

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON GOVERNMENT AFFAIRS**

**Eightieth Session
March 7, 2019**

The Committee on Government Affairs was called to order by Chair Edgar Flores at 8:33 a.m. on Thursday, March 7, 2019, in Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4406 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/App/NELIS/REL/80th2019.

COMMITTEE MEMBERS PRESENT:

Assemblyman Edgar Flores, Chair
Assemblyman William McCurdy II, Vice Chair
Assemblyman Alex Assefa
Assemblywoman Shannon Bilbray-Axelrod
Assemblyman Richard Carrillo
Assemblywoman Bea Duran
Assemblywoman Michelle Gorelow
Assemblyman Gregory T. Hafen II
Assemblywoman Melissa Hardy
Assemblyman Glen Leavitt
Assemblywoman Susie Martinez
Assemblywoman Connie Munk

COMMITTEE MEMBERS ABSENT:

Assemblyman John Ellison (excused)

GUEST LEGISLATORS PRESENT:

None

STAFF MEMBERS PRESENT:

Jered McDonald, Committee Policy Analyst
Asher Killian, Committee Counsel
Mark Peckham, Committee Secretary
Trinity Thom, Committee Assistant



OTHERS PRESENT:

Kristina L. Swallow, Director, Department of Transportation
Robert C. Nellis, Assistant Director, Administration, Department of Transportation
Jeanette K. Belz, representing Nevada Chapter of Associated General Contractors
William Stanley, Executive Secretary-Treasurer, Southern Nevada Building Trades Union
Sharath Chandra, Administrator, Real Estate Division, Department of Business and Industry

Chair Flores:

[Roll was called; committee rules were explained.] We have two bill hearings and a work session. We are going to take the work session first. I know some of us may have bill presentations, so we will be walking in and out of Committee. With that said, we have Assembly Bill 44.

Assembly Bill 44: Enacts provisions relating to the administration of the Stewart Indian School land and facilities. (BDR 18-188)

Jered McDonald, Committee Policy Analyst:

Assembly Bill 44 enacts provisions relating to the administration of the Stewart Indian School land and facilities (Exhibit C). It was sponsored by this Committee on behalf of the Department of Tourism and Cultural Affairs and heard on February 25, 2019. The bill creates the Stewart Indian School Cultural Center and Museum and establishes the position of Museum director as a classified employee of the state. The position will be appointed and supervised by the executive director of the Nevada Indian Commission of the Department of Tourism and Cultural Affairs. The Museum director is required to engage in various activities for the purpose of operating and maintaining the Museum, including establishing a store for the sale of gifts and souvenirs. Finally, the measure requires revenues generated by the Museum to be accounted for in the Nevada Indian Commission's Gift Fund. This bill had no amendments. I would note that this bill has a fiscal impact on the state budget that was not included in the Governor's recommended budget and the bill received a notice of eligibility on February 25, 2019, and a fiscal note was submitted by the Nevada Indian Commission on February 27, 2019. I would suggest, along with a recommendation on the policy aspect of the bill, you may want to consider rereferring any motion you decide to accept on this bill.

Chair Flores:

At this time I would like to entertain a motion to do pass and rerefer to the Assembly Committee on Ways and Means.

ASSEMBLYMAN McCURDY MOVED TO DO PASS AND REREFER ASSEMBLY BILL 44 TO THE ASSEMBLY COMMITTEE ON WAYS AND MEANS.

ASSEMBLYWOMAN MARTINEZ SECONDED THE MOTION.

Chair Flores:

Members, is there any discussion?

Assemblyman Leavitt:

Although I do support the idea of this and believe it is a good thing, I am just a little uncomfortable—the current fiscal note is prescribed, but I believe that there is a hidden fiscal note that has not been discussed and has not been planned for. We discussed this when this bill was first brought before us: "How are they going to keep the lights on? How are they going to pay their staff?" Somebody has got to sell the items out of the store and somebody has got to do the cleaning at night. I am going to go ahead and vote to push this through. I do think that we need to have some further discussion as to what future plans they have as far as how they are going to pay for the ancillary things that are going to happen once this goes into effect.

Assemblyman Hafen:

I would like to echo Assemblyman Leavitt's comments and just ask that those comments be provided to the Committee on Ways and Means for them to look at in their discussions. I would like to reserve my right to change my vote on the floor.

Chair Flores:

Understood.

Assemblywoman Hardy:

I, too, would like to go on record as sharing the same concerns. I do support the policy but would like to reserve the right to change my vote once it goes through Ways and Means.

Assemblyman Leavitt:

I forgot to include that I will reserve my right to change my vote on the floor.

Assemblyman Assefa:

Mr. Chair, I think that this is a very good bill and it is making sure the historical preservation of this population in our state is maintained. I am sure these concerns will be ironed out in the Committee on Ways and Means, and I recommend that my colleagues join us in making sure this passes.

Chair Flores:

I will remind the Committee that we are a policy committee. If we like the policy, we move it out and we allow our Committee on Ways and Means to address the fiscal concerns.

THE MOTION PASSED. (ASSEMBLYMAN ELLISON WAS ABSENT FOR THE VOTE.)

Vice Chair McCurdy will have the floor statement. With that we are going to close the work session and next, we are going to go back to our bill hearings. We are going to take them in the order they appear on the agenda. We are going to open the hearing on Assembly Bill 7,

which revises provisions governing contracts with independent contractors executed by the Department of Transportation.

Assembly Bill 7: Revises provisions governing contracts with independent contractors executed by the Department of Transportation. (BDR 27-364)

Kristina L. Swallow, Director, Department of Transportation:

I am here with our Assistant Director of Administration, Robert Nellis. At the end on my right is our Communications Director, Sean Sever, and, right next to me, a University of Nevada, Las Vegas intern who is shadowing me today.

Thank you for taking time to hear about Assembly Bill 7. This bill clarifies the contract and approval authority of our transportation board and puts into statute what we are already doing. With your approval, Mr. Chair, I would like to turn it over to Mr. Nellis to give all of you a high-level overview of our bill.

Robert C. Nellis, Assistant Director, Administration, Department of Transportation:

Assembly Bill 7 is needed to limit the potential for misinterpretation of *Nevada Revised Statutes* (NRS) Chapter 333 regarding the types of contracts subject to transportation board approval versus the State Board of Examiners. Currently NRS 333.700 leaves open for periodic questioning what constitutes a contract for construction or reconstruction of the state highways. This language is proposed for deletion to eliminate potential confusion in the future. The Department of Transportation (NDOT) has been following this nearly 60-year practice of not submitting contracts to the State Board of Examiners that have been approved by the transportation board. This practice has been affirmed by the attorneys general in 1983 and again in 1996, and this bill simply codifies that longstanding practice. With that, we would be happy to answer any questions the Committee may have.

Assemblyman Assefa:

You were saying in practice you already do this and that you are just codifying it into law, is that correct?

Robert Nellis:

Yes, sir, that is correct.

Assemblyman Assefa:

Is there any impact on operations by codifying it into law?

Robert Nellis:

No, sir, this would just keep our current operations in place.

Chair Flores:

Members, are there any additional questions? [There were none.] We will have you sit back and we will invite those wishing to speak in support.

Jeanette K. Belz, representing Nevada Chapter of Associated General Contractors:

I am here to speak in support of this bill. We are in support of anything that clarifies the contract approval process, which we feel this does.

Chair Flores:

Is there anyone else wishing to speak in support? [There was no one.] Is there anyone wishing to speak in opposition? [There was no one.] Is there anyone in the neutral position?

William Stanley, Executive Secretary-Treasurer, Southern Nevada Building Trades Union:

I had originally registered as opposed to this bill; we had a conversation with NDOT prior to the hearing—I would like to change my registration to neutral. Our original opposition was the building trades are historically opposed to independent contractors—we are trying to rein independent contractors in. We believe independent contractors are costing the state of Nevada approximately 22 percent of our GDP [gross domestic product] annually, with a large portion of that coming from the construction industry. But after I had it clarified, we are going to testify in the neutral position with that one caveat.

Chair Flores:

Thank you for that insight. Is there anyone else who would like to testify in the neutral position? [There was no one.] If the presenters will come back and make any closing remarks they may have.

Kristina Swallow:

It is a clear, straightforward change, codifying current practice. No approvals will change. The way we do everything that has been done for the last 60 years will continue moving forward if this is brought forth. Thank you for your time.

Chair Flores:

Thank you for the presentation. I think this is just a testament to when people do their homework, reach out to every single member ahead of time, address all the issues, then you can have a quick hearing. I would like to close the hearing on Assembly Bill 7. Next, I would like to open the hearing on Assembly Bill 31, which revises provisions concerning an application for a certificate as a community manager or registration as a reserve study specialist.

Assembly Bill 31: Revises provisions concerning an application for a certificate as a community manager or registration as a reserve study specialist. (BDR 10-223)

Sharath Chandra, Administrator, Real Estate Division, Department of Business and Industry:

Members of the Committee should have a three-page handout in front of you that quickly gives you a synopsis of the Assembly Bill 31 legislation (Exhibit D). Before we dive into the first page, I want to give the Committee an overview of the Real Estate Division within the Department of Business and Industry. On the second page there is a high-level view of the

Real Estate Division—essentially the licensing section of the division. We license real estate licensees, builders, developers, timeshares, appraisers, energy auditors, and inspectors of structures. That is what the Real Estate Division does. Currently we have about 40,000 licensees. We bring in \$6.3 million in revenue, and also on page 2 you will see we deal with a lot of the complaints and caseload for real estate appraisers and energy auditors. We are governed by two commissions: we have a Real Estate Commission, which is a five-member body; and a Commission of Appraisers of Real Estate, which is also a five-member body.

The third page is the other area that falls under the Real Estate Division, which is the Office of the Ombudsman for Owners in Common-Interest Communities and Condominium Hotels. This is an area of significant growth over the years, and if you have noticed, the bar on the left indicates the number of total registered homeowners' associations (HOAs). Right now the figure is 3,260 and we keep adding almost one a month, so that always grows. Right below that is the total number of units registered; right now we have 541,939 units that are part of HOAs. On the right you will see some of the things that the Office of the Ombudsman does: education and training; dispute mediation—we have an alternative dispute resolution and we have a mediation process; we have a compliance section that investigates any violations of *Nevada Revised Statutes* (NRS); the Commission for Common-Interest Communities and Condominium Hotels is a seven-member body that oversees discipline for the HOAs; and of course, we register HOAs. Right in the middle of the page are some more numbers to give you a snapshot of what we do.

That is the overview of the division, which I will segue into the first page of the bill. *Nevada Revised Statutes* Chapter 116A is the regulation of community managers; they go through the division. Essentially, NRS 116A.410 authorizes the commission to establish qualifications and requirements governing these certificates. Currently *Nevada Administrative Code* 116A.110 establishes the qualifications, including background checks. All we are trying to do is move the section in the regulations over to statute because, to do a complete background check, the federal government requires our fingerprint requirement language to be in statute, not regulation. All we are doing is moving the language from regulation into statute so a comprehensive background check can be done for all of our licensees. Again, the language at the bottom of that page [section 1, subsection 2] walks you through the requirements for Federal Bureau of Investigation background checks. I will stop there to take questions.

Chair Flores:

I do not believe we have any questions. We may be voting everything out today, is what that means. I anticipate the same thing happening tomorrow. Do you have any additional remarks you would like to put on the table now?

Sharath Chandra:

No, sir. Thank you members of the Committee for the opportunity to present to you. Down the road if any of you have questions or concerns regarding any matter for the Real Estate Division, I will be happy to discuss anything. Thank you.

Chair Flores:

We are going to go ahead and open it up for anyone wishing to speak in support, either in Carson City or Las Vegas. I do not see anyone who is here in support. Is there anyone here to oppose? [There was no one.] Is there anyone here in the neutral position? [There was no one.] We are going to go ahead and close out the hearing on Assembly Bill 31. We will invite anyone who is here for comment to please come up. [There was no one.] This meeting is adjourned [at 8:52 a.m.].

RESPECTFULLY SUBMITTED:

Mark Peckham
Committee Secretary

APPROVED BY:

Assemblyman Edgar Flores, Chair

DATE: _____

EXHIBITS

[Exhibit A](#) is the Agenda.

[Exhibit B](#) is the Attendance Roster.

[Exhibit C](#) is the Work Session Document for [Assembly Bill 44](#), presented by Jered McDonald, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

[Exhibit D](#) is a PowerPoint presentation titled "Synopsis for Members of the Legislature as they consider A.B. 31," presented by Sharath Chandra, Administrator, Real Estate Division, Department of Business and Industry.