

**MINUTES OF THE
SENATE COMMITTEE ON GOVERNMENT AFFAIRS**

**Seventy-ninth Session
April 12, 2017**

The Senate Committee on Government Affairs was called to order by Chair David R. Parks at 12:48 p.m. on Wednesday, April 12, 2017, in Room 2135 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412 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 David R. Parks, Chair
Senator Mark A. Manendo, Vice Chair
Senator Julia Ratti
Senator Joseph P. Hardy
Senator Pete Goicoechea

GUEST LEGISLATORS PRESENT:

Senator Pat Spearman, Senatorial District No. 1

STAFF MEMBERS PRESENT:

Jennifer Ruedy, Policy Analyst
Heidi Chlarson, Counsel
Barbara Williams, Committee Secretary

OTHERS PRESENT:

Andres Moses, Eighth Judicial District Court, Clark County
Jude Hurin, Administrator, Division of Management Services and Programs,
Department of Motor Vehicles
Sherry L. Rupert, Executive Director, Nevada Indian Commission, Department of
Tourism and Cultural Affairs
Marla McDade Williams, Reno-Sparks Indian Colony
James Wadhams, Las Vegas Convention and Visitors Authority
Amanda R. Brazeau, Nevada Humane Society

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Kiska Icard, Chief Executive Officer, Nevada Humane Society
Nicki Aaker, Director, Carson City Health and Human Services
Lisa Schuette, Carson Animal Services Initiative
Joe Ratliff
Karen Layne, President, Las Vegas Valley Humane Society
Mendy Elliott, Nevada Humane Society
Shyanne Schull, Director, Washoe County Regional Animal Services
John Fudenberg, Clark County
Laura Richards
William Molini, Coalition for Nevada's Wildlife
Kyle Davis, Nevada Conservation League
Jennifer Newmark, Administrator, Wildlife Diversity Division, Department of
Wildlife
Gary W. Olsen
Denise Tanata, Children's Advocacy Alliance
Leonardo Benavides, Legal Aid of Southern Nevada; Washoe Legal Services
Kathleen Conaboy, Nevada Rural Housing Authority
William Brewer, Deputy Director, Nevada Rural Housing Authority
Amy Jones, Executive Director, Housing Authority of the City of Reno
Jodi Tyson, Three Square
Reggie Richardson, President, Sapphire Innovative Solutions, Inc.
Robert Frank, Nevada Secure the Grid Coalition
Mack Jackson, Jr., IIIJ Computer Concepts
Joe Wilson, Telco Capital IT
Ray Bacon, Nevada Manufacturers Association
Paul J. Moradkhan, Las Vegas Metro Chamber of Commerce
Tray Abney, The Chamber
John P. Lopez, Cox Communications
Debra Gallo, Southwest Gas Corporation
Randy Robinson, CenturyLink
Randy J. Brown, AT&T Nevada
Omar Saucedo, Southern Nevada Water Authority
Samuel McMullen, Nevada Bankers Association
Brian McAnallen, City of Las Vegas
Mike Eifert, Executive Director, Nevada Telecommunications Association
Misty Grimmer, Employers Insurance Company of Nevada
Ira Victor, InfraGard

CHAIR PARKS:

I will open the meeting with the bills in work session. We will begin with Senate Bill (S.B.) 79.

SENATE BILL 79: Revises provisions concerning the personal information of certain persons contained in certain records. (BDR 20-400)

JENNIFER RUEDY (Policy Analyst):

I will present S.B. 79 and Proposed Amendment 3264 from the work session document ([Exhibit C](#)).

There were several individuals involved in the consensus agreement of the attached mock-up. Andres Moses will explain the amendment.

ANDRES MOSES (Eighth Judicial District Court, Clark County):

There were several amendments to S.B. 79, including those from the Land Title Association of Clark County, the Nevada District Attorneys Association, the Las Vegas Justice Court and Safe Nest. Senate Bill 6 has been blended into S.B. 79.

SENATE BILL 6: Revises provisions relating to the confidentiality of personal information contained in records of county assessors. (BDR 20-376).

It is my understanding that the amendment has resolved the fiscal concerns of the Department of Motor Vehicles (DMV).

JUDE HURIN (Administrator, Division of Management Services and Programs, Department of Motor Vehicles):

The proposed amendment does remove the fiscal note. The changes allow us to absorb those requirements and to move forward with an alternate address on a form that DMV can accept.

MS. RUEDY:

There are two amendments in [Exhibit C](#). The consensus mock-up appears first, and the second is a single sheet provided by Safe Nest for S.B. 6. It was omitted in the first mock-up.

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MR. MOSES:

We are comfortable with that amendment, and we have heard no objections from other parties.

SENATOR HARDY:

Were the objections of the Nevada District Attorneys Association addressed?

MR. MOSES:

The Association's amendment was incorporated in the S.B.79 mock-up before you. It accomplishes the same goals as S.B. 6, but on a broader scale.

SENATOR RATTI MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 79.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR PARKS:

Next is S.B. 83.

MS. RUEDY:

Senate Bill 83 was heard by the Committee on February 15 and expands the purpose and powers of the Nevada Indian Commission. The bill authorizes the Commission to facilitate coordination and consultation between the State of Nevada and tribal governments within Nevada; act as the coordinating agency and point of contact for intergovernmental and interagency programs relating to tribal governments, intertribal organizations, Indian-owned businesses and the State; and assist in establishing policy and serve as a clearinghouse for all programs in the State which affect or relate to American Indians or tribal governments. Ms. Rupert is here to discuss the proposed amendment in the work session document ([Exhibit D](#)).

SENATE BILL 83: Revises various provisions relating to the Nevada Indian Commission. (BDR 18-245)

SHERRY L. RUPERT (Executive Director, Nevada Indian Commission, Department of Tourism and Cultural Affairs):

Under section 1 that amends *Nevada Revised Statutes* (NRS) 233A.090, we are amending the purpose of the Nevada Indian Commission. I previously mentioned that the Commission has been around since 1965 and has expanded its activities since then, so we are expanding its purpose. We have removed the language that stated "without limitation." We cleaned up the language covering the Commission's requirement to report to the Legislature.

In section 2, subsections 1 through 3 were already in existing statute. In subsection 3, we added federal cooperation because we do work with federal agencies from time to time. In subsection 4, we addressed some concerns of some tribal leaders that the Commission could act as a bottleneck with State agencies by adding language that stipulated it would only be "when called upon" and "not to infringe upon tribal sovereignty."

In section 2, subsection 5, we changed "act as the coordinating agency" to "act as a coordinating agency," and in subsection 6 we attempted to add clarity to the word "clearinghouse." For the Commission, our role as clearinghouse means gathering information and providing that information to others.

SENATOR GOICOECHEA MOVED TO AMEND AND DO PASS AS AMENDED S.B. 83.

SENATOR MANENDO SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR PARKS:

We will move on to S.B. 244.

SENATE BILL 244: Revises provisions relating to historic preservation.
(BDR 33-515)

MS. RUEDY:

I will summarize S.B. 244 and its suggested amendments from the work session document ([Exhibit E](#)).

MARLA MCDADE WILLIAMS (Reno-Sparks Indian Colony):

We conducted a meeting with various individuals who had concerns about the bill. The first amendment in [Exhibit E](#) removes references to "historic" in section 6, so that the permit process would only apply to a prehistoric site. It also clarifies the term "excavation," making it consistent with the language in NRS 381.199. A new subsection is added to section 6 making it clear that a permit is not required if a person is undergoing a lawful activity such as construction, mining, logging or farming. This is an area that has been problematic for some of the groups we have been working with, but the new language should increase their comfort level.

The intent of the second amendment is to make it permissive for a private entity to work directly with a tribe or the State Office of Historic Preservation. We added provisions where a tribe must respond within ten days once it has received notice. There is additional clarification of an appeals process for the private landowner.

Amendment No. 3 proposes that an existing agreement with a tribe can serve as the guiding authority and not require involvement with other State entities when items are found. Amendment No. 4 affects section 35 and reverts the language back to existing law. I remind the Committee that a situation involving criminal penalties would only occur after a gravesite has been disturbed and items have been removed. The section would not apply if an entity had already gotten a permit. Amendment No. 5 clarifies the definition of certain terms.

Under existing law, the museum director can designate another State agency to carry out his activities under a permit. There was concern that [S.B. 244](#) might require a private entity to have to comply with different agencies. Amendment No. 6 clarifies that the museum director has oversight if a delegation is made under his authority rather than transferring his authority.

SENATOR GOICOECHEA:

The lawful activities you have described do not always occur on private land. What happens when they occur on public lands?

MS. MCDADE WILLIAMS:

Existing State law already governs these lawful activities on State or federal land.

SENATOR GOICOECHEA:

My concern is the narrow time limit. What if a project, after unearthing a prehistoric site, has to shut down for 30 days?

MS. MCDADE WILLIAMS:

Under current law, if an entity comes across that situation, they work with the State Office of Historic Preservation. If a tribe is involved, it also has rights under NRS 383. This bill does not change any regulations covering activities on public land. This bill models the regulations under current law as it applies to State lands and applies it to private land. We are proposing that it not be different in timeline. We have added a specific timeline in which the tribe must respond.

SENATOR GOICOECHEA:

I do wish the timeline were opened up a bit. To be clear, if you are engaged in a lawful activity on private or public lands, you would not need a permit.

MS. MCDADE WILLIAMS:

That is correct. You would only need a permit if you were conducting a prehistoric investigation. Your bill drafters can develop some language that relaxes the timeline if the Committee wishes.

SENATOR RATTI:

I would like to move this bill forward because we are up against a deadline. I think we are most of the way there. If Senator Goicoechea would like to sit down with me once the amendment language is drafted, I would be happy to make sure we have met your concerns.

SENATOR GOICOECHEA:

I am fine with that.

SENATOR HARDY:

Can you clarify the definition of prehistoric?

MS. MCDADE WILLIAMS:

Prehistoric is defined in NRS 381.195, which defines it as before the middle of the eighteenth century. The main concern for the Reno-Sparks Indian Colony is native tribal remains.

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SENATOR HARDY:

This bill mirrors and marries the regulations covering public and private land.

Ms. MCDADE WILLIAMS:

That is the intent.

SENATOR HARDY:

Is the language we have before us the same as existing language for public lands?

Ms. MCDADE WILLIAMS:

It is as consistent as possible, given that it is State law that the bill drafters were working with.

SENATOR MANENDO MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 244.

SENATOR HARDY SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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SENATOR GOICOECHEA:

I reserve the right to change my vote on the Floor.

CHAIR PARKS:

The next bill in the work session is S.B. 245.

SENATE BILL 245: Revises provisions governing county treasurers.
(BDR 20-599)

Ms. RUEDY:

I will present S.B. 245 and proposed amendment language from the work session document ([Exhibit F](#)). The proposed amendment deletes sections 1 and 3, leaving only the provisions related to a facsimile signature.

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CHAIR PARKS:

It appears the concerns by various county commissions about the other provisions were unable to be resolved.

SENATOR MANENDO MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 245.

SENATOR RATTI SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR PARKS:

We will proceed to S.B. 356.

SENATE BILL 356: Revises provisions relating to collective bargaining.
(BDR 23-1132)

Ms. RUEDY:

I will summarize S.B. 356 and a proposed amendment from the work session document ([Exhibit G](#)).

SENATOR GOICOCHEA:

This bill does away with many of the provisions we worked very hard on last Session. I think it is too sweeping a change, and I will be opposing it.

SENATOR MANENDO MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 356.

SENATOR RATTI SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS GOICOCHEA AND HARDY
VOTED NO).

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CHAIR PARKS:

The next bill in the work session is S.B. 397.

SENATE BILL 397: Revises provisions relating to employment. (BDR 18-14)

MS. RUEDY:

I will present S.B. 397 and a conceptual amendment proposed by Senator Ratti from the work session document ([Exhibit H](#)).

SENATOR HARDY:

I was concerned about the punitive damages, the look-back pay equity and the fiscal note. I will not be voting yes on this one.

SENATOR RATTI MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 397.

SENATOR MANENDO SECONDED THE MOTION.

SENATOR GOICOECHEA:

I have a concern about the ability of the Nevada Equal Rights Commission to impose such large fines, as well as due process.

CHAIR PARKS:

I have been asked whether this bill will go to Senate Finance. My presumption is that it will. It may be rereferred, or they may pick it up off the Floor. I am including one document in opposition to the bill ([Exhibit I](#)) for the record.

THE MOTION CARRIED. (SENATORS GOICOECHEA AND HARDY
VOTED NO).

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CHAIR PARKS:

The next bill in the work session is S.B. 460.

SENATE BILL 460: Revises provisions governing the membership of the Local Government Employee-Management Relations Board. (BDR 23-556)

MS. RUEDY:

I will present S.B. 460 from the work session document ([Exhibit J](#)).

CHAIR PARKS:

This bill was considered by the Sunset Subcommittee of the Legislative Commission. There was quite a bit of discussion and, as I remember, no opposition.

SENATOR RATTI MOVED TO DO PASS S.B. 460.

SENATOR MANENDO SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR PARKS:

The next bill in front of us is S.B. 464.

SENATE BILL 464: Revises provisions relating to agreements with labor organizations concerning employees who perform work on convention centers. (BDR 28-1041)

MS. RUEDY:

I will summarize S.B. 464 from the work session document ([Exhibit K](#)). An amendment from the Las Vegas Convention and Visitors Authority ([Exhibit L](#)) furthers narrows the application of the bill.

JAMES WADHAMS (Las Vegas Convention and Visitors Authority):

This amendment does exactly what Ms. Ruedy indicated. It narrows the scope down to the \$1.4 billion expansion. We deleted section 2 in its entirety and believe we have addressed most of the concerns.

SENATOR GOICOECHEA:

I have had concern on the number of core employees. I was under the impression that there would be some language in here that would address it.

MR. WADHAMS:

Those discussions would not be in the bill. They would be in the project labor agreement (PLA). The Las Vegas Convention and Visitors Authority has agreed to make sure that number is expanded.

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SENATOR GOICOECHEA:

Do we have the commitment from the Authority that it will be incorporated in the PLA?

MR. WADHAMS:

Yes, that commitment is on the record. It presumes that the Authority will direct staff to enter into a PLA.

SENATOR HARDY:

Are the discussions regarding the commitment and which companies and jobs will be used ongoing, or have they already happened?

MR. WADHAMS:

That information is not the kind that would be in the statute, but the Authority has been participating in discussions with those that represent organized labor and those that do not. We think the numbers that have been discussed can be achieved. That would be the direction the Authority would pursue. This is now narrowed down to the specific expansion that the Legislature authorized in S.B. No. 1 of the 30th Special Session.

SENATOR MANENDO MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 464.

SENATOR RATTI SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR HARDY VOTED NO).

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SENATOR HARDY:

I reserve the right to change my vote on the Floor.

SENATOR GOICOECHEA:

I reserve the right to change my vote on the Floor.

CHAIR PARKS:

The next bill in the work session is S.B. 469.

SENATE BILL 469: Revises provisions relating to collective bargaining between a local government employer and a recognized employee organization. (BDR 23-685)

MS. RUEDY:

I will present S.B. 469 with Proposed Amendment 3499 from the work session document ([Exhibit M](#)).

SENATOR GOICOECHEA:

I am sure most local governments would have preferred 25 percent, and I can understand that. The compromise that was reached is quite reasonable.

SENATOR HARDY:

I am concerned with what happens when the next recession comes. I think 25 percent is probably safer, so I cannot support this bill.

SENATOR GOICOECHEA MOVED TO AMEND AND DO PASS AS AMENDED S.B. 469.

SENATOR RATTI SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR HARDY VOTED NO).

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CHAIR PARKS:

The last bill in the work session is S.B. 493.

SENATE BILL 493: Revises provisions concerning the participation of certain school administrators in collective bargaining. (BDR 23-1081)

MS. RUEDY:

I will summarize S.B. 493 with a proposed amendment by Clark County School District from the work session document ([Exhibit N](#)).

CHAIR PARKS:

In working on the bill, I believe the added language is not needed. I think the bill stands on its own.

SENATOR MANENDO MOVED TO DO PASS S.B. 493.

SENATOR RATTI SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR GOICOECHEA VOTED NO).

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SENATOR GOICOECHEA:

I reserve the right to change my vote on the Floor.

CHAIR PARKS:

I will now open the hearing on S.B. 411.

SENATE BILL 411: Authorizes a local government to establish a program for the managed care of feral cat colonies. (BDR 20-11)

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

I want to thank Senator Ratti for her sponsorship and work on this bill. She has been a champion for feral cats for some time.

Senate Bill 411 will help in the management of feral cats throughout Nevada. You may wonder why we need a bill to accomplish this. We have multiple nonprofit organizations that trap, neuter and return (TNR) feral cats at no cost to the taxpayer. With our amendment, this bill does one thing. It places in NRS that a TNR feral cat, when released, is not considered abandoned per existing statute. This is important because shelters all over Nevada struggle in their efforts to adopt out as many animals as possible. By allowing communities to implement TNR programs, you are providing municipal shelters all over the State the ability to attract additional private resources.

Washoe County is an excellent example. Over a decade ago, a concentrated effort was made to sterilize as many cats as possible by Washoe County residents with the support of nonprofit assistance. In 2006, Washoe County Animal Services euthanized 2,699 cats. Last year, that number was 171. It costs an average of \$50 to trap, neuter, vaccinate and release a feral cat. For a shelter to accept feral cats, hold them for the mandatory period, euthanize and dispose of their bodies, the average cost to the taxpayer is \$250. If Washoe County was still euthanizing cats at the 2006 rate, the annual budget

would need an additional \$632,000 every year. Additionally, by educating the community, the rate at which people surrender cats to Washoe County has dropped by 30 percent.

The Nevada Humane Society (NHS) will present additional information on the impact of TNR and the importance of support for S.B. 411. At the end of the day, your support of this bill means fewer cats will come into shelters, fewer cats will die in Nevada shelters and there will be measurable cost savings to the taxpayers. It really is a win-win situation.

AMANDA R. BRAZEAU (Nevada Humane Society):

I am going to walk you through the changes of our latest mock-up of Proposed Amendment 3746 ([Exhibit O](#)). Sections 1 through 4 of the original bill have been deleted. The definition of "feral cat" has been moved to section 5.

Existing law prohibits a person from engaging in cruelty to animals, which includes abandonment. In section 5 of the bill, we are requesting an exemption to the abandonment provision of NRS 574.110 as it relates to feral cats that have been vaccinated and spayed or neutered. They shall not be considered abandoned if released. Section 6 of the bill states that this becomes law upon passage and approval.

KISKA ICARD (Chief Executive Officer, Nevada Humane Society):

My presentation ([Exhibit P](#)) is in support of S.B. 411. I have 20 years of experience in animal welfare, specifically in no-kill shelters. I am here today to speak on behalf of NHS, our Board of Directors and the nearly 50,000 annual supporters.

Nevada Humane Society provides animal sheltering in Washoe County in partnership with Washoe County Regional Animal Services. Additionally, we hold the animal control and sheltering contract for Carson City. Trap, neuter, return activities provide a positive community benefit. Even if you do not care about cats, this is why you should care about TNR. Trap, neuter, return is the only feral cat management program proven to reduce a community's feral cat population. I can cite studies from all over the Country where communities have embraced TNR and have benefitted from dramatic drops in their cat intakes. Some communities that have subscribed to the trap and kill model have actually seen their feral cat population rise.

In Washoe County, the cat save-rate was 50 percent in 2006. A community save-rate is essentially how many animals come into the shelter and how many leave alive. A decade ago, 8,100 cats were taken in between Washoe County Animal Services and NHS. Last year, that number was 5,600. Imagine if every year we had an additional 2,500 cats coming to us. Our shelter's resources would be thinner and fewer animals would be helped.

Prior to 2014, Carson City Animal Services was a sad place where nearly half the animals lost their lives. Nevada Humane Society collaborated with Carson City beginning in 2014 to provide animal control and sheltering services. Overnight, the save-rate skyrocketed from 55 percent to 95 percent. Our contract with Carson City is \$35,000 less than what the city was spending previously to save half as many lives.

There are still thousands of healthy and treatable animals at risk in southern Nevada. As we have built increased capacity in northern Nevada, we are now in a position to help more animals in southern Nevada. Every community must be empowered to implement TNR to reduce the intake.

Trap, neuter, return also produces a positive community economic benefit. Dead cats only need to be buried. Cats that are alive need to be sterilized, vaccinated and fed. This creates an economic ripple effect. Most feral cat caretakers provide their own supplies. That means a lot of money spent in the local economy. A Florida animal rights group published a report about a no-kill shelter's economic impact. The group demonstrated that for every \$1.00 raised by a no-kill shelter, \$1.70 was generated in positive revenue within the community.

Trap, neuter, return also provides poison-free pest control. We have many farmers and ranchers who embrace working cats on their property. Nevada Humane Society and Washoe County Animal Services accept over 5,000 cats annually. Feral cats who cannot return to their original location we adopt out as working cats. Our average length of stay for cats is just ten days.

The American Veterinary Medical Association supports TNR nonlethal strategies and the collaboration of public-private partnerships. Animal suffering is lessened by TNR. Ten years ago, Washoe shelters killed nearly 2,500 more cats annually. Imagine what this does to the psyche of shelter workers. Euthanasia must be

reserved to eliminate suffering, such as feral cats that come to us too ill to be released and with little hope of recovering.

Trap, neuter, return also enhances a feral kitten's chance of being adopted. Whether or not this bill passes, TNR will continue. However, when a community embraces TNR, trust is built with the feral cat caretakers. If residents understand that a shelter saves healthy cats, they are much more likely to collaborate. When feral kittens are brought in early, neutered and adopted, the result is less feral cats in the community.

All of our lifesaving programs work in concert. We approach animal homelessness from a holistic standpoint, finding the right outcome for each animal. Our TNR numbers are relatively small. Out of the 5,100 cats that were accepted between NHS and Washoe County Animal Services, only 160 were trapped, neutered and returned; the rest were adopted out.

Trap, neuter, return also helps lost cats. Feral cat caretakers know the cats they look after. When new cats appear in feral colonies, many times they are tame, friendly cats. If caretakers trust the local shelter, they will reach out and file found animal reports and are an effective resource in identifying lost cats. I do not think it is a coincidence that Carson City has an owner redemption rate for cats ten times the national average.

A graph on page 5 of [Exhibit P](#) compares the intake of dogs and cats in Washoe County and illustrates the dramatic drop in death rates for cats. Trap, neuter, return costs the taxpayers nothing. The programs are provided and funded by grants and individuals. We recently secured \$35,000 for TNR in Carson City. Donors want to fund lifesaving. It is nearly impossible to convince people to give us money to kill healthy animals.

Lastly, TNR did not put the cats there. We are attempting to address the root of the problem. We ensure the cats are healthy, vaccinated and unable to reproduce.

SENATOR GOICOECHEA:

What would happen if you trapped a domestic cat while trapping feral ones? Many localities have no ordinances restricting cats outdoors. Could individuals' pets be neutered against the owners' wishes? What if they claimed cats had some kind of stud value? What sort of liability could there be?

SENATOR MANENDO:

People have a responsibility to chip their animals, so responsible pet owners need have no concern.

MS. ICARD:

That is one of the reasons our feral cat caretakers are so important. They know when a new cat appears and will bring it to us. We always scan for a chip and make a good-faith effort to determine if it belongs to someone. We hold animals for the mandated period, after which we will neuter and place them for adoption.

SENATOR RATTI:

The TNR policy has been in place in Washoe County for some time, and I do not believe we have had pet cats neutered against their owners' wishes. The feral cat caretakers tend to be neighborhood-based, and the volunteers know their cat communities, both feral and domestic.

NICKI AAKER (Director, Carson City Health and Human Services):

We are very pleased with the partnership we have with NHS. We started to work on TNR activities in Carson City, and the \$35,000 grant will enable us to continue our efforts. My letter of support for S.B. 411 ([Exhibit Q](#)) is before you.

LISA SCHUETTE (Carson Animal Services Initiative):

We are a local nonprofit in Carson City that helped raise the money to build our new animal shelter. We actively work with the community to help our homeless animals find homes. I absolutely support S.B. 411 in recognition of the need to oversee feral cat populations and responsibly deal with them. It is much less expensive to treat animals humanely than it is to kill them, and it is the right thing to do.

JOE RATLIFF:

I live just south of Winnemucca. I have seen a tremendous increase in population of feral cat colonies, both in the City of Winnemucca and in Humboldt County. I have had hundreds of feral cats come through my property seeking food and shelter, and pregnant cats deliver litters. My testimony ([Exhibit R](#)) is before you. I support S.B. 411 because we have no local cat management programs and the problem is out of control. I have prepared a comprehensive community cat management plan for Humboldt County and the City of Winnemucca ([Exhibit S](#)).

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SENATOR GOICOECHEA:

This bill, as written, only allows TNR programs, it does not mandate them.

MR. RATLIFF:

I understood it was changing the statute regarding cruelty to animals. There might be a mandate to require communities to act. Maybe you should put that wording in there.

CHAIR PARKS:

Perhaps we can get Washoe County and Carson City to work with Winnemucca to enact some TNR programs.

KAREN LAYNE (President, Las Vegas Valley Humane Society):

The Las Vegas Valley Humane Society (LVVHS) supports S.B. 411. We have been doing TNR since the early 1990s. Clark County implemented TNR into ordinance in 2009. Prior to that, Las Vegas and unincorporated Clark County Animal Control were trapping 20,000 animals a year and euthanizing them. Since that time, LVVHS has worked with other nonprofits, separate from the local shelter, to implement TNR throughout the region. We have substantially reduced the number of cats going into the shelter. In 2016, only 8,000 cats went into the local shelter, and only 35 percent of those were euthanized. We are also working with Tonopah, Pahrump and Elko County to help fund TNR of feral cats in rural areas.

We urge this Committee to support S.B. 411.

MENDY ELLIOTT (Nevada Humane Society):

I want to clarify that the bill in its present form leaves the decision up to local governments to enact TNR. The bill simply states that it is no longer illegal to TNR a cat.

SHYANNE SCHULL (Director, Washoe County Regional Animal Services):

I am here to speak in favor of S.B. 411 and reiterate what Ms. Icard said about the success of the program in Washoe County.

JOHN FUDENBERG (Clark County):

We support S.B. 411.

CHAIR PARKS:

We will now hear testimony in opposition to S.B. 411.

LAURA RICHARDS:

I am a retired State wildlife biologist with 30 years of service. The Wildlife Society is the professional organization for wildlife biologists. Their fact sheet ([Exhibit T](#)) highlights the many problems caused by feral cats. Feral cats are significant predators on small mammals, birds and reptiles. They can spread disease, both to other animals and to humans. Nearly one-third of more than 800 species of birds in the United States are endangered, threatened or in significant decline, while the number of pet cats has tripled. Because of the impact on native wildlife, I urge you not to support S.B. 411.

WILLIAM MOLINI (Coalition for Nevada's Wildlife):

As a wildlife advocacy organization, we oppose S.B. 411. Because of the staggering amount of wildlife killed by feral cats, we do not believe this bill represents good public policy.

SENATOR GOICOECHEA:

I assume some of the mammals hunted by cats are nuisance rodents.

MR. MOLINI:

Yes, there can be an incidental benefit. Keep in mind, however, these feral cat colonies can be very large, and there is a substantial impact to wildlife, particularly wild, native birds.

KYLE DAVIS (Nevada Conservation League):

I would echo the comments in opposition to the bill. I have reviewed the proposed amendment, and I still have the same concern. This bill essentially makes legal a practice that has a significant impact on our native wildlife species.

CHAIR PARKS:

Would anyone like to speak in the neutral on S.B. 411?

JENNIFER NEWMARK (Administrator, Wildlife Diversity Division, Department of Wildlife):

The Department of Wildlife has a statutory responsibility for managing the more than 890 species of native wildlife that call Nevada home. While we are neutral on this bill, we do have concerns about the effects of feral cats on wildlife.

Feral cats are not native to our ecosystem. Studies have shown them to be prolific predators of birds, mammals and reptiles. Supplemental feeding has not been shown to minimize predation, as cats hunt instinctually. Where feral cats are released near habitats managed for wildlife or in known breeding sites, we are concerned that there could be significant impacts to native animals. This is particularly true in rivers, riparian corridors and parks. They can carry and transmit harmful diseases and parasites to our native species.

While we understand the underlying intention of this legislation, our responsibility is the public trust for native species, now and for future generations.

SENATOR MANENDO:

That did not sound neutral. You should be on record against the bill.

Ms. NEWMARK:

We simply want to point out there are significant impacts to wildlife. The Department is responsible for managing wildlife; we need to provide the content and statistics.

SENATOR RATTI:

I want to encourage local governments, as they implement policies, to consider sensitive habitats and breeding grounds. I acknowledge that the concerns the wildlife community are bringing forward are legitimate. The reason I came to be a supporter of TNR is an issue of balance. What I know in Washoe County is that the community, based on input from our citizens, chose to be a no-kill community. That occurred with a lot of public process and support. Once you have made the decision to be a no-kill community, you move away from the former process of trapping and euthanizing cats. If you are not going to euthanize, and you do not do TNR, then you have unfettered breeding.

If we are talking about wildlife's concerns alone, it would be better to trap and euthanize. However, if you have a community that says we are no longer going

to trap and euthanize, then the next best option is TNR. After much consideration, if we are going to stay in touch with community sensibility on the issue and try to reduce the feral cat population, TNR is the compromise solution.

SENATOR MANENDO:

Doing nothing does not solve a problem. This was never going to fix everything. Birds also carry diseases. Doing something is better than doing nothing. I have not heard any other solutions other than to kill them.

CHAIR PARKS:

I have a document with language recommendations from the Humane Society of the United States ([Exhibit U](#)), three documents in support of S.B. 411 ([Exhibit V](#)) and a letter from John Potash in opposition to S.B. 411 ([Exhibit W](#)), all to be put into the record. I will now close the hearing on S.B. 411 and open the hearing on S.B. 400.

SENATOR PAT SPEARMAN (Senatorial District No. 1):

I am here to present S.B. 400 for your consideration. The concept of success contracts is similar to performance-based contracts and is also referred to as social-impact bonds. In a success contract, government contracts with a private sector entity and investors to fund prevention-focused services to address critical social problems with the goal of reducing government spending over time.

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

In a success contract, savings from reduced government costs are used to reimburse the investors with a return on investment, but only if the project successfully achieves specific, quantified goals. According to the John F. Kennedy School of Government at Harvard University, this model creates financial incentives for contractors to produce better outcomes and overcomes barriers that typically slow the pace of social innovation. Success contracts are in use internationally, and more and more states are adopting enabling legislation. This bill is based on best practices gleaned from innovation labs and includes significant protections for the State.

Section 1 adds the success contract provisions to NRS 232 pertaining to the Department of Health and Human Services (DHHS). Section 2 provides a definition of success contract and permits DHHS to contract with local government or with a person. Giving DHHS this authority will enable it to enter into contracts to improve health outcomes. Private investors foot the initial bill for things like preventative health care services, which can significantly reduce costs to the State over time. The opportunity for cost savings is not limited to DHHS. For example, DHHS might enter into a success contract with the Department of Corrections and a nonprofit organization to ensure inmates reentering the community are connected with appropriate health care services, housing and other social services to reduce recidivism and decrease Medicaid costs.

Another provision will help those members of our community who are deaf, hard of hearing, speech impaired or speech challenged. Many times, these individuals cannot participate in certain events because of funding limitations. We have looked at how we might organize a commission to represent the needs and concerns of this community, and one of the stumbling blocks is funding. We know there is a need for society, but the State cannot financially accommodate it. S.B. 400 allows us to do that. None of our citizens are left without the ability to participate.

Section 3, subsection 1, lays out the required components of a success contract, which must include: purpose within the jurisdiction of the department; a requirement that payment be conditioned by specified, outcome-based or defined performance targets; an independent evaluation of the performance targets; a schedule of dates for performance targets and payments; the amount of any payments; a description of the investment that will be solicited; a 13 percent cap on any return on investment; provisions for termination of the contract; and protection against investors having input on the provisions of services once the contract is effective.

Section 3, subsection 2, requires any success contract to be competitively bid based on a request for proposal (RFP) from DHHS. Subsection 3 sets forth the findings that DHHS must make before entering into a contract, and subsection 4 requires DHHS to publish its rationale for entering the contract on its Website. Subsection 5 requires a biennial report to the Legislature each October before a Legislative Session identifying each success contract in the past two years and detailing the outcomes and cost savings.

Section 4 creates the Success Contract Account in the State General Fund, to be administered by the director of DHHS, and provides authority to solicit gifts, grants and donations.

There are several things that we need to be doing in our State to improve the quality of life for our citizens. I am acutely aware that we do not do enough for members of our community who are differently abled. Another thing that success contracts might help us do is in the area of educational funding. If there is any social or human service project that we lack funding for, this bill allows DHHS to establish the infrastructure for the RFP, investor input, goals and outcomes. The Department will also have the ability to get out of the contract if they see that goals are not being accomplished.

We live in a time where, in many instances, need outpaces resources. I present this legislation as an opportunity to bridge that gap and ensure a better quality of life for all our citizens.

GARY W. OLSEN:

I am a volunteer advocate for deaf and hard of hearing Nevadans. I am here to share my perspective. Deaf people in Nevada support the concept of success contracts and want to see this happen for several reasons that I would like to share with you.

There is a dire need for community involvement. All too often, we are not asked for input and we are not involved. We need a partnership, and the scope of the program will accomplish this. There are a lot of deaf people, and other types of people, who are struggling financially and are frustrated when they do not receive funding or programs. We have long been struggling for financial support. It is a burden on our lives. The quality of services has not changed because there is no funding.

Last Session, for example, there was the issue of funding in order to keep supporting interpreters. We were cut off from services in Nevada, and the issue went to court. You won the court issue, but it cost our community a great deal and we were without services for a long time. The community, as a group, feels that we are all obligated to enhance our lives and improve our quality of life.

We have also seen bills passed our behalf, after which the money gets diverted someplace else. The Governor has different priorities. We accept that is part of

the process, but are there alternative ways we can receive help from you. This bill is a way we can maximize potential funding.

Our people are proud. We believe that there should be nothing said or nothing done about us, without us. I urge your support for S.B. 400.

DENISE TANATA (Children's Advocacy Alliance):

The Children's Advocacy Alliance, along with numerous local, State and national partners, has been working on identifying projects for a success contract since 2013. While our efforts to date have primarily focused on projects to scale up a successful early childhood education program, we recognize and encourage the development of this innovative financing model to fund other social innovations in Nevada.

Success contracts offer a promising approach to scale up programs that have proven successful in yielding not only social benefits but also demonstrated cost savings for the government and thus, taxpayers. The cost savings can be both significant and sustainable over time. Because of recent proposed changes to federal funding, it is more important than ever to position our State with an innovative way to fund social programs and generate cost savings.

This bill will lay the infrastructure needed in Nevada to allow the State to enter into these types of contracts. We fully support S.B. 400.

SENATOR SPEARMAN:

I really believe this is an opportunity for our State to leverage private investment with public infrastructure that will allow us to do some things differently and achieve some very positive outcomes, specifically for those persons in our community who have been left out and left behind. Senate Bill 400 will help us achieve our potential.

CHAIR PARKS:

We will close the hearing on S.B. 400 and open the hearing on S.B. 417.

SENATE BILL 417: Provides for the establishment of programs to encourage tenants of housing projects to save money for certain purposes.
(BDR 25-836)

SENATOR PAT SPEARMAN (Senatorial District No. 1):

I am here to present S.B. 417 for your consideration. The purpose of the bill is to encourage tenants of housing projects to save money. While saving is important for all of us, this can be especially difficult for low-income tenants of housing projects. Unfortunately, current law makes it even more difficult because housing authorities are prohibited from accepting a tenant who earns more than a maximum allowed income. When people reach the point where their income is high enough that they are able to save, they are no longer eligible for housing or the subsidy is reduced. This situation makes it virtually impossible for low-income housing tenants to ever purchase their own residence or start their own business.

Senate Bill 417 provides a commonsense solution to this problem. The bill requires each local housing authority to establish escrow accounts for tenants and provides that money deposited in the accounts is not considered income for purposes of tenant eligibility or subsidy determination. Finally, the bill provides that a tenant may only access the savings in the escrow account to either purchase a home or establish a business.

Section 2 of the bill requires each housing authority in the State to adopt regulations to establish an escrow savings program, and section 3 requires the Nevada Rural Housing Authority to do the same.

I know that, for most of us, if we want to purchase a new automobile or home, we can save and, after a period of time, we can do that. Nothing and no one stops us. Unfortunately, for those trapped in a cycle of generational poverty, existing laws at the State and federal level prohibit people who want to break the cycle from doing so.

There are assumptions that people on welfare want to be on welfare and do not want to do any better. That is a lie. Most people trapped in poverty want to do better. Our statutes do not facilitate the transition from poverty to self-sufficiency. Instead, our laws trap people in a system that has been designed for poverty, not productivity. I think that is a shame. People trying to do better for themselves and their families should have the same opportunity we do to save and buy what they want.

Just because people are in poverty does not mean that they do not have dreams. It does not mean that they have not imagined a better world. They may

have come up with a solution to a problem and all they need is a hand up so they can start their own business. Instead of being employed, they can become employers. I believe we have a moral obligation to those who are less fortunate. I remember what it was like being poor. I remember what living in the projects felt like. I remember what using food stamps felt like. I was able to overcome, but there are still those who are trapped in that situation. This bill was designed to give them the ability to move from poverty into productivity.

I recognize that the concepts outlined in S.B. 417 may be contradictory to federal law at this time. I am willing to work with any housing authority to accomplish this goal. I refuse to believe that where we are right now is where we have to be, simply because our laws will not accommodate the dreams and aspirations of all of our citizens. I urge your support for S.B. 417.

SENATOR GOICOECHEA:

If a citizen acquires a few thousand dollars in an escrow account held by a housing authority, what happens if they experience another life crisis? My concern is that they cannot access those funds.

SENATOR SPEARMAN:

It is correct that the funds can only be accessed to buy a home or start a business. Passage of this bill also provides financial counselors to help people. When people do not know how to manage money, it is not a crime, it is a shame. We would have someone help explain and model responsible financial management along with personal and professional financial goals. This helps people to move away from a cycle of crisis after crisis. Sometimes, that cannot be avoided, but if someone is helping them monitor their goals and practices it helps to mitigate the impact of some of those crises.

CHAIR PARKS:

Is there anyone wishing to testify in support of the bill?

LEONARDO BENAVIDES (Legal Aid of Southern Nevada; Washoe Legal Services):
I want to voice our support today for S.B. 417.

CHAIR PARKS:

Is there anyone wishing to testify in opposition or neutral to this bill?

KATHLEEN CONABOY (Nevada Rural Housing Authority):

We have had an opportunity to speak to Senator Spearman about the bill, and believe that she has a good idea that is modeled closely on a federal program. It must be noted that the federal designation for the program comes with federal funding. If we lost that funding, we would have to turn to the State for funding.

WILLIAM BREWER (Deputy Director, Nevada Rural Housing Authority):

We look forward to working with Senator Spearman on some of the language in this bill in the next few days. There are some significant issues that need to be dealt with, but we are neutral on it if we can get those issues addressed.

The federal program through the U.S. Department of Housing and Urban Development (HUD) is called the Family Self-Sufficiency (FSS) Program. It provides funding to assist low-income families and a counselor to work with those families. One counselor is provided for every 50 families that sign up for the program. The families sign a contract detailing specific goals they need to meet over the course of a few years. The goal is to work themselves out of the program and become self-sufficient. We would propose to model the State program after the federal one.

One of the provisions in the bill would exempt the money that is deposited in the savings account from being included as household income. This would be outside of HUD guidelines for income calculation. The bill as written would put us in opposition to those guidelines. We need to get that cleaned up.

The second issue is that we need to get more guidelines within the bill. Right now, there is no way to address situations that may come up, such as an applicant moving out of State. How would that escrow account be handled? If you come off the program for some other reason, how is that escrow account handled? Practically speaking, there are expenses involved in establishing and handling the bank accounts that would have to be dealt with.

Finally, the third issue to address is cost. Based on the Rural Housing Authority caseload alone, we would need approximately 20 to 25 counselors, assuming half of our caseload wanted to sign up and participate in the program. There is potentially a cost of \$2 million for the counselors alone. We are willing to take on such a program. We love the folks we work with and want to help them become self-sufficient, but these are our concerns with the bill as written.

SENATOR MANENDO:

Did you say that 25 counselors would be approximately \$2 million?

MR. BREWER:

Yes, with the salaries, office space and attached costs.

SENATOR GOICOECHEA:

It does sound like there are some wrinkles that need to be ironed out. I would like to see some provision to allow access to the funds in hardship cases.

MR. BREWER:

We appreciate that comment and can look at working on some provision for hardship.

SENATOR RATTI:

Do you think there could be a model for a third-party nonprofit community development organization to help in this process?

MR. BREWER:

We would certainly utilize any resources we could muster to assist families in becoming self-sufficient. The challenge a program like this presents is providing an incentive to families to participate in the program.

AMY JONES (Executive Director, Housing Authority of the City of Reno):

I do not disagree with any of the comments I have heard so far. My concern is the funding and how we would administer such a program. The Reno Housing Authority does administer an FSS program. We receive a small grant from HUD annually. It has the traditional escrow component for home ownership or other goals the families may be working toward. We have two full-time FSS coordinators that are critical in providing the families with the resources and connections they need. We partner with the nonprofit Financial Guidance Center to offer a number of resources to the families, such as workshops on bill-payment priority, budgeting, building up credit, and the importance of having banking and savings accounts. Offering escrow accounts to all residents would cost a lot. I do not know how we would fund additional case managers.

We are a Moving to Work (MTW) agency, which allows us to be more creative with our funding. We are able to create activities that give us waivers in the HUD regulations. One of our activities was increasing the asset level maximums

so our families could save more money without it affecting the rent calculation. The MTW program is expanding, and it greatly helps move families to self-sufficiency. I am not opposed to the bill; I just worry about the funding and the mechanics of administering the escrow accounts.

CHAIR PARKS:

Tell me more about the MTW program.

MS. JONES:

It is a HUD program. There are currently 39 agencies that have been awarded the MTW designation. They have just announced that they are going to expand the number of agencies in the program. It allows us the flexibility to blend our funding as well as create annual activities that help our families.

JODI TYSON (Three Square):

We are neutral on S.B. 417. When we increase opportunities for financial literacy, we also decrease food insecurity and help to increase protective factors in many of the social determinants of health. Anything we can do to expand opportunities for people to participate in self-sufficiency programs is a benefit.

SENATOR SPEARMAN:

I will be working with the various stakeholders to address some of their concerns. There is a reason that I wanted to present S.B. 400 before this bill. So many times when you are working with government agencies, the first answer is always no, it cannot be done. Senate Bill 400, by allowing for success contracts, will help solve this issue.

There are social programs we know will improve the quality of life for our citizens. Maybe the FSS program is behind the needs of a twenty-first century family trying to make it. We have a blueprint that talks about empowering working families. I would hope that we can find a nonprofit that can put together some of the aspects of S.B. 417 and help a family reach that goal. Maybe there can be a lease-to-own aspect to the plan. I am committed to this idea, and the two bills together can move us from a "no, we cannot" to a "yes, we can" state of mind. We have people living in poverty, and they are trapped by our regulations, which have outlived their usefulness. These regulations are not a hand up; they are actually a hand that pushes people down. I reject the notion that we, as a culture, cannot do better.

CHAIR PARKS:

We will close the hearing on S.B. 417 and open the hearing on S.B. 395.

SENATE BILL 395: Makes various changes relating to the cybersecurity of critical infrastructure. (BDR 19-794)

SENATOR PAT SPEARMAN (Senatorial District No. 1):

Search the NRS for the term "cybersecurity" and you will not find it. Despite the enormous implications that cybersecurity threats increasingly present, Nevada is not prepared for a breach of security of this nature. According to the National Conference of State Legislators, at least 28 states introduced legislation related to cybersecurity in 2016. Fifteen of those states enacted legislation. This proposed legislation is based on what many of those states enacted related to identifying cybersecurity infrastructure, security practices, protection of information in government agencies, and exemptions from Freedom of Information or public records acts for information that could jeopardize security or critical information. All of those states have some of the same major corporations that we have here in Nevada, and many of them are already doing some of the processes you will hear about in S.B. 395.

This bill is about recognizing potential cybersecurity risks, planning for the protection of critical infrastructure and making sure we have a workforce capable of taking us safely into the ever-expanding cyber world.

Here is what S.B. 395 does. Sections 2 through 7 amend NRS 239C to include definitions for critical infrastructure and other terms. The bill further requires the Nevada Commission on Homeland Security to designate as critical infrastructure an entity, asset or system that is so vital that the incapacity or destruction thereof would have a debilitating impact on the economy or security of Nevada.

Section 10 requires each owner or operator of critical infrastructure to ensure that a cybersecurity plan is developed and implemented. The owner or operator must submit a written copy of the plan to the Commission. Section 11 clarifies who must evaluate these plans.

Section 13 authorizes the Commission to periodically review the cybersecurity plan. Section 14 requires the owner or operator of the critical infrastructure to immediately report any significant cybersecurity incident. The bill further specifies the minimum requirements for a licensed evaluator of cybersecurity.

Section 22 authorizes the Commission to apply for and accept any gift, donation, bequest, grant or other source of money to carry out the provisions of the bill. Section 24 references the provision in NRS 354.599 that require a specified source of additional revenue when the Legislature directs local governmental action that requires additional funding and section 25 sets forth effective dates.

REGGIE RICHARDSON (President, Sapphire Innovative Solutions, Inc.):

Sapphire Innovative Solutions is a defense contractor. We also do commercial work in the areas of engineering, research development and cybersecurity. We research and work with companies, examining potential cyber threats. We have found a lack of knowledge in this area. The concern is that a well-placed attack could potentially shut down a large part of America.

There is also concern, with the emergence of new technologies, that destructive attacks can be deployed without being on the network. There need to be State regulations in place for protecting Nevada. We want to support this bill. We do not want to hamper private industry but to ensure there is a plan to assess the threat regarding critical infrastructure.

Another problem is that we often think of threats to cybersecurity coming from the outside. Sixty percent of cybersecurity threats come from inside an organization. The federal government has mandated that all defense contractors have an insider-threat program. The greatest risks come from a lack of awareness of the risk and the potential threat.

ROBERT FRANK (Nevada Secure the Grid Coalition):

We are a civic, grassroots organization working to augment the government in the area of protecting the electrical grid. We support S.B. 395 in recognition of the need to do more about the risks to cybersecurity. I believe this is not just a government problem. Computers are everywhere, and the threats to our technology get more complex every day.

I am sympathetic from the government's point of view, but I am representing the civilian sector and saying that almost everyone needs to be involved in this issue. It is not just a government problem nor can it be solved by industry giants alone. If our enemies bring down our electric grid, we have a serious problem. It would affect food distribution, water and many other services we depend on.

I believe the bill is headed in the right direction. I encourage any work by any party to help further the discussion on cybersecurity. I am familiar with the Commission, and I have some doubt that the Commission itself will have the ability to do some of the things the bill will require of it. I believe that the variety of threats on the horizon will require input from smaller, more specialized groups.

MACK JACKSON, JR. (IIIJ Computer Concepts):

I am a cybersecurity professional. My program helps businesses understand the threats of identity theft and cybercrimes. This bill would give our government officials an understanding of the cyber threats that businesses in Nevada face. I support S.B. 395.

JOE WILSON (Telco Capital IT):

I am a certified information systems security professional. I support S.B. 395. The bill aligns with a number of key initiatives. President Obama issued Executive Order 13636 in 2013. Section 4C of that order requires the U.S. Department of Homeland Security (DHS) to work with organizations that are responsible for the protection of critical infrastructure. Section 6 of that order speaks in terms of the consulting process, in that DHS would provide consulting services to organizations to help them improve the protective measures of their systems. A large percentage of the critical infrastructures within the United States are in private organizations. This bill will bring centralized management capabilities to these disparate organizations.

Organizations are using best practices available, but they may employ different strategies and tactics to protect systems. The destruction of critical infrastructure can have a catastrophic impact on the citizens of Nevada. It is important that we have a bill granting the Commission governance and accountability. A key advantage is the bill will allow us to align with federal initiatives. Although there is some oversight of government and public organizations, private organizations have different motivations, which are usually monetary. These organizations may be slow to invest in the security of their technology systems.

The bill also aligns with the National Governors Association initiative to provide a higher level of metrics and transparency within local and State governments. State and local governments have much more infrastructure than the federal government, and a bill of this nature is critical. Without it, we remain at risk for

high-level cybersecurity attacks that occur on a daily basis. Lessons learned from protecting government critical infrastructure can be shared with private industry and make everyone safer.

SENATOR SPEARMAN:

We do have a proposed conceptual amendment ([Exhibit X](#)) to S.B. 395. It adds a provision to the bill identifying situations in which an entity might be exempt. In addition, it clarifies that cybersecurity plans are not public records, uses techniques identified by DHS and deletes a few provisions.

The bill is not designed to be punitive. It is my intent that we have the types of redundancy that will protect us. We know from previous committee hearings that there have been a number of outside sources probing our electric grid. Especially in Las Vegas, a failure of the grid would be devastating. As has been said, the criminals only have to be right once—we have to be right all the time.

CHAIR PARKS:

We have lost the videoconferencing from Las Vegas. Any persons wishing to testify will please submit their written testimony.

MR. FUDENBERG:

Our information technology (IT) and water reclamation departments were ready to testify before the feed was lost. Clark County opposes S.B. 395.

RAY BACON (Nevada Manufacturers Association):

The Committee already has a letter ([Exhibit Y](#)), fact sheets and information from the American Chemistry Council ([Exhibit Z](#)), ([Exhibit AA](#)), and ([Exhibit BB](#)). There are a few other provisions in the bill that raise questions. In section 4, subsection 1, the term "any person" is much too vague and requires clarification. We believe it would include the chemical plants in the State, but would it include the highway system? There were no fiscal notes from the Public Utility Commission or Department of Transportation, but we think the price tag of the bill would be much larger than what has been indicated. The bill may be a worthy endeavor, but it would be wise to know the price tag before enacting it.

PAUL J. MORADKHAN (Las Vegas Metro Chamber of Commerce):

We have several general concerns with S.B. 395 and stand in opposition to it as written. As a membership organization, we have concerns as to how the bill

would affect privacy. There is concern regarding the level of public disclosure, public statement and public review. We also are concerned about the lack of multiagency and multistakeholder coordination and collaboration with the existing language. We have concerns with the Commission and its ability to designate critical infrastructure entities, as well as the correlation between State and federal government mandates and standards. We are not aware of a similar model in any other state.

TRAY ABNEY (The Chamber):

In the interest of time, I am going to echo Mr. Morahkhan's comments. The Chamber opposes S.B. 395.

JOHN P. LOPEZ (Cox Communications):

We recognize the importance of bringing the issue of cybersecurity forward. Cox has every business rationale to protect our network and prevent incursions. We have invested over \$1 billion in our network in southern Nevada. We are already doing the things in our business model to protect our network. Protecting our customers' information is paramount.

Our network is nationwide. We do not know how we could compartmentalize specific to Nevada statute. Cox Communication has a national vice president of privacy. His entire job is to protect our network and our customer information.

The third-party reviewer provision is quite problematic for us. We do not feel we should turn over proprietary information to a third party about whom we know nothing. Cox is a member of the Privacy Coalition. We work with a diverse group of telecommunications companies, utility companies and organized labor. We all have the same goal, which is to keep our companies safe from cybersecurity attacks.

We feel the best approach for this Committee would be to look at the composition of the Commission and give the Governor additional tools to appoint members to the Commission that represent our industry. If the goal is coordination and communication, then the best approach is to expand the base of knowledge within the Commission.

SENATOR MANENDO:

Is there a bill pending in Congress that deals with this issue?

MR. LOPEZ:

I am not aware of a pending bill in Congress. The Department of Homeland Security has published voluntary best practices and Cox follows them.

DEBRA GALLO (Southwest Gas Corporation):

Southwest Gas is a multistate, local distribution company serving natural gas to over 1.9 million customers in Arizona, Nevada and California. We have many of the same concerns with the bill that Mr. Lopez mentioned. We also have a federally regulated transmission pipeline, Paiute Pipeline. What we do is done on a total company basis.

Our trade group, the American Gas Association, is very involved nationally in cybersecurity issues. We work together with the electric industry and other energy partners, trying to coordinate and share best practices and intelligence.

One of our largest concerns is the outside evaluator. This was not addressed in the conceptual amendment, so it remains a concern. We remain opposed to S.B. 395. Anything the State does to encourage companies to work together and share best practices and intelligence without sharing their actual plans is something we would support.

RANDY ROBINSON (CenturyLink):

We are glad that the conversation has begun on dealing with cybersecurity and critical infrastructure.

In cybersecurity, you often hear the term "posture." What is your cybersecurity posture? How are you prepared to respond to an attack? What are you doing to manage and mitigate risk? The more we can reduce risk, the better. This bill dramatically increases risk. We expressed our initial concerns with the public disclosure and public review elements of the bill. The proposed amendment does not completely erase those concerns. Section 13, subsection 2, paragraph (a) states that if the Commission determines an entity's plan to reduce risk is deficient, the Commission may issue a public statement that the risk of a successful cyberattack on the critical infrastructure is not being adequately addressed. You can guess some of the implications of that. That kind of statement dramatically increases the risk of a cyberattack.

There are a number of other provisions in the bill that are very troubling and tend to increase the risk rather than decrease the risk. Assembly Bill 471 is a much better bill. It creates the Nevada Office of Cyber Defense Coordination.

ASSEMBLY BILL 471: Creates the Nevada Office of Cyber Defense Coordination. (BDR 43-917)

We need to reach out to affected parties and bring the expertise of the proponents of this bill to the table. That will enable us to establish the framework, the benchmarks and the strategic plan that entities can use to assess themselves. That effort manages and mitigates risk. For all those reasons, we remain opposed to S.B. 395.

RANDY J. BROWN (AT&T Nevada):

We agree that addressing cybersecurity for critical infrastructure is important. It is already occurring at the federal level. The Cybersecurity Framework was developed by the National Institute of Standards and Technology in collaboration with industry representatives and numerous other interested parties. In addition to the federal standards, there is important work already occurring in Nevada. Under the Commission there is an organization called the Cyber Security Committee. This Committee is a robust group of nearly 20 industry professionals and experts who come from different sectors, including law enforcement, local government, federal entities, academics, utilities and the private sector. Setting up a State entity to designate critical infrastructure would duplicate work that has already occurred at the federal level and likely cause confusion.

There are some other concerns with the bill. We appreciate the amendment trying to address the public disclosure provisions and look forward to working with Senator Spearman further on this bill.

OMAR SAUCEDO (Southern Nevada Water Authority):

We understand why S.B. 395 is coming forward and completely agree that a discussion about cybersecurity is warranted. We take cybersecurity seriously and realize that we must protect the residents of southern Nevada.

We have not had time to get input from staff regarding the proposed conceptual amendment. It appears to alleviate some of our concerns with public disclosure.

We think some of the reporting requirements of the bill are problematic and we would like to see a clarification on the term "significant incident."

SAMUEL MCMULLEN (Nevada Bankers Association):

There is already a lot of communication and cooperation at the level of the Cyber Security Committee. It allows businesses to respond through their own systems.

A third-party reviewer cannot possibly have adequate expertise and oversight of disparate entities like banking, utility, transportation and telecommunication companies. Sharing communication and instituting best practices is the way to go, and it should be done within the existing apparatus.

BRIAN MCANALLEN (City of Las Vegas):

We would echo all the testimony you have heard today. We put a fiscal note on this bill for extra staff to work with the evaluators and consultants. You have heard some strong testimony about the other frameworks that are out there and the redundancies that occur. Both the U.S. House of Representatives and Senate Homeland Security Committees have legislation related to cybersecurity at this time.

MIKE EIFERT (Executive Director, Nevada Telecommunications Association):

I echo the previous comments as they relate to the industry I represent. The rural providers also have the same concerns. I feel that A.B. 471 better addresses a cooperative methodology of securing Nevada for all its citizens.

MISTY GRIMMER (Employers Insurance Company of Nevada):

We all think we have a general understanding of what critical infrastructure is, but the bill states that the Commission could designate as critical infrastructure anything that has a debilitating effect on the economy, security, public health, safety or citizens of the State. We are concerned with the broadness of the definition. Employers Insurance Company is also a multistate company, so the same concerns that have been expressed today apply to us.

CHAIR PARKS:

Is there anyone who would like to speak in the neutral on S.B. 395?

IRA VICTOR (InfraGard):

InfraGard is the leading organization in Nevada with practitioners in the field of information security forensics. We are devoted to the protection of critical infrastructure.

We support making critical infrastructure more secure through advance planning. As such, we wish we had been invited to participate in the conversation leading up to the bill. We endorse the spirit of protecting information security, but the details of implementation are critical to its success. My concerns have been outlined in a document ([Exhibit CC](#)).

There are still challenges related to the implementation regarding the workforce. We have a severe workforce shortage in the State when it comes to information security professionals. The bill and the fiscal notes do not address the need for the Commission to manage all the very sensitive information that the State is going to collect. That information becomes a giant bull's eye painted on the State for cyber criminals to attack.

As I read it, the budget is only \$3,000 each year for IT hardware to protect the most critical information in the State. In summary, while we applaud Senator Spearman's effort to bring the subject to this forum, we would like to be at the table to provide constructive suggestions on how to protect critical infrastructure in a detailed way.

MR. RICHARDSON:

We have heard a lot of passion here today, so we have something to work with. We need more collaboration, editing and specifics as we work on the bill. Doing nothing is not the answer. The bad guys are a lot more organized than we are. We need a level of organization as high as theirs.

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CHAIR PARKS:

I have two letters in opposition to S.B. 395 to put into the record ([Exhibit DD](#) and [Exhibit EE](#)) and one document in neutral to put into the record ([Exhibit FF](#)). Seeing no public comment, this meeting is adjourned at 4:26 p.m.

RESPECTFULLY SUBMITTED:

Barbara Williams,
Committee Secretary

APPROVED BY:

Senator David R. Parks, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit / # of pages		Witness / Entity	Description
	A	2		Agenda
	B	15		Attendance Roster
S.B. 79	C	15	Jennifer Ruedy	Work Session Document
S.B. 83	D	2	Jennifer Ruedy	Work Session Document
S.B. 244	E	7	Jennifer Ruedy	Work Session Document
S.B. 245	F	1	Jennifer Ruedy	Work Session Document
S.B. 356	G	2	Jennifer Ruedy	Work Session Document
S.B. 397	H	2	Jennifer Ruedy	Work Session Document
S.B. 397	I	1	Henderson Chamber of Commerce	Position Statement
S.B. 460	J	1	Jennifer Ruedy	Work Session Document
S.B. 464	K	1	Jennifer Ruedy	Work Session Document
S.B. 464	L	2	James Wadhams / Las Vegas Convention and Visitors Authority	Amendment
S.B. 469	M	6	Jennifer Ruedy	Work Session Document
S.B. 493	N	2	Jennifer Ruedy	Work Session Document
S.B. 411	O	6	Amanda R. Brazeau	Proposed Amendment 3746
S.B. 411	P	8	Kiska Icard / Nevada Humane Society	Presentation
S.B. 411	Q	1	Nicki Aaker	Testimony Letter
S.B. 411	R	1	Joe Ratliff	Testimony Letter
S.B. 411	S	1	Joe Ratliff	Comprehensive Cat Management Plan
S.B. 411	T	2	Laura Richards	Feral Cats Testimony, Kyle Davis
S.B. 411	U	2	Senator David R. Parks	Humane Society Letter in Support
S.B. 411	V	5	Senator David R. Parks	Documents in Support

S.B 411	W	4	Senator David R. Parks	Letter in Opposition, John Potash
S.B 395	X	1	Senator Pat Spearman	Amendment
S.B 395	Y	2	Ray Bacon	Comment Letter from Tim Shestek, American Chemistry Council
S.B 395	Z	1	Ray Bacon	Cybersecurity and the Chemical Industry from Tim Shestek
S.B 395	AA	194	Ray Bacon	Risk Based Performance Standards Guidance from Tim Shestek
S.B 395	BB	6	Ray Bacon	Responsible Care from Tim Shestek
S.B 395	CC	2	Ira Victor / InfraGard	Testimony
S.B 395	DD	1	Senator David R. Parks	Letter in opposition, Angeline Bavarsad, Clark County Water Reclamation District
S.B 395	EE	2	Senator David R. Parks	Letter in opposition, Liam Crawford, IT Alliance for Public Sector
S.B 395	FF	1	Senator David R. Parks	Testimony Letter, Shannon Rahming, Enterprise Information Technology Services