

**MINUTES OF THE
SENATE COMMITTEE ON FINANCE**

**Seventy-ninth Session
May 10, 2017**

The Senate Committee on Finance was called to order by Chair Joyce Woodhouse at 6:38 p.m. on Wednesday, May 10, 2017, in Room 2134 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412E of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Joyce Woodhouse, Chair
Senator David R. Parks, Vice Chair
Senator Moises Denis
Senator Ben Kieckhefer
Senator Becky Harris

COMMITTEE MEMBERS ABSENT:

Senator Aaron D. Ford (Excused)
Senator Pete Goicoechea (Excused)

GUEST LEGISLATORS PRESENT:

Senator Mark A. Manendo, Senatorial District No. 21

STAFF MEMBERS PRESENT:

Mark Krmpotic, Senate Fiscal Analyst
Alex Haartz, Principal Deputy Fiscal Analyst
Jaimarie Dagdagan, Program Analyst
Lona Domenici, Committee Manager
Colby Nichols, Committee Secretary

OTHERS PRESENT:

Alfredo Alonso, Lewis Roca Rothgerber Christie LLP

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Mike Schneider, The Smith Center for the Performing Arts
Myron Martin, President and Chief Executive Officer, The Smith Center for the
Performing Arts
Jonathan P. Leleu, Live Nation Entertainment
William Horne, StubHub
Samuel P. McMullen, Event Ticket Marketing Association
David Goldwater, Nevada Ticket Brokers Association
Danny Thompson, Event Ticket Marketing Association
Rocky Finseth, Vivid Seats
Wesley K. Duncan, First Assistant Attorney General, Office of the Attorney
General
Jennifer Lazovich, Bravo Tickets
Michael D. Hillerby, Bravo Tickets
Jonathan Friedrich, Nevada Homeowner Alliance
Garrett Gordon, Community Association Institute
Donna Zanetti, Co-chair, Legislative Action Committee, Community Associations
Institute
Marilyn Brainard, Legislative Action Committee, Community Association
Institute
Sharath Chandra, Administrator, Real Estate Division, Department of Business
and Industry
Tony Wasley, Director, Nevada Department of Wildlife
Ernie Adler, Pyramid Lake Paiute Tribe
Will Adler, Pyramid Lake Paiute Tribe
Doug Busselman, Executive Vice President, Nevada Farm Bureau Federation
Marla Williams, Reno-Sparks Indian Colony
Danette Kleuver, Deputy Administrator, Administrative Services, Division of
Child and Family Service, Department of Health and Human Services
Brian McAnallen, Government Affairs Manager, City of Las Vegas
Thomas Morley, Laborers International Union Local 872
Robert Conway, Ironworkers Local 433
Sean McDonald, Administrator, Central Services and Records Division,
Department of Motor Vehicles
Peggy Lear Bowen

CHAIR WOODHOUSE:

I call this meeting of the Senate Committee on Finance to order. We will begin
this meeting with some bill hearings, which will be followed by a work session. I

will now turn the gavel and the chairing of this meeting, temporarily, over to Senator Parks, as we will begin with two bills that I will be presenting.

VICE CHAIR PARKS:

Thank you. Let us begin by opening the hearing on Senate Bill (S.B.) 235.

SENATE BILL 235 (1st Reprint): Provides for the regulation of ticket sales to an athletic contest or live entertainment event in certain circumstances.
(BDR 52-672)

SENATOR JOYCE WOODHOUSE (Senatorial District No. 5):

I have submitted my remarks introducing this bill ([Exhibit C](#)). I recently read a *Consumer Reports Magazine* article about why entertainment and athletic event ticket prices are going through the roof. The article provided the example of people purchasing tickets for Adele's 2016 North American tour on the Ticketmaster Website. These people were not just competing with each other for tickets; they were also up against ticket brokers and unscrupulous market speculators who were able to purchase the majority of the available seats.

After those original tickets were sold out, fans could purchase tickets only from brokers and individual resellers on the resale market at a price in excess of the ticket's face value. Ticket brokers and resellers manipulate the market and force ordinary Nevadans and visitors to buy tickets on the secondary market at great cost.

This problem is occurring throughout the Nation. Other states have investigated this issue. For example, in New York, the state Attorney General looked into this matter and released a report of his findings in 2016. The investigation revealed that 54 percent of tickets are reserved for artists, production companies, venues, promoters, radio stations and presale customers. Experts say this is indicative of ticketing practices nationwide. When the remaining tickets are released to the general public, profiteering can be rampant.

Today, anyone can resell tickets on the Internet. An individual with spare tickets, a small-time speculator looking to make a large windfall or a professional ticket broker are all capable of doing so. These resellers are largely free to sell tickets at whatever prices consumers are willing to pay, which may be a lot of money. This bill is an effort to combat unfair and illegal ticket purchasing and reselling. This measure was referred to this Committee as part

of an amendment that was placed upon it by the Senate Commerce, Labor and Energy Committee.

Senate Bill 235 includes the establishment of a toll-free statewide hotline and Internet site through which a person could file a complaint relating to suspected violations. The hotline and the Website would be established within the Bureau of Consumer Protection in the Office of the Attorney General. At this point in time, there is no fiscal note for the hotline and Website attached to this bill.

I brought this bill forward due to the issues regarding fraudulent ticket sales that Myron Martin from the Smith Center for the Performing Arts in Las Vegas brought to my attention. Former State Senator Mike Schneider, Mr. Martin and Alfredo Alonzo have worked tirelessly and diligently with those who opposed this bill when it was under consideration by the policy committee. We have an amendment ([Exhibit D](#)) for this bill which I have provided for the Committee's consideration.

ALFREDO ALONSO (Lewis Roca Rothgerber Christie LLP):

This bill and [Exhibit D](#) are a work in progress. I think that we are close to reaching agreement. This is probably one of the most difficult issues I have ever tackled. What we have found in researching this issue is a lot of people sell tickets in the secondary market. It was a lot more people that I thought would do so.

What we have tried to do is find a happy medium with respect to some of the issues related to this. We tried to take into consideration things like tickets being sold before the event has a date set. For instance, the Vegas Golden Knights do not currently have a schedule. Frankly, we do not even have a team yet. We hope to have those things soon. But, we know that there are individuals out there that are selling our tickets today, without a schedule.

Another issue is when someone buys a season ticket. We have not issued those season tickets yet either. We have already seen those season tickets on the market as well. Again, people are selling our tickets without actually having them in hand. Yet, they exist in the market.

What this bill is trying to do is get some regulations on the books with respect to those that are investing huge amounts of their money in a team or in a venue. There should be some merit to doing so. We are trying to find a balance.

There should be no issue with someone selling a ticket because they cannot make it to a game. I do not have a problem with brokers making a living off of this as long as it is done in the proper manner.

We think that this bill gets us very close to that goal. The Committee will see certain changes made by [Exhibit D](#) to the original bill. We made certain that this bill is applied to events that are held in the State. We did not want to be so narrow in our definitions that things like concerts or series are excluded. We believe that [Exhibit D](#) helps us do so.

This bill creates what is basically a secondary ticket exchange. Definitions for this do not currently exist in law. The bill creates the rules for doing so. People could not use someone else's Uniform Resource Locator (URL) or trademark to resell. People could not mimic an original site to resell tickets. We have seen examples where the public believes they are actually on the Smith Center's or the Vegas Golden Knight's Website when they are in fact not. We are hoping this bill will curb some of those abuses.

This bill sets some rules in terms of not being able to sell tickets prior to a date being set. The concern here was that people would not be able to advertise effectively. We made sure [S.B. 235](#) allows for advertising of a ticket, but you have to disclose to the public that the event has a date, but no tickets are available. You can start advertising. We do not want to take away ticket brokers' rights to sell their products. We just do not want them selling our tickets before they are even released or before a date is established.

Throughout section 15 of the bill, the Committee will see that there are some exemptions. We have some very unique situations in this State where, for example, boxing promoters will provide a block of tickets. They are not issuing the tickets until just before the event. These are the kinds of practices we have to wrap [S.B. 235](#) around. There are many parallel situations which we did not initially consider when we first drafted this bill to deal specifically with plays.

Again, this is a very extensive market. AXS and Ticketmaster have informed us that Las Vegas and Los Angeles are the two worst areas for counterfeit tickets and other such types of behavior. This bill is an attempt to regulate, to some degree, this market without curbing it outright. I believe that we have gotten really close to this goal when you consider [Exhibit D](#).

Finally, S.B. 235 codifies existing language concerning bots in federal law. These bots are still out there and people are still using them to unscrupulously and automatically buy tickets. We hope that, between federal and State law, we can close in on some of these bad actors. Ultimately, I believe that if we can get rid of half of these bad actors, which this bill will help us do, that is something that is good for the public, the people who are investing their money in these types of endeavors and the arts. I think this bill is a good start.

I would like to briefly add that purchasing a ticket and selling it multiple times by copying the URL has been a problem at the Smith Center. This is also an issue that S.B. 235 will help address.

SENATOR HARRIS:

I really appreciate the intellectual property protections that are provided for the original issuer of the ticket. I think that is a smart addition and really helpful when you begin to crack down on some of these bad practices.

My question is concerning the secondary ticket exchange. I would like to know if those legitimate operators are required to transmit a live entertainment tax (LET) or a sales tax to the State when they resell their tickets.

MR. ALONSO:

I do not believe that is the case. I do not know how that was dealt with in the past. This is an area that has been a proverbial Wild West, especially in this State. The LET is captured during the primary sale. I do not know if it is in the secondary market. I do not believe it is. I am also unsure whether sales tax is collected in the secondary market either. The ticket brokers themselves may be able to answer that question better.

What I understand regarding the sales tax is that it is paid on the primary sale. There are a lot of people who are reselling tickets. I do not believe they are doing so out of brick-and-mortar establishments, so I am not sure that the sales tax is even collectable in some cases.

SENATOR HARRIS:

I view this bill as an attempt to regulate and bring the secondary market into line. I am confused as to why we would not subject them to all the laws of the State, and require them to comply with our taxation policies as well.

MR. ALONSO:

We have no objection to that sentiment.

SENATOR KIECKHEFER:

One part of this bill requires events to have a date before tickets can be sold. Playoff event tickets often have no date attached at the time of sale. Would this bill mean there is no ability to resell playoff tickets?

MR. ALONSO:

We address that concern in the boxing section of the bill on page 6 of [Exhibit D](#). The venues can still advertise the event and the tickets, but must indicate that they do not currently have those tickets. There is a refund to the consumer if they do not get their ticket.

SENATOR KIECKHEFER:

Can you point me towards the language you are looking at?

MR. ALONSO:

That language begins on line 34 on page 6 of [Exhibit D](#).

SENATOR KIECKHEFER:

I was referring to lines 1 through 3 of page 6 of [Exhibit D](#).

MR. ALONSO:

That is the advertising portion of the language. The paragraph starting on line 34 of page 6 of [Exhibit D](#) is explaining that the bill does not proscribe advertising. We are simply saying that, in this specific scenario, the rules from section 15 do not apply. Again, this began as an exemption for boxing specifically. However, other similar situations exist. We are willing to work with the bill sponsor to make sure that this bill is doing exactly what it is supposed to do.

SENATOR KIECKHEFER:

I am not confident that the language addressed the scenario sufficiently. I think that this may be a problem for you in about a year when the Vegas Golden Knights run into the playoffs. You are going to make the playoffs, right?

MR. ALONSO:

We sure hope so.

MIKE SCHNEIDER:

This bill had its origins last summer when I met with Mr. Martin at a baseball game. We were discussing the situations that this bill hopes to ameliorate. The Smith Center has been the victim of resellers acting in bad faith several times. For example, when the play *Wicked* came to town, people went online to buy tickets. They thought they were buying them from the Smith Center, but they were not. They were buying from some secondary ticket broker.

Parents would buy these tickets and their kids would dress up and go to the play. When they got there, they were turned away because their tickets had already been used. The reseller had sold those tickets multiple times. The reseller would email the same set of tickets to different people. So one ticket may be sold to six or eight people. If you are not the first person to claim that ticket, you are out of luck. The Smith Center is a nonprofit organization that only covers 75 percent of their expenses through ticket sales. They are doing a lot of fundraising and community work to make events happen.

Mr. Martin showed me a Website that had an appearance and URL that was very similar to the Smith Center's. You can buy tickets to the play *Hamilton*, which is coming to Las Vegas in a year, on that fake site now. Those tickets start at a price of \$699 and go as high as \$1,899. The dates for the play have not even been set. There is a tentative two-week window right now. The Smith Center has not even set their prices for tickets yet. Mr. Martin indicated that the tickets would start at about \$39 for that play, not the \$699 listed on the fake site.

The Smith Center is the largest private-public partnership in the State of Nevada. Senator Parks was a big supporter of its establishment when it first opened. It was a huge endeavor made by the City of Las Vegas; they put up the land and money to get it started. This is an organization for the community. It is intended to be affordable.

But in this situation, ticket brokers are ripping off the community to turn a profit. People are buying tickets thinking they are from the Smith Center, but they are not. Mr. Martin has run into this issue numerous times. People have come to him upset because they had to pay so much for an extra ticket for a family member or other similar circumstances. They had paid \$350 for a ticket, and Mr. Martin was nonplussed because the Smith Center does not sell tickets

that are that expensive. Those people did not buy them from the Smith Center, but thought that they had.

That problem is what we are trying to solve with the original bill. Of course, the bill got really big once the other stakeholders revealed they had similar problems as well. We appreciate the Committee's consideration of this bill and are in support of [Exhibit D](#).

MYRON MARTIN (President and Chief Executive Officer, The Smith Center for the Performing Arts):

I would sum this bill up as something that was very small at first and was meant to protect families who were purchasing tickets from fraudulent issuers. These fraudulent issuers did not have tickets in hand; they were printing multiple copies of the same ticket and selling them to different people. They were pretending to be the Smith Center. This bill tries to clear those issues up, and I think it does a good job. I would appreciate your support of S.B. 235.

JONATHAN P. LELEU (Live Nation Entertainment):

Live Nation Entertainment owns Ticketmaster. It also owns Ticketmaster Exchange, which is a secondary sales marketplace that connects buyers and sellers to trade in authenticated tickets. I cannot stress enough the importance of this bill. We came in strong support of this bill in the policy committee. Today, I come before this Committee to discuss the fiscal components of this bill.

As Mr. Alonso testified, [Exhibit D](#) is a work in progress. We have daily communications with Mr. Alonso regarding [Exhibit D](#).

Nevada is in an adolescence. Nevada does not have an appreciable secondary market right now. We do not have sports teams yet. There just is not a large market for ticket resale. However, by the time the Legislature convenes again in two years, things are going to change dramatically. We will have two professional sports teams and a very robust secondary market.

With that robust secondary market, which is exciting, comes the warts as well. The warts that occur in the secondary market are, simply put, ticket fraud. We see this at Live Nation Entertainment across the Nation. I work in three different states for Live Nation. We see it in Chicago. Mr. Alonso testified that Los Angeles is one of the hottest markets when it comes to ticket fraud. That is

true, however, the city of Sacramento is actually where ticket fraud runs most rampant in California.

There must be sensible regulation of the secondary market. The secondary market is real, and it is not going away. It provides a good way for people to get last-minute tickets. My client has a stake in the very market we are talking about regulating. Accordingly, we believe fully that this bill needs to pass. We do not want to come back in 2019. At that point, we will be playing catchup. The municipal courts are going to be jammed with ticket fraud cases. That would just be the beginning. I do not want to think about what will happen if this issue continues, and we do not take any action at all.

I would like to address the question that Senator Harris had posed regarding LET. Those taxes are applied to the primary sale. It does not apply to secondary sales. Senator Harris' idea of collecting LET on secondary sales is a wonderful thought. That is something that we are wrestling with right now in the state of Illinois because of a constitutional impediment.

When you talk about taxing the secondary market, you are talking about taxing the delta, or change, between the primary sale price and the secondary market price. Often times, that delta is several times the primary sale value. That is a large source of revenue. The LET does not cover that revenue.

So what is taxable in that transaction? In the secondary sales transaction, you have a buyer and a seller; you also have a marketplace. The marketplace is charging a fee, usually a flat service fee. It can also be based on a percentage of the sale value. That fee is what is taxable under the Commerce Tax in Nevada. The way our statutes are constructed right now, we are getting maybe \$1.50 in taxes on a secondary sale. The delta is not taxed under the LET. The LET is on the price of admission in a primary sale.

SENATOR HARRIS:

I think that the delta should be taxed. I am also curious if people are actually remitting that tax on the fee. Are people actually remitting that portion of the tax?

MR. MARTIN:

The tax on the secondary sale marketplace fee is assessed on the marketplace. That would be the Ticketmaster Exchange, a StubHub or some similar operation.

Those that are reputable businesses are remitting that tax because they are licensed to operate in the State. They have a tax identification number.

The buyer and seller of the tickets are not charged with any remittance of tax.

SENATOR HARRIS:

I want to make sure I understand this. In the first instance you provided, Ticketmaster would sell a ticket and the LET would be captured there. Are we also capturing sales tax, or is it just the LET that is applicable?

MR. MARTIN:

In the primary sale, similar to the secondary sale, you have three parties. There is the buyer, the seller and the marketplace. Ticketmaster is the marketplace and the service provider. They do not ever take possession of a ticket. The seller is the venue or the event. The LET applies to the seller of the ticket, which would be the venue or the event.

SENATOR HARRIS:

Is there a sales tax assessed as well?

MR. MARTIN:

I do not believe so.

SENATOR HARRIS:

I want to understand the taxing scheme with regards to tickets. We have third-party vendors that are essentially mediators for the buyer and the seller. I suppose there is a service fee for the primary sales which is also taxed, which would be as miniscule an amount as it is on the secondary market. Then, on the secondary market, we are losing revenue because we do not have the original issuer, who is subject to LET, involved. They have already paid the LET on the ticket, which is now being resold at a much higher value.

MR. MARTIN:

Your characterization is accurate.

VICE CHAIR PARKS:

Seeing no one else who wishes to testify in support of S.B. 235, I will open the hearing up to those who wish to testify in opposition to this bill.

WILLIAM HORNE (StubHub):

StubHub has grown from the Nation's largest secondary ticket exchange to the world's largest. We continue to oppose S.B. 235. We have been working with the bill's sponsors, Mr. Martin and Mr. Alonso on proposed amendments. At the beginning of this process, it was expressed that one of the things that Mr. Martin did not want to do with this bill was harm the secondary market.

We have heard the term "bad actors" a lot in reference to this legislation. But there are "good actors" as well, which we rely upon, particularly in Nevada, for providing secondary ticket exchanges. For instance, StubHub is basically a portal through which one person could, for example, sell hockey tickets once they realized they could not attend a certain game. That person could put those tickets up on StubHub, and someone else can purchase them. This is the service StubHub provides. They do not take possession of any tickets at any time.

StubHub has a very robust refund policy for those instances in which people are selling multiple or fraudulent copies of a ticket. StubHub has a policy that makes customers who encounter those cases whole. My client has offered some proposed amendments ([Exhibit E](#)) for this bill that would make it better. It would create the protections we seek without harming the secondary market. I will now walk through the proposed changes [Exhibit E](#) seeks to make to the bill.

Regarding point 1 on page 1 of [Exhibit E](#), StubHub does not have a functionality to allow individual users to notify ticket purchasers whether or not they are authorized. They would have to build new functionality to allow sellers on the site to comply. Ultimately, it would be impossible to enforce.

Point 2 on page 1 of [Exhibit E](#) would break down a specific section of the bill into subparagraphs. This is because the language that is currently in the bill is incongruent; it says that you cannot do one thing but, in the next paragraph, it says you can do it under certain conditions. We just added some semicolons and added the word "or" so that you must do either of those things in order to be compliant.

Point 3 on page 1 of [Exhibit E](#) would strike the language "offer for resale" with "resell." This amendment is to clarify that the resale of multiple copies of one ticket is prohibited. Our concern with the language as drafted is that it may inadvertently prevent someone from listing a ticket on multiple channels. If I list

a ticket on two marketplaces, that should be legal as long as I do not sell that ticket more than once. You should be able to advertise through multiple channels.

Regarding point 4 on page 1 of [Exhibit E](#), our concern is very similar to my previous testimony. StubHub currently does not have a functionality to allow individuals to notify ticket purchasers about whether they actually possess a ticket. There would be no way to verify it. Instead, we ask sellers to tell us how and when the ticket will be delivered. If the seller does not honor that delivery date and method, StubHub has a fan protection guarantee. That is how they provide refunds to buyers in these cases. Instead of seeking full exemption, this limited exemption would allow StubHub to be in compliance without changing the existing format and disclosures they use.

Point 5 on page 1 of [Exhibit E](#) would insert the phrase “willfully and knowingly” after the word “who” to establish a consistency with sections 2 and 17 of S.B. 235. This inclusion would also be consistent with the conversations that we have had during negotiations. I believe it was in a previous version and was removed during the drafting process.

If [Exhibit E](#) were to be adopted, StubHub would come in support of S.B. 235.

SENATOR HARRIS:

Why does StubHub not require its users to certify that they are in possession of a ticket or have access to a legitimate ticket as a condition for being able to use the service in the first place?

MR. HORNE:

The methods through which people receive their tickets vary. That makes it difficult to provide that type of disclosure. That is why StubHub has a strong refund policy. There are some situations where the buyer can acquire a ticket through a primary seller but would not receive the actual ticket until a week or two before the event. The seller would note the date they expect to receive the ticket and the date and method of delivery for the secondary market buyer. If that transfer does not occur, StubHub provides a full refund.

SENATOR HARRIS:

I appreciate the consumer protections, but it seems to me that you either have access to a ticket or you do not. A policy that requires the seller to certify that

they have a ticket or will have the ticket, and that they are not reselling it multiple times would then give StubHub the ability to say certain bad actors do not get to use their service.

SENATOR KIECKHEFER:
How often do refunds occur?

MR. HORNE:
I do not have an answer currently. I can provide that information to you shortly.

SENATOR KIECKHEFER:
I would appreciate that. I would also ask that you submit your suggestions as a formal proposed amendment.

MR. HORNE:
I will do so.

SAMUEL P. MCMULLEN (Event Ticket Marketing Association):
The Event Ticket Marketing Association is a fundamental part of the secondary market. The secondary market can be a term that is interesting to try to decipher and understand. Aspects of it include Internet marketing where leads for tickets are pushed back to the people who actually have the right to sell.

Our big issue with this legislation is the indication that there would not be any disruption to the secondary market with its passage. The bottom line is that this is not the case. The secondary market is a very important part of the entertainment industry. I understand and empathize with the individual cases presented, such as the case where someone bought a ticket for *Wicked* only to find it was a fraudulent ticket. This bill has a huge impact on the basic economics of the secondary market and the entertainment industry.

We were not involved in the construction of [Exhibit D](#). We have looked at [Exhibit D](#) over the last day. We definitely have some concerns. I have brought with me a proposed amendment ([Exhibit F](#)) for this bill. [Exhibit F](#) would make sure that the knowing sale of a fraudulent or duplicated ticket has criminal consequences.

The other thing I would note is that we understand that there is a place for "house rules" as I refer to them in the bill. These are cases that can be covered

by private policy and not laws. I have passed out the text of the consumer acknowledgement that is on the back of the Vegas Golden Knights' season tickets ([Exhibit G](#)).

[Exhibit G](#) shows there are rules that can accompany a ticket which can control a lot of these issues without turning to laws. This bill could put ill-fitting restrictions and compliance requirements on multinational or national businesses. We do not want to make secondary sales so difficult that those exchanges simply stop selling tickets in Nevada.

We think the tickets can be controlled through the use of agreements, contracts and acknowledgements like the one shown in [Exhibit G](#). The bill would create a kind of logical disconnect where you could sell a ticket but not advertise that sale.

Think about it this way: there is a Golden State Warriors game where they have advanced to the next round of the final tournament. They are waiting for the winner of the accompanying game. They have clinched their spot and know where they will be playing. They are waiting for another series of games to end. If that series goes the full seven games, then a certain date is picked for the next game. There may only be two or three days of heads-up time. The bill's requirement would mean that those tickets would not be able to be advertised until the date is finalized. It creates a disconnect. There are a number of such disconnects in this legislation that we think are disruptive to the secondary market.

This could lead to a case where someone else will know when games will be played, but in Nevada, the law will say that the event itself has to declare that date. If someone is advertising sales based on news or a clear understanding, but the event or sponsor itself has not declared a date, that person is criminally involved. I think it is worth understanding that this legislation is not about scalpers. This is an attempt to deal with sophisticated people and technology. If those people think they cannot comply with the law, they will cease selling tickets in Nevada.

I would caution the Committee against taking any action that would damage or corrupt the secondary market, which is so fundamental to our entertainment and tourism industries and thus, our economy. We are scared about what this bill would mean to our business.

SENATOR KIECKHEFER:

Are Websites like LasVegas.com and Vegas.com secondary markets?

MR. MCMULLEN:

Yes. Nevada gets advertised by these sites all over the world. They provide an opportunity for people to express an interest, which they can turn into an exchange. It is a very effective and flexible system.

SENATOR KIECKHEFER:

Does your client often have a direct relationship with the venues themselves, or are they buying tickets themselves?

I have to assume there is a direct relationship there.

DAVID GOLDWATER (Nevada Ticket Brokers Association):

Often it is a hodgepodge of situations. Sometimes these exchanges are ordering an inventory of tickets directly. Other times they are simply brokers that are connecting buyer and seller.

DANNY THOMPSON (Event Ticket Marketing Association):

I love the Smith Center and the bill's sponsors are dear friends of mine. But this bill is not just about the Smith Center. Nevada has been dependent on entertainment and tourism since its inception. Our budgets are driven by those monies.

This bill represents a radical departure from what has worked for us. The secondary market is a very important component in filling seats in those venues. If you have a great team or show, they will sell their tickets easily. But if you have a show or team that is not so great, you need the secondary market because it offers an important service. We have invested a lot in future attractions. This bill represents an experiment, in my mind.

We have attempted to amend this bill to make it more palatable to the secondary market purveyors with some success. I think that, before this bill leaves this Committee, there needs to be thought put into the bill's impact on the future. This is not just about a little girl not getting to see the show at the Smith Center. This bill is also about the State budget.

MR. GOLDWATER:

I have provided for the Committee a copy of my prepared remarks in opposition to this bill ([Exhibit H](#)). I will now read my prepared remarks.

ROCKY FINSETH (Vivid Seats):

Vivid Seats is another secondary ticket broker. We commend Senator Woodhouse for her effort in trying to control the marketplace; we just do not think the amendments proposed for S.B. 235 have reached that goal just yet. We continue to oppose this bill but look forward to continuing to work with her.

WESLEY K. DUNCAN (First Assistant Attorney General, Office of the Attorney General):

The Attorney General's Office wanted to register opposition to section 18 of S.B. 235. We do not want to opine on the policy before this Committee, but wanted to oppose that specific section.

The reason for doing so is because our Office has a centralized complaint system within our Office that allows for anyone to file a complaint. The Bureau of Consumer Protection does not directly take these types of complaints anymore. Complaints are taken in through our regular Constituent Services Unit of the Legislative Counsel Bureau. We would just ask that, if this bill goes forward, section 18 be stricken, and consumers can file their complaints through the regular system.

VICE CHAIR PARKS:

Is there anyone present that would like to testify in the neutral position regarding S.B. 235?

JENNIFER LAZOVICH (Bravo Tickets):

Bravo Tickets is a brick-and-mortar ticket broker business in Las Vegas. We have worked with the proponents of this bill and appreciate Mr. Alonso's assertion that this legislation is a work in progress. We believe the same.

We are, in essence, supportively neutral because we spent some time working on this legislation, but we do think that there are some changes that still need to be made. This is why I am testifying in this position today.

One of the examples raised earlier was in section 15, subsection 3 of S.B. 235. One of the changes I think needs to be made is that the advertising and sales of the tickets should be fine so long as all of the disclosures provided in that portion of the bill were made.

We know there will be language changes as the Legislative Counsel Bureau takes a look at this, and will continue to work with them and the bill's proponents.

MICHAEL D. HILLERBY (Bravo Tickets):

A lot of work has been done on this bill in the last few days. [Exhibit D](#) largely works for Bravo Tickets. One of the sections we discussed with the bill's proponents, in particular, was section 5 of the bill.

The question of who is an authorized person and the question of who the provisions of this act apply to deal with both the primary and secondary markets. Bravo Tickets can be either the primary source, the conduit or the reseller in any given situation. Once Bravo has taken possession of a ticket and has it, whether they bought it or they are helping fill a venue's seats, we work very hard to make sure we are in compliance with any regulations regarding refunds, disclosures and sales.

SENATOR WOODHOUSE:

I want to thank the Committee for their consideration of this legislation. What should have been a short hearing has turned out to be quite lengthy. I have a lot of notes and things to work on that I had not heard from opponents before. I want the Committee to know that after this bill came out of the Senate Committee on Commerce, Labor and Energy, the Majority Leader asked us to work on amendments. I can tell you that several meetings were held in my conference room; those meetings were standing room only. A lot of work has been done on this.

I particularly appreciate Mr. Schneider, Mr. Alonso and Mr. Martin for always being here when I needed them. Hopefully, we can continue to make changes that improve this legislation. The bottom line is that we do need to protect our people who turn out for concerts, sporting events and other live entertainment. We need to make sure they have a legitimate ticket when they arrive at the gate.

VICE CHAIR PARKS:

That will conclude our hearing on S.B. 235. I will open the hearing on S.B. 114.

SENATE BILL 114: Revises provisions relating to common-interest communities.
(BDR 18-681)

SENATOR WOODHOUSE:

I have submitted my remarks introducing this bill ([Exhibit I](#)). Senate Bill 114 proposes a very simple change to the existing Homeowner Association (HOA) Ombudsman position. This bill would move the Ombudsman's office from the Division of Real Estate at the Department of Business and Industry to the Office of the Attorney General (OAG).

I believe that the OAG is a better location for this important position given the legal stature of that Office and its experience in handling fraud complaints and similar consumer protection issues. I have with me Mr. Schneider, who has brought forth similar legislation in the past. He is the expert on HOA issues.

MR. SCHNEIDER:

This is the 20th anniversary of the creation of the Office of the Ombudsman. Twenty years ago, when I brought forth the bill to create it, everyone seemed to be opposed to it. That included the Community Associations Institute (CAI), who sent their executive director in to oppose that bill.

That bill included provisions that would address our want to license association managers. They were opposed to that. We have come leaps and bounds since then; we have licensed managers, we have created the Ombudsman's office, we have laid out very detailed processes on how associations are to be run and we said that these associations are governments. In Nevada, HOAs are governments.

Any legislator who has spent a length of time serving the State will have seen the battles that we have had over HOA bills and construction defect bills. When we passed that first bill creating the Ombudsman position and office, we had a group of private attorneys who went to the Ombudsman's office and laid out how that Office should be run. They even made up booklets on how the Office was to run. They wrote the rules and regulations for HOAs. Obviously, all of those were slanted in their favor so that they could prosecute construction defect lawsuits.

Over the years, we tried to address some of these issues. I believe that we have failed. The construction defect litigation in this State was rampant. It was all taking place at HOAs less than ten years old. I know that people had tried to go to the district attorney, who turned them away. They did the same at the OAG. Finally, the Federal Bureau of Investigation (FBI) picked up our legislation and examined our laws. They made the ruling that HOAs are governments.

A few years ago, Clark County faced the Nancy Quon case. That case was quite sad. We had a lady who had carted off millions of dollars from HOAs. She was running all kinds of scams. That whole episode ended up with four deaths. I say today that, if the OAG would have had the Ombudsman's office at the time, that would not have happened. History repeats itself. We will see something like that happen again.

People who live in HOAs and lobby here have told me that if the office was in the OAG, it would clean up their HOAs significantly. Everybody has stories about their HOA. We need a cop with a big stick. There is not one state in the Country that has the Ombudsman's office in their OAG. But, in 1997, there was not a single HOA Ombudsman either.

I tried to put the office in the OAG when I created it all the way back in 1997. I was told that I was in the minority then. I was told that it would not happen because of who the Attorney General was at that time. So we moved ahead on that legislation without putting it in the OAG. We set up a good organization of the course over a few sessions.

However, this organization still fails. It fails in the fact that they do not have the horsepower needed. They really cannot legally interpret laws. You need attorneys to do so. You need the OAG to do that. We set up the way that a HOA must be run. They are subject to the Open Meeting Law. The HOAs deal with legal documents. All the angst that occurs in HOAs happens because of legal disputes.

That is why I think it is imperative that we move the Ombudsman's office to the OAG. There should be an education component in this too. The OAG would add that in. I think HOA board members should be educated in what they are doing. When a legislator is first elected, they take classes on being an effective lawmaker. I think something parallel should happen at HOAs.

I know that there are people who are opposed to this, just as there were twenty years ago. I stand ready to answer questions from the Committee.

SENATOR KIECKHEFER:

I am trying to figure the fiscal component of this. I have two fiscal notes that are attached to this bill; one is from the OAG, and the other is from the Real Estate Division. My understanding is that the Real Estate Division would retain jurisdiction over investigations and enforcement of *Nevada Revised Statutes* (NRS) 116, but the OAG would now have the Ombudsman in it.

I am trying to figure out who is going to do what and who is paying for it. I would like to know how much money is available for this purpose.

MR. SCHNEIDER:

There is a door fee for every HOA. The door fee was \$3; now it is \$5. That fee should be able to fund all of this. I would like to see that everything to do with the Ombudsman's office, including investigations, goes to the OAG. I would set all of it up in the OAG. The entirety of the revenue from the door fee would accompany it. It would be a budget-neutral transfer.

I can see that, in the future, young attorneys could come to work in the Ombudsman's area of the OAG. They could make a whole thirty-year career out of it if they want. They could become experts in this area. The OAG would have the ability to do away with the Real Estate Commission over these HOAs if they wanted. Those Commission positions are politically appointed now. I made that Commission originally to give the legislation some teeth and to deflect some of the issues we were having with the Ombudsman's office and the HOAs.

That system worked well for a few years. Once those original members got off the Commission, political appointments became the norm. Everyone has an ax to grind. I would like to see the OAG do away with it. We just do not need it anymore. The OAG could set up their own investigative arm.

SENATOR KIECKHEFER:

I think that is certainly an option. For now, I want to know what funding is available and which budget accounts that money is in.

MR. SCHNEIDER:

I do not have an exact number for the Committee. This Committee can adjust the funding levels if so desired. The Attorney General will also provide a number for their anticipated costs. You can adjust the level of funding as needed. There is a lot of money in these HOAs.

VICE CHAIR PARKS:

The floor is now open to those who wish to speak in support of S.B. 114.

JONATHAN FRIEDRICH (Nevada Homeowner Alliance):

I have submitted for the record my testimony in strong support of this bill ([Exhibit J](#)). I will now read from my written testimony. I hope that S.B. 114 makes it into statute.

I was one of the commissioners on a common-interest community commission. I uncovered gross fraud and violations of State law while I was commissioner. It adversely affected many people dealing with a super priority lien in that the commission had adopted a regulation when they had no authority to do so. That was the opinion of the Attorney General of that time. Legislation like this bill would help curb those abuses.

VICE CHAIR PARKS:

Is there anyone who would like to testify in opposition to this bill? Please come forward if so.

GARRETT GORDON (Community Association Institute):

I have brought with me today Donna Zanetti, who has been a legal practitioner in this area of law for years and who can touch on her experience with the current Ombudsman and processes. There is also Marilyn Brainard, who was a former commissioner and a current homeowner in a HOA.

I am opposed to this bill for several reasons. First, we think this is an expensive solution to a problem that is not there. The construction defect examples Mr. Schneider used were years ago. Since then, there have been many reforms to the construction defect laws. A lot of the Ombudsman's role is assisting homeowners. The word "assist" is used throughout current provisions. We believe that dealing with the Ombudsman's office in its current position at the Real Estate Division is more appropriate.

When this Committee was hearing testimony on the ticketing issue, there was a lot of empirical data backing up the need for that legislation. Here, we believe that there is no evidence of a large problem at this point in time. Senator Parks knows, as he sits on the Sunset Subcommittee of the Legislative Commission, that this common-interest Commission was before that Subcommittee. They looked at this Commission and the Ombudsman's office and provided a few options.

They could terminate, they could move the Ombudsman's functions elsewhere or they could consolidate the Commission. Throughout that process, which consisted of six hearings, the only recommendation that came out was to make sure that the homeowner on the Commission did in fact live in a HOA. Other than that, no recommendations were made. Certainly, there was no recommendation to move the office.

This legislation is like a hacksaw. It cuts the Real Estate Division's duties and those of the Ombudsman in half. We are confused as to which part of which responsibility falls where. It is unclear to us how it would shake out.

Secondly, there is the fiscal component. As was mentioned previously, the Community Association Institute sat with stakeholders and the administrator of the Real Estate Division in which many promises were made to improve the Division's work. However, funding was needed in order to do so. We agreed to increase the door fee from \$3 to \$5. These communities can consist of up to 2,000 units; that is a pretty big check that they are going to write to the Division each year.

The fiscal note from the Division says the increase in costs that this proposal would create will ultimately result in the need to increase fees, including but not limited to, the door fee. Our concern is, after working so hard last Session to increase our door fee, we are going to have to go back to our constituents and ask to raise the door fee again.

I will continue to work with the bill's sponsors and proponents on other ideas or other reforms. However, at this point, we are worried about the funding and purpose of this legislation.

DONNA ZANETTI (Co-chair, Legislative Action Committee, Community Associations Institute):

I am a practicing attorney in HOA law. I would like to focus on who exactly the Ombudsman works with. They work with homeowners, including those who take the time to volunteer to serve their communities on the Board of Directors. They work with professional HOA managers.

The NRS 116 sets out the job description for the Ombudsman. I would like to summarize that for the Committee and ask them to consider whether this job description belongs at an agency which is tasked with enforcement and punishment for violations of the laws, or does it belong right where it is?

The Ombudsman's job is to assist in processing claims for mediation or arbitration and to assist homeowners in understanding their rights and responsibilities. Sometimes owners will feel they have a claim, but it's the Ombudsman's job and that of his or her staff to make sure that they understand what their rights and responsibilities are under the law.

The Ombudsman also publishes materials. They assist members of the HOA Board to carry out their duties. When appropriate, they investigate disputes and assist in resolving those disputes. The focus of the Ombudsman and their staff is not to punish; it is to work with people to improve life in common-interest communities.

I went through some old minutes of the Commission for Common-Interest Communities and Condominium Hotels. Specifically, I read the minutes for an August, 2016 meeting. They summarized for the commissioners the work of the Ombudsman and their success rate in resolving complaints. I would like to point out first that the Commission and the Real Estate Division have support from the OAG. At this particular meeting, Senior Deputy Attorney General Sarah Bradley was present as Commission Counsel and Senior Deputy Attorney General Michelle Briggs was present as Division Counsel. The resources of the OAG were available to them.

The Ombudsman reported that, for FY 2015-2016, there were 192 intervention affidavits. Of those, 84 cases were resolved by conference. The resolution rate of their informal conference program was 78 percent. This program gets homeowners and boards together to work out their disputes. They held

102 classes, which served almost 1,000 people; all of this in a State that has 3,134 HOAs.

It seems to me that these statistics make the case that the Ombudsman and their staff are effective in the location they are currently in. As Mr. Gordon testified, there seems to be no problem that needs to be resolved today by making this expensive move to the OAG.

MARILYN BRAINARD (Legislative Action Committee, Community Association Institute):

I live in Sparks in a community association, Wingfield Springs. I have lived there for 19 years. I am very passionate about those of us who choose to live in a community association. I realize that it is not for everybody, but for my husband and I, the last 19 years have been very positive.

I have submitted for the Committee's review some written testimony ([Exhibit K](#)). I will now read my prepared remarks.

I would also like to share with Mr. Schneider that the CAI now very enthusiastically promotes community association manager licensing. The CAI does so in all of the states. They do think it is important.

MR. DUNCAN:

I am here on behalf of Attorney General Adam Laxalt. The OAG is opposed to S.B. 114. There is real confusion about what would fall under the jurisdiction of the OAG versus what would fall under the jurisdiction of the Real Estate Division in the way this bill is set up.

The NRS 228, which governs what the OAG does, makes the move of the Ombudsman's office to the OAG inconsistent with what the Legislature has tasked the OAG to do. We represent State executive branch agencies, and we enforce Nevada law for the protection of the public as a whole. The Ombudsman's office really serves individual Nevadans.

We believe the duties of the Ombudsman falls outside of the scope of the mission of the OAG. Senator Woodhouse mentioned that the OAG is better for investigating complaints. Our office always stands ready to investigate any type of complaint regarding systemic problems. However, the Attorney General was

not sought for counsel about this move, and the move is not something he wants to do at this time.

The other thing I want to note is that the OAG is legal counsel to both the Commission for Common-Interest Communities and Condominium Hotels (CICCH) and to the Real Estate Division. We prosecute disciplinary cases before the Commission, and we prosecute consumer protection cases involving common-interest community matters. By putting the Ombudsman's office within the OAG, many conflicts within our office will be created. If there is a complaint against the Division, who we represent, and we are also taking on the ombudsman's role, there will be legal conflicts of interest. I know Senator Harris can appreciate that.

This bill would mean setting up walls. It would mean walling attorneys off within OAG, which would be very difficult. Finally, we believe that this bill is essentially an unfunded mandate for the OAG, since a section of the bill says that reimbursement is available to the OAG "to the extent that money is available for that purpose."

I have submitted a letter from the OAG to the Committee that covers these points and others in our opposition to this bill ([Exhibit L](#)).

SENATOR KIECKHEFER:

The bill indicates that the Real Estate Division shall, to the extent that money is available, pay any claims submitted by the OAG for reimbursement for the Office of the Ombudsman.

I take that to read that they would have to perform their duties under NRS 116 first and that, if there was any money left over, they would be able to utilize it for Ombudsman purposes. Can you talk about your fiscal note and how many positions are included in that note? Was that reimbursement taken into consideration when creating the fiscal note?

MR. DUNCAN:

I am trying to pull up our fiscal note now. I am not sure if the amount of positions is included in it.

SENATOR KIECKHEFER:

Let me rephrase the question. Does your fiscal note accommodate for the full funding for the positions without any additional financial resources? Are all of the positions transferred over to the OAG?

MR. DUNCAN:

That is correct.

VICE CHAIR PARKS:

Seeing no further questions from the Committee, I will open the hearing to others who wish to testify in neutral to this bill.

SHARATH CHANDRA (Administrator, Real Estate Division, Department of Business and Industry):

The Division does not opine on policy issues. We just want to avail ourselves of the opportunity to provide a fiscal note for this bill. That note has been submitted, and I stand ready to answer questions from the Committee.

I want to reiterate the skew and scale of the work that the Ombudsman's office does. There are approximate 1.2 million residents of the State living in HOAs. There are over 3,100 registered HOAs in the State. There are close to 1,000 common-interest community managers. We participate in over 110 conferences to resolve disputes, and pursued 420 alternate dispute resolutions that have been processed through our office. There were about 150 cases against licensees and 110 cases against boards. We also perform education and training programs and provide administrative functions as well.

This bill would create some fiscal challenges, which we have indicated in our fiscal note, and we believe the OAG's fiscal note does the same as well.

VICE CHAIR PARKS:

That will conclude our hearing on S.B. 114. I will return the gavel and the chairing of this meeting back to Senator Woodhouse.

CHAIR WOODHOUSE:

Thank you. The Committee will now open the hearing on S.B. 511.

SENATE BILL 511: Revises provisions governing boating and wildlife.
(BDR 45-896)

TONY WASLEY (Director, Nevada Department of Wildlife):

This bill was put forward by the Nevada Department of Wildlife (NDOW). It is a license simplification effort. Presently, NDOW has 27 different licensing options for hunting and fishing that are broken out in a number of different ways. There are combination licenses, youth licenses and adult licenses, among others.

This bill aims to simplify that. It would take us from 27 licenses down to 8 licenses. The fiscal note attached to this bill accounts for approximately \$72,000 which is needed for programming costs with the current vendor to take our current licensing structure and simplify it.

I am aware that there will be a couple of amendments that are under consideration today. One of those amendments will be related to the Native American license option. It was not the intent of NDOW to slight any individuals receiving specialty licenses. The Native American community has expressed a desire to have their aboriginal heritage recognized and will bring forward an amendment to that effect. We view that as a friendly amendment.

I believe the Farm Bureau will also bring forward an amendment that was authored by Senator Goicoechea ([Exhibit M](#)). [Exhibit M](#) will address a statutory limit on the number of deer and antelope damage compensation tags that can be provided. The NDOW would view this as a friendly amendment and support it. We would ask the Committee to consider adopting language making this bill active upon passage and approval.

SENATOR KIECKHEFER:

Would this bill take licensing fees out of the regulatory purview of the Wildlife Commission?

MR. WASLEY:

The authority involved in licensing fees do not presently exist with the Commission. Those are statutorily set. This bill is a revenue-neutral idea. We are looking for the ability to condense what is currently 27 licenses down to 8 different ones. We need Legislative approval to do so.

SENATOR KIECKHEFER:

I apologize for misinterpreting that.

CHAIR WOODHOUSE:

The hearing is now open for those who wish to testify in support of S.B. 511.

ERNIE ADLER (Pyramid Lake Paiute Tribe):

The tribal councils strongly support this bill with the amendment that we have proposed ([Exhibit N](#)). [Exhibit N](#) essentially recognizes the aboriginal or indigenous hunting rights of Native Americans in the State. We believe this is key. In talking with the councils and tribal members, I found they just want to make certain those rights are recognized in legislation.

WILL ADLER (Pyramid Lake Paiute Tribe):

I am the author of [Exhibit N](#). [Exhibit N](#) is a friendly amendment that will recognize the hunting rights of Native Americans by giving them their own license category. The bill's goal is to simplify Nevada's licensing, but we felt specific acknowledgement of these rights was appropriate. We want to amend the bill to include a Native American combination certificate with the explicit purpose of acknowledging indigenous hunting rights.

DOUG BUSSELMAN (Executive Vice President, Nevada Farm Bureau Federation):

We are here to propose an amendment to correct a problem that needs immediate attention. We thank Senator Goicoechea for his help in drafting [Exhibit M](#). I will now read the first paragraph of [Exhibit M](#), which indicates the intent of the amendment. [Exhibit M](#) would increase a cap for tags provided for damage compensation for deer or antelope damage to private land from 1.5 percent of all deer and antelope tags to 2.5 percent.

The remainder of [Exhibit M](#) details exactly what language in the bill needs to be changed and where those changes are. The change in the cap is indicated on page 2 of [Exhibit M](#). In order for this to be effective in dealing with the current year's problems, we need to further amend [Exhibit M](#) to make sure the legislation in section 6 of the bill becomes effective upon passage and approval.

MARLA WILLIAMS (Reno-Sparks Indian Colony):

We appreciate the efforts of NDOW to reduce the overall costs of tags. However, we do have concerns about eliminating language from the statutes that exempts Native Americans from paying fees for hunting and fishing licenses. We would also like to understand how certain provisions will be carried forward.

Currently, to obtain a Native American hunting and fishing license, you have to physically go to an office of NDOW. You cannot get it online. It would be great if the bill allowed us to obtain them online. We understand one of the reasons for the changes in this legislation is due to the need to account for federal funding. I am curious if this is the only way that can be accomplished.

We are not in opposition to the bill. We are looking for some opportunity to ensure that State law still recognizes that Native Americans have a historical right to hunt and fish.

CHAIR WOODHOUSE:

I want the record to reflect that the Committee also received a letter from the Washoe Tribe of Nevada and California that indicates their support for this bill ([Exhibit O](#)).

Seeing no one who wishes to testify in either the oppositional or neutral position on this bill, I will now close the hearing on S.B. 511. The Committee will move on to S.B. 519.

SENATE BILL 519: Makes supplemental appropriations to the Division of Child and Family Services of the Department of Health and Human Services for a projected shortfall for adoption subsidies. (BDR S-1181)

DANETTE KLEUVER (Deputy Administrator, Administrative Services, Division of Child and Family Services, Department of Health and Human Services):
This bill would apply to both Washoe County and Clark County child welfare agencies. There is a slight amendment needed based on our current caseload projections. I would like to put those supplemental requests on the record.

For Washoe County Child Welfare, the sum for the appropriation was originally \$3,378. That needs to be changed to \$15,608, which is an increase of \$12,230.

For Clark County Child Welfare, the sum for the appropriation was originally \$340,067. That needs to be changed to \$377,244, which is an increase of \$37,177.

CHAIR WOODHOUSE:

Seeing no one else who wishes to testify in regards to S.B. 519, the Committee will continue to S.B. 520.

SENATE BILL 520: Makes a supplemental appropriation to the Division of Child and Family Services of the Department of Health and Human Services for an unanticipated increase in expenditures relating to the mainframe hosted by the Division of Enterprise Information Technology Services of the Department of Administration. (BDR S-1180)

Ms. KLEUVER:

This bill is for a supplemental appropriation for our Information Services budget account. Based on current projections, we no longer need this supplemental appropriation. We are withdrawing our request.

CHAIR WOODHOUSE:

Seeing no one else who wishes to speak regarding this bill, the Committee will continue to S.B. 526.

SENATE BILL 526: Makes supplemental appropriations to the Division of Child and Family Services of the Department of Health and Human Services for projected shortfalls related to child and adolescent services. (BDR S-1169)

Ms. KLEUVER:

This bill is for an appropriation to cover our FY 2014-2015 certified public expenditure cost settlement for the children's mental health budget accounts. There are no changes needed for this appropriation. I am here to confirm that this bill is still needed and that the amounts referred to in the bill are correct.

CHAIR WOODHOUSE:

Seeing no one else who wishes to speak regarding this bill, I will conclude the hearing on S.B. 526. I will now open the hearing for S.B. 428.

SENATE BILL 428 (1st Reprint): Provides for the issuance of certain special license plates. (BDR 43-1015)

BRIAN MCANALLEN (Government Affairs Manager, City of Las Vegas):

This bill was developed through work with the Senate Committee on Transportation. This legislation is in regards to a new license plate for the Tule Springs State Park, which is one of the new State parks proposed this Session. That park is adjacent to the Tule Springs National Monument which was designated by Congress in 2014. This land was originally designated as a monument by former legislator Harry Mortensen as a result of the fossil excavations that occurred in 1933 and 1968. Mr. Mortensen and his wife have spent a number of years trying to preserve those fossils.

We are trying to find extra dollars to support the new State park. The Tule Springs license plate is a part of that effort. The plate was initially for the Tule Springs National Monument, but was amended to be for the State park in the Transportation Committee. The money raised by the plates would go towards the Ice Age Foundation, of which Helen Mortensen is the president. We believe we have the right partners to help the new State park.

When this bill was in a work session in Transportation, we also amended another portion that deals with Raiders license plates. I will let the next speaker address that.

SENATOR MARK A. MANENDO (Senatorial District No. 21):

Since we had this bill in our possession in Transportation, there were some who came forth with an idea for a Raiders license plate. We know the Las Vegas Raiders are coming soon. We decided to include that plate in this legislation.

As that idea progressed, we found out that there were issues with the trademark. We agreed to amend that portion of the legislation out. Proposed Amendment 4354 ([Exhibit P](#)) to S.B. 428 does so. Page three of [Exhibit P](#) shows these changes. We have removed the specific name of the Las Vegas Raiders.

We are thinking that, in a couple of years, we may end up having a professional soccer team in Nevada. That could happen well before the Raiders ever kick off in Las Vegas. There is such an interest in soccer as well. Instead of having to return in a few years, we decided to make legislation that lets any professional, major-league sports team that is based in Nevada go through a process to get special plates. The regulations would let teams go directly to the Department of Motor Vehicles if they wanted to make a license plate.

I have many such special license plates in my office that I have acquired over the years. We have plates for organ donor awareness, for the universities of Nevada, plates for veterans, plates for volunteer firefighters, plates for Lake Tahoe and plates for children's issues, among others.

These plates are so exciting and so popular. Wherever you travel, people have special license plates. They really love them. We know that people are passionate about sports as well. We appreciate the Committee's consideration of this bill.

SENATOR KIECKHEFER:

The money from the Tule Springs plates would go to the charity mentioned previously. When it comes to the professional sports teams plates, the money would go into the revolving account for the issuance of special license plates as created by NRS 482.1805. What is that account used for?

SENATOR MANENDO:

That would be up to the teams if they decide to go forward with a plate. I know many major teams have a preferred charity or two. We do not want to handcuff them to a particular charity. That is my understanding.

MR. KRMPOTIC:

The account Senator Kieckhefer referred to is the account money is directed to for the production of the license plates. Whatever is unspent in that account at the end of the year, less \$50,000, is reverted to the Highway Fund.

THOMAS MORLEY (Laborers International Union Local 872):

We support this bill and offered [Exhibit P](#). Plates would be paid for by the fan base. We have the Vegas Golden Knights and, very likely, the Raiders coming soon. Major League Baseball is looking at Nevada for a potential expansion as well. We feel this legislation would help build the fan base and build a tie to the community that many Nevadans have looked forward to. We look forward to having more professional sports in Nevada.

CHAIR WOODHOUSE:

Is there anyone present who wishes to speak in support of this bill?

ROBERT A. CONWAY (Ironworkers Local 433):

We support this bill for all of the reasons just offered. Thank you for your consideration.

CHAIR WOODHOUSE:

Seeing no one who wishes to testify in opposition to this bill, the Floor is now open for those wishing to testify in a neutral position.

SEAN P. McDONALD (Administrator, Central Services and Records Division, Department of Motor Vehicles):

We have been following this legislation through its evolution. In the beginning, it was just for Tule Springs. Now, it has progressed to include [Exhibit P](#). We appreciate the time Senator Manendo and the bill's proponents have put into this legislation. There is no fiscal impact to the Department regarding this bill.

CHAIR WOODHOUSE:

That will conclude our hearing on [S.B. 428](#). The Committee will now enter a work session for some bills. The first bill in the work session is [S.B. 227](#).

[SENATE BILL 227 \(1st Reprint\)](#): Revises provisions relating to nurses.
(BDR 54-213)

MR. KRMPOTIC:

This bill was heard on May 2. It was sponsored by Senator Woodhouse. It amends existing law to authorize a qualified advanced practice registered nurse to sign, certify, stamp, verify or endorse certain documents requiring the signature, certification, stamp, verification or endorsement of a physician.

Chelsea Capurro of the Griffin Company testified in support of the bill. There was no opposition to the bill, nor was there any neutral testimony. Staff would note though that there was a fiscal note submitted by the Division of Industrial Relations indicating a cost of \$69,994 in FY 2017-2018 and a cost of \$84,996 in FY 2018-2019. This was based on the projected increase in workload needed to certify an approximately 1,600 advanced practice registered nurses to conduct evaluations pursuant to worker's compensation claims.

Senator Woodhouse has submitted a proposed conceptual amendment ([Exhibit Q](#)). [Exhibit Q](#) would delete sections 91 through 126 which deal with the

Industrial Insurance Act. Therefore, it would appear that with [Exhibit O](#), that fiscal note would be withdrawn.

SENATOR KIECKHEFER MOVED TO AMEND AND DO PASS AS AMENDED S.B. 227.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

CHAIR WOODHOUSE:

The Committee will continue its work session and move on to S.B. 501.

SENATE BILL 501: Extends the prospective expiration of the Consumer Affairs Unit of the Department of Business and Industry. (BDR 18-908)

JAIMARIE DAGDAGAN (Program Analyst, Fiscal Division, Legislative Counsel Bureau):

This bill was heard on April 17. It would extend the prospective expiration date of the Consumer Affairs Unit from June 30, 2017 to June 30, 2019. This bill implements a budget decision. The Joint Subcommittees on General Government approved continued funding for the Unit on May 5. Subsequently, on May 6, the Full Joint Committees of the Senate Committee on Finance and the Assembly Committee on Ways and Means approved a transfer of settlement funds from a new settlement budget account within the OAG to fund the Unit.

The deputy director for the Department of Business and Industry presented this bill on April 17. There was no other testimony in support. There was no testimony in opposition or in neutral as well. There are no amendments to the bill. This bill is effective upon passage and approval.

SENATOR DENIS:

I remember when the recession caused us to get rid of the Unit. I was worried about the void that doing so left. This was right around the time we created the Ombudsman position for Minority Consumer Affairs. I am glad to see this here so that we can continue to provide help for consumers in fraud cases, among

other things. Even if the Unit is not quite back to where it was, this is good to see.

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

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

CHAIR WOODHOUSE:

That will conclude our work session. This meeting is now open for public comment.

PEGGY LEAR BOWEN:

I came forward to clarify a public comment I made last week regarding guardianships. Provisions of the Affordable Care Act (ACA) left out kids in guardianships because guardianships cease at age 19, not age 18. We, in Nevada, have retirees in the Public Employees Benefit program who want to be able to cover those in guardianships under them. Everybody worked hard to put forth a guardianship piece of legislation, and the Governor wrote an emergency measure so that kids in guardianships could be covered.

The ACA allowed children to be covered by their parents until they were 26 years old. They did not have to be in school or living at home. They can be married. Under the Nevada measure for guardians, in order to receive that coverage, the kids have to either live at home or be enrolled at school. Additionally, they cannot be married. I was asking the Legislature to look at that statute and, if it still remains, remedy this disparity.

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CHAIR WOODHOUSE:

Seeing no other business before the Committee and no further public comments, I adjourn this meeting as of 8:57 p.m.

RESPECTFULLY SUBMITTED:

Colby Nichols,
Committee Secretary

APPROVED BY:

Senator Joyce Woodhouse, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit / # of pages		Witness / Entity	Description
	A	2		Agenda
	B	5		Attendance Roster
S.B. 235	C	3	Senator Woodhouse	Introductory Remarks
S.B. 235	D	15	Alfredo Alonso	Amendment
S.B. 235	E	3	William Horne / StubHub	Proposed Conceptual Amendment
S.B. 235	F	1	Samuel McMullen / Event Ticket Marketing Association	Proposed Amendment
S.B. 235	G	1	Samuel McMullen / Event Ticket Marketing Association	Vegas Golden Knights Consumer Acknowledgment
S.B. 235	H	1	David Goldwater / Nevada Ticket Broker's Association	Testimony in opposition
S.B. 114	I	1	Senator Woodhouse	Introductory Remarks
S.B. 114	J	2	Jonathan Friedrich	Testimony in support
S.B. 114	K	1	Marilyn Brainard	Testimony in opposition
S.B. 114	L	2	Wesley K. Duncan / OAG	Testimony in opposition
S.B. 511	M	2	Senator Goicoechea	Proposed Amendment
S.B. 511	N	1	Will Adler / Pyramid Lake Paiute Tribe	Proposed Amendment
S.B. 511	O	1	Washoe Tribe of Nevada and California	Letter of Support
S.B. 428	P	15	Senator Manendo	Proposed Amendment 4354
S.B. 227	Q	1	Senator Woodhouse	Proposed Conceptual Amendment