather and burn it. There is definitely a lack of that now. Would this bill affect people who cut the wood and use it for their own firewood? I would like some clarification of section 1.3 about "logging operation." That is not involving someone who is cutting their own trees, correct? It is my understanding that you cannot get rid of them otherwise.

Senator Kieckhefer:

That is a definition that outlines a commercial operation, and would not relate to a specific homeowner.

Assemblywoman Titus:

Again, a commercial operation is someone who comes in and does this for profit. Could the homeowner sell the trees that they cut down?

John Pickett:

It is common that the tree removal contractors in the Lake Tahoe basin will remove trees from around homes. They will accumulate those trees in yards and those accumulated trees will go into a market. Most of the trees that are of commercial size are sold into a commercial market. That fact led to the drafting of the language that exempted the trees that were removed from parcels dedicated to urban or commercial uses.

That leads to exactly what you are saying, what do you do if you are removing a tree. If I go to your house and say this tree is too close to your house and needs to be removed, the tree is cut down and taken by an arborist to a yard. It will then be sold. Every piece of that is a commercial function. The arborist was paid for the removal of the tree. Then the tree went into a timber market. It is not the activities that are important, it is the fact that this is on a small scale from a parcel dedicated to urban uses.

If I own a large parcel, 100 acres, I could have a parcel that has a house on it, but I could also be a timber owner. Now I can be managing timber for commercial purposes and also have a house on my property. The rest of the parcel is not dedicated to urban or other uses; it is also timberland. It is capable of producing and sustaining a tree crop in perpetuity. In the crafting of this language, we tried to distinguish the activity that occurs on the small parcel from the activity that happens on large parcels, which is the management of a timber crop. You have nailed the complexity in trying to draft this language.

Assemblyman Brooks:

Senator Kieckhefer, this bill that you brought forward, is based upon some work coordinating with an agency and an interim committee. I am pretty familiar with the fact that you are not a very big fan of interim committees working with agencies. At what point does an issue become important enough for an interim committee to be a valid way to bring legislation forward?

Chair Swank:

I think maybe you could have that discussion offline.

Senator Kieckhefer:

I would like to answer that question. This was brought by constituents, actually. As chairman of the committee, I had the full authority to decide what went on the agenda and what did not. I was able to bring a bill to directly respond to issues of constituents. I thought it was a good process.

Assemblywoman Krasner:

We share Assembly District 26, we share Incline Village and Crystal Bay, and I wanted to say thank you so much for bringing this bill because creating defensible space for the people who live at Incline Village and Crystal Bay is very important.

Chair Swank:

Is there anyone here to testify in support of S.B. 499 (R1)?

Mike Brown, Private Citizen, Carson City, Nevada:

Mr. Pickett mentioned my name earlier. I just retired from the North Lake Tahoe Fire Protection District one year ago as the fire chief. One thing I want to remind everyone of, this is not a bill that will just benefit the Lake Tahoe basin. This is a statewide bill to benefit our entire state when it comes to residential fuels reduction programs. Defensible space is a big issue throughout the entire state. We are starting to see more and more developments in the wildland/urban interface areas. This will allow those homeowners and property owners to reduce the fuels on their properties as required by defensible space evaluation, which is usually done by fire departments and other agencies. As a retired fire chief, I can speak for the fire chiefs throughout Nevada, and the retired fire chiefs of Nevada, and we are in full support of this bill. We appreciate it going forward and your assistance on it as well.

Chair Swank:

Is there anyone else in support? [There was no one.] Is there anyone in opposition? Seeing no one, is there anyone in neutral?

James Lawrence:

The State Department of Conservation and Natural Resources is neutral on this bill, however our Division of Forestry did work very closely with the local fire districts with the language. We believe this clarifies the intent of the original legislation and makes it clear that there are commercial logging operations that need variances. This will allow for much-needed defensible fuels reduction work on private properties to basically reduce the risk of catastrophic wildfires.

Chair Swank:

I will now close the hearing on <u>S.B. 499 (R1)</u> and go to public comment. I want to remind folks that public comment is only on items that were not already addressed on the agenda. Seeing no one, this meeting is adjourned [at 3:50 p.m.].

	RESPECTFULLY SUBMITTED:
	Nancy Davis
	Committee Secretary
APPROVED BY:	
Assemblywoman Heidi Swank, Chair	
DATE:	

EXHIBITS

Exhibit A is the Agenda.

Exhibit B is the Attendance Roster.

Exhibit C is the Work Session Document for Senate Bill 51 (1st Reprint), dated May 11, 2017, presented by Susan E. Scholley, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

Exhibit D is the Work Session Document for Senate Bill 75 (1st Reprint), dated May 11, 2017, presented by Susan E. Scholley, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

<u>Exhibit E</u> is the Work Session Document for <u>Senate Bill 411 (1st Reprint)</u>, dated May 11, 2017, presented by Susan E. Scholley, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

Exhibit F is the Work Session Document for Senate Bill 513, dated May 11, 2017, presented by Susan E. Scholley, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

<u>Exhibit G</u> is written testimony for <u>Senate Bill 251 (1st Reprint)</u>, dated May 11, 2017, provided by Greg Lovato, Administrator, Division of Environmental Protection, State Department of Conservation and Natural Resources.

Exhibit H is a copy of an email dated April 17, 2017 written to Senator Pete Goicoechea and Assemblyman John Ellison, regarding Senate Bill 370, written by Joseph Royer, Private Citizen, Lamoille, Nevada.

Exhibit I is a letter dated May 10, 2017, written to Nevada Assembly Committee on Natural Resources, Agriculture, and Mining, regarding Senate Bill 499 (1st Reprint), from Chief Scott Baker, Tahoe Douglas Fire Protection District; Chief Ryan Sommers, North Lake Tahoe Fire Protection District; Forester John Pickett, Tahoe Douglas Fire Protection District; and Forester Forest Schafer, North Lake Tahoe Fire Protection District.