

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON WAYS AND MEANS**

**Eightieth Session
May 29, 2019**

The Committee on Ways and Means was called to order by Chair Maggie Carlton at 9:11 a.m. on Wednesday, May 29, 2019, in Room 3137 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4404B 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:

Assemblywoman Maggie Carlton, Chair
Assemblywoman Teresa Benitez-Thompson, Vice Chair
Assemblyman Jason Frierson
Assemblyman Al Kramer
Assemblywoman Daniele Monroe-Moreno
Assemblywoman Dina Neal
Assemblywoman Ellen B. Spiegel
Assemblywoman Heidi Swank
Assemblywoman Robin L. Titus
Assemblyman Jim Wheeler

COMMITTEE MEMBERS EXCUSED:

Assemblywoman Sandra Jauregui
Assemblyman John Hambrick

GUEST LEGISLATORS PRESENT:

Senator Joyce Woodhouse, Senate District No. 5
Assemblyman William McCurdy II, Assembly District No. 6

STAFF MEMBERS PRESENT:

Cindy Jones, Assembly Fiscal Analyst
Sarah Coffman, Principal Deputy Fiscal Analyst
Carmen M. Neveau, Committee Secretary
Lisa McAlister, Committee Assistant



After call of the roll, Chair Carlton asked for introduction of a Bill Draft Request.

BDR 14-1287: Revises provisions relating to state financial administration. (Later introduced as [Assembly Bill 540](#).)

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, introduced Bill Draft Request (BDR) 14-1287 that the Committee had requested based on a recommendation from Fiscal Analysis Division staff. Persons who pled guilty, were found guilty, or guilty but mentally ill of a misdemeanor were required to pay an administrative assessment in addition to any other penalty imposed by a judge. She noted that this BDR specified the proper distribution of those administrative assessments.

Chair Carlton asked whether Committee members had any questions, and hearing no questions, she requested a motion.

ASSEMBLYWOMAN SPIEGEL MOVED TO INTRODUCE BILL DRAFT REQUEST (BDR) 14-1287.

ASSEMBLYWOMAN TITUS SECONDED THE MOTION.

Chair Carlton asked whether Committee members had any questions or discussion on the motion, and hearing none, she requested a vote.

THE MOTION PASSED. (Assemblymen Frierson, Hambrick, Jauregui, and Benitez-Thompson were not present for the vote.)

Chair Carlton opened a work session.

[Assembly Bill 486 \(1st Reprint\)](#): Creates the Division of Outdoor Recreation within the State Department of Conservation and Natural Resources. (BDR 18-840)

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that [Assembly Bill \(A.B.\) 486 \(1st Reprint\)](#) created a Division of Outdoor Recreation at the State Department of Conservation and Natural Resources (DCNR). The proposed division included one administrator, one deputy administrator, and one program officer. Information provided by the DCNR indicated that the administrator position would be filled in fiscal year (FY) 2020, and the remaining two positions would be filled in FY 2021. The requested amounts for salaries and associated costs, as amended, were \$208,911 in FY 2020 and \$448,293 in FY 2021.

Chair Carlton noted that there were two leadership positions, potentially one in northern Nevada and one in southern Nevada, with one shared position to perform the work. The funding request included associated operating costs for travel, equipment, and other matters, and the positions supported an advisory board with travel and per diem costs.

Chair Carlton stated that the budget included everything needed to establish the positions for the duties that needed to be performed.

Chair Carlton asked whether Committee members had any questions.

Assemblywoman Titus noted that although she supported outdoor recreation, she would not support this bill. Everyone had heard about government budget crunches and the cost and expansion of state government. She was concerned about the makeup of a board with no mandate for rural representation or a rural county commissioner when most outdoor recreation areas were located in rural communities. For that reason and several other reasons, she would not support this bill.

Chair Carlton did not understand why Assemblywoman Titus felt that there would not be rural representation when the positions had not been filled yet. Assemblywoman Titus listed the board representation that included the Director of the Department of Wildlife, an administrator from the Division of State Parks, a Chair from the Nevada Indian Commission, a representative of the outdoor recreation industry, a representative with conservation interest, somebody with knowledge of education, and someone with knowledge of public health. There was no rural representation. Chair Carlton respectfully disagreed because she felt that any of those representatives could be from rural areas. It was more important to find the best person for the job regardless of where the candidate resided.

Chair Carlton said that A.B. 486 (R1) would not be discussed further until Assemblyman Frierson and Assemblywoman Benitez-Thompson were at the meeting.

Assembly Bill 43 (1st Reprint): Increases the number of district judges in certain judicial districts. (BDR 1-498)

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that Assembly Bill (A.B.) 43 (1st Reprint) was heard in a work session the night before. The bill added eight district judge positions and the motion was processed as "do pass" when the motion should have been to "amend and do pass." She asked the Committee to rescind the original motion and reprocess the motion.

Chair Carlton requested a motion.

ASSEMBLYWOMAN SPIEGEL MOVED TO RESCIND THE PRIOR MOTION TO DO PASS AS AMENDED ASSEMBLY BILL (A.B.) 43 (1ST REPRINT).

ASSEMBLYWOMAN MONROE-MORENO SECONDED THE MOTION.

Chair Carlton asked whether Committee members had any questions or discussion on the motion, and hearing none, she requested a vote.

THE MOTION PASSED. (Assemblymen Frierson, Hambrick Jauregui, and Benitez-Thompson were not present for the vote.)

Chair Carlton requested a new motion for A.B. 43 (R1).

ASSEMBLYWOMAN MONROE-MORENO MOVED TO AMEND AND DO PASS AS AMENDED ASSEMBLY BILL (A.B.) 43 (1ST REPRINT).

ASSEMBLYWOMAN SPIEGEL SECONDED THE MOTION.

Chair Carlton asked whether Committee members had any questions or discussion on the motion, and hearing none, she requested a vote.

THE MOTION PASSED. (Assemblymen Frierson, Hambrick Jauregui, and Benitez-Thompson were not present for the vote.)

Senate Bill 102: Makes an appropriation for funding the participation of certain students who participate through the Western Regional Education Compact. (BDR S-98)

Senator Joyce Woodhouse, Senate District No. 5, introduced Senate Bill (S.B.) 102. As a member of the Senate Health and Human Services Committee during the 77th Session (2013) and the 78th Session (2015), she participated in discussions related to Alzheimer's disease as well as other forms of dementia. She realized that those health problems required further analysis. She sponsored S.B. 121 of the 79th Session (2017) which provided an interim study for behavioral and cognitive care of older persons. That bill was passed and approved by ex-Governor Brian Sandoval. As Chair of the interim study committee, four interim meetings were held, and over 50 recommendations from community organizations, state agencies, caregivers, and individuals living with dementia were considered. Four bills were recommended by the interim study committee, one of which became S.B. 102. This bill addressed health-care workforce shortages in Nevada, particularly in the area of geriatrics. During the interim study, many individuals provided testimony about Nevada's health-care workforce and the lack of qualified health-care workers who specialized in geriatrics. Industry experts testified that advanced practice registered nurses (APRNs) were particularly in high demand. However, educational programs for APRNs were already operating at maximum capacity. The interim committee sent letters to both medical schools in Nevada asking the schools to research ways to expand the pipeline for students receiving higher education in health-related fields. The interim committee expressed an interest in proposing legislation that would affect Nevada students who were interested in pursuing careers as APRNs. Recognizing that the nursing schools were already operating at capacity, the interim committee recommended legislation to fund ten additional slots in the Western Interstate Commission for Higher Education (WICHE) for APRNs. Training would include the treatment of Alzheimer's patients with a focus on understanding the special needs of those elderly patients. Nevada had participated in WICHE since 1959 to provide educational assistance to Nevada students seeking education in health-related professional fields of study

not offered or limited by higher education institutions in Nevada. Accordingly, section 1 of S.B. 102 sought an appropriation of \$77,000 in each year of the 2019-2021 biennium for ten additional WICHE slots, and section 2 of the bill indicated that any funds remaining at the end of each fiscal year would revert to the State General Fund.

Chair Carlton asked for any questions from Committee members, and hearing no questions, she opened the hearing on S.B. 102 for those in support of, in opposition to, or neutral on S.B. 102. Hearing no response, the Chair closed the hearing on S.B. 102, noting that there were no proposed amendments.

Chair Carlton noted that S.B. 102 would be placed on the "second level of the parking lot" for future action.

Assembly Bill 326 (1st Reprint): Establishes a program to provide loans to certain operators of fresh food retailers located in underserved communities and similar areas. (BDR 18-318)

Assemblyman William McCurdy II, Assembly District No. 6, introduced a conceptual amendment (Exhibit C) to Assembly Bill (A.B.) 326 (1st Reprint). In the bill, there was an allocation for a fresh food financing initiative that allowed the state to make loans to operators who wanted to open supermarkets or grocery stores. As revised, in lieu of a fresh food financing initiative, there was an opportunity for the Nevada New Markets Jobs Act tax credits to be used for qualified equity investments in certain operators of fresh food retailers located in underserved communities. The bill specified who and where the fresh food operator would serve, including underserved communities, a severely distressed census tract, or an adjacent census tract for the statewide program.

Chair Carlton asked whether Committee members had any questions.

Assemblyman Kramer noted that the first reprint had language about loans. He wondered whether the proposed amendment deleted the loan language. Assemblyman McCurdy said that everything from the first reprint was deleted by amendment. Chair Carlton added that the motion would be to amend as a whole.

Assemblyman Kramer noted that the fiscal part of the bill was eliminated, and the bill was now part of the Nevada New Markets Jobs Act. Assemblyman McCurdy confirmed Assemblyman Kramer's understanding.

Chair Carlton noted that the Nevada New Markets Jobs Act was working well, and this proposed amendment identifying areas of focus was the best way to point businesses in the right direction.

Miles Dickson, Chief of Staff, Office of the State Treasurer, spoke from Las Vegas. He stated that Assemblyman McCurdy had asked for help with how to direct private capital

to low-income neighborhoods for the purpose of increasing fresh food access. During the 80th Session (2019), the idea of using the New Markets Jobs Act tax credits emerged.

Hearing no other questions, Chair Carlton asked to hear from those in support of A.B. 326 (R1).

Shane Piccinini, a paid nonprofit lobbyist representing the Food Bank of Northern Nevada and the Human Services Network in northern Nevada, spoke in support of A.B. 326 (R1) and noted that he was appreciative of the time invested in this bill. Finding reliable sources for healthy food in lower-income neighborhoods and food deserts was important, and he urged Committee members to support the bill.

Jared Busker, a paid nonprofit lobbyist representing the Children's Advocacy Alliance, spoke in support of A.B. 326 (R1). He noted that the Children's Advocacy Alliance had supported this bill in the policy committee and continued to support this bill today.

Shani J. Coleman, Deputy Director, Government Affairs Executive, Office of Administrative Services, City of Las Vegas, spoke in support of A.B. 326 (R1). She noted that the City of Las Vegas supported this bill in the policy committee and had several redevelopment areas with underserved, low-income communities that were considered to be food deserts. Because this bill provided an opportunity to help those areas, the City of Las Vegas supported this bill.

Jodi Tyson, a paid nonprofit lobbyist representing Three Square, spoke from Las Vegas in support of A.B. 326 (R1).

Chair Carlton asked to hear from those in opposition to, or neutral on A.B. 326 (R1), and hearing no one, she closed the hearing on A.B. 326 (R1).

Assemblyman Wheeler thanked the bill's sponsor for asking him to sign the bill. With the amendment, Assemblyman Wheeler believed that A.B. 326 (R1) was an important bill.

Chair Carlton closed the hearing on A.B. 326 (R1) and opened the meeting for a work session.

Assembly Bill 486 (1st Reprint): Creates the Division of Outdoor Recreation within the State Department of Conservation and Natural Resources. (BDR 18-840)

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that Assembly Bill (A.B.) 486 (1st Reprint) created a Division of Outdoor Recreation. This bill would be amended to include an administrator, a deputy administrator, and a classified program officer. The amount to be appropriated for this bill was \$208,911 in fiscal year (FY) 2020 and \$448,293 in FY 2021. The proposed division at the Department of

Conservation and Natural Resources would be responsible for staffing a new advisory board on outdoor recreation who would advise the administrator on matters concerning outdoor recreation.

Chair Carlton noted that Committee comments had already been heard, and hearing no other comments, she requested a motion.

ASSEMBLYWOMAN BENITEZ-THOMPSON MOVED TO AMEND AND DO PASS AS AMENDED ASSEMBLY BILL 486 (1ST REPRINT).

ASSEMBLYMAN WHEELER SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Titus voted no. Assemblymen Hambrick and Jauregui were not present for the vote.)

Chair Carlton assigned the floor statement to Assemblywoman Swank.

Assembly Bill 326 (1st Reprint): Establishes a program to provide loans to certain operators of fresh food retailers located in underserved communities and similar areas. (BDR 18-318)

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that Assembly Bill (A.B.) 326 (1st Reprint) was replaced in its entirety with revised language in a conceptual amendment, Exhibit C, as presented by Assemblyman William McCurdy II, Assembly District No. 6. The conceptual amendment, Exhibit C, made grocery stores in food deserts and other qualifying areas eligible for the New Markets Jobs Act tax credit program. The bill specified the types of entities that would be eligible for tax credits with no fiscal effect.

Chair Carlton asked whether Committee members had any questions on A.B. 326 (R1), and hearing no questions, the Chair requested a motion.

ASSEMBLYWOMAN MONROE-MORENO MOVED TO AMEND AND DO PASS AS AMENDED ASSEMBLY BILL 326 (1ST REPRINT).

ASSEMBLYMAN WHEELER SECONDED THE MOTION.

Chair Carlton asked whether Committee members had any comments on the motion and hearing no questions, the Chair called for a vote.

THE MOTION PASSED. (Assemblywoman Titus voted no. Assemblymen Hambrick and Jauregui were not present for the vote.)

Chair Carlton assigned the floor statement to Assemblywoman Neal assisted by Assemblyman McCurdy.

**Assembly Bill 483 (1st Reprint): Revises provisions relating to motor vehicles.
(BDR 43-871)**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that Assembly Bill (A.B.) 483 (1st Reprint) related to provisions concerning motor vehicles. The bill created a pilot project to gather annual mileage and other data on vehicles registered with the Department of Motor Vehicles (DMV) beginning no later than December 31, 2019, and required owners of certain vehicles to report mileage shown on the odometer of motor vehicles. The DMV submitted a fiscal note that indicated a fiscal impact of \$121,142 in fiscal year (FY) 2020 for computer programming. Fiscal Analysis Division staff confirmed with legal counsel that it was appropriate to support programming costs with State Highway Funds and recommended an amendment to the bill to include an appropriation of \$121,142 from the State Highway Fund.

Chair Carlton asked whether Committee members had any questions on A.B. 483 (R1), and hearing no questions, the Chair requested a motion.

ASSEMBLYWOMAN MONROE-MORENO MOVED TO AMEND AND DO PASS AS AMENDED ASSEMBLY BILL 483 (1ST REPRINT) TO CONVERT THE FUNDING FROM STATE GENERAL FUNDS TO STATE HIGHWAY FUNDS.

ASSEMBLYWOMAN SPIEGEL SECONDED THE MOTION.

Chair Carlton asked whether Committee members had any comments on the motion, and hearing no questions, the Chair called for a vote.

THE MOTION PASSED. (Assemblymen Kramer, Titus, and Wheeler voted no. Assemblymen Hambrick and Jauregui were not present for the vote.)

Chair Carlton assigned the floor statement to Assemblywoman Monroe-Moreno.

**Assembly Bill 516: Makes appropriations to the Interim Finance Committee for the unanticipated costs related to the implementation of Marsy's Law.
(BDR S-1229)**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that Assembly Bill (A.B.) 516 was heard on May 28, 2019, and made an appropriation to the Interim Finance Committee (IFC) for unanticipated costs related to the establishment of Marsy's Law. Susan Brown, Director, Office of Finance, Office of the Governor, and Paul Nicks, Deputy Chief, Budget Division, Office of Finance, indicated that they had worked with different agencies to determine the financial consequences of the bill, but were unable to draw any conclusions. There was no other testimony on the bill. This bill would support agencies that had to make system changes, as well as covering any revenue

shortfalls. The bill, she noted, included State General Fund appropriations of \$7.5 million to the IFC in a restricted tranche of the Contingency Account in each year of the 2019-2021 biennium.

Chair Carlton referenced discussions from May 28, 2019, and asked whether Committee members had any questions on A.B. 516.

Assemblyman Kramer said that he understood some of the implications of this bill, especially where courts were concerned because court budgets were also funded by the state. Because the implications were not known, and the effect on counties was not known, he wondered whether an IFC meeting would be required to move money to local, rural, or urban communities. Ms. Jones said that the IFC Contingency Account was only for state agencies that received appropriations, and local governments were not eligible for allocations from the IFC Contingency Account.

Assemblyman Kramer recognized that administrative fines would reimburse courts, some of which would go to local governments where revenue could potentially be reduced. The IFC was in a position to help the state with costs, but he wondered how local governments could be helped, if not with this funding.

Chair Carlton stated that Assemblyman Kramer was sharing the same concerns about Marsy's Law that many Committee members had expressed. There had been numerous concerns from entities funded with fines about what would happen when fines were no longer received. The Legislature had taken small steps during the 80th Session (2019) to address that scenario, but there were still many unknowns. This was a difficult matter and having \$15 million in funds in restricted tranches limited the steps that legislators could take. It remained to be seen whether \$15 million was too much, too little, or an appropriate amount for this effort.

Chair Carlton recommended that \$7.5 million in each year of the 2019-2021 biennium be reduced to \$5 million in each year of the 2019-2021 biennium in the restricted tranche. State agencies who recognized other shortfalls from Marsy's Law would be able to request additional funding from the IFC if warranted. As the \$10 million in restricted funds was used, the IFC would start to develop a better forecast. The Chair did not want to see \$15 million set aside when those funds could potentially be spent on other needs, so she preferred to see the amount reduced to \$10 million.

Chair Carlton asked Committee members for any other questions, and hearing no questions, the Chair requested a motion.

ASSEMBLYWOMAN BENITEZ-THOMPSON MOVED TO AMEND AND DO PASS AS AMENDED ASSEMBLY BILL 516 TO REDUCE THE APPROPRIATION TO \$5 MILLION FOR EACH YEAR OF THE 2019-2021 BIENNIUM.

ASSEMBLYMAN WHEELER SECONDED THE MOTION.

Chair Carlton asked whether Committee members had any comments on the motion and hearing none, the Chair called for a vote.

THE MOTION PASSED. (Assemblymen Hambrick and Jauregui were not present for the vote.)

Chair Carlton said that she would present the floor statement.

Chair Carlton closed the work session and returned the meeting to a hearing status.

Senate Bill 166 (2nd Reprint): Revises provisions relating to employment. (BDR 18-5)

Senator Pat Spearman, Senate District No. 1, introduced Senate Bill (S.B.) 166 (2nd Reprint) and explained that she could answer policy questions on the bill, but she preferred to discuss the fiscal note that had been removed. Originally, the Nevada Equal Rights Commission (NERC) was required to promulgate employment discrimination regulations that would result in more filings and would necessitate additional staff. The bill as revised did not necessitate additional staff, although some believed that the proposed statute would result in a rush to file claims. Traditionally, that had not been the case. Individuals who were paid unequally were often hesitant to file a claim because of job jeopardy. With changes that were incorporated in the bill, the fiscal note was no longer required.

Chair Carlton noted that the second reprint indicated that the fiscal effect of the bill had not been removed. Senator Spearman stated that the changes for fiscal effect were made in the last 48 hours, and S.B. 166 (R2) no longer had a fiscal consequence.

To clarify further, Senator Spearman referred Committee members to S.B. 166 (R2), section 3, subsection 3, paragraph (b), subparagraph (3). This part of the bill dealt with investigations. An employer accused of pay inequity or employment discrimination with the establishment of this bill would have 30 days to negotiate with an employee. If the matter was resolved in 30 days, nothing moved forward reducing the potential number of claims. The biggest change to the original bill was that NERC would no longer be required to promulgate regulations which subsequently reduced the need for additional staff.

Chair Carlton asked whether Committee members had any questions on the bill.

Assemblywoman Benitez-Thompson wanted to better understand the process. She noted that an employer had 30 days to create a corrective action plan with an employee, but she wondered whether the negotiation occurred after it was determined that the employer willfully compensated an employee inequitably.

Senator Spearman said that once an allegation was made, the employer had 30 days to negotiate with the employee. The fact finding would be conducted by NERC, and if it was

determined that there was no employment discrimination or if the employer acknowledged the inequity and attempted to resolve the problem, no further action was needed.

Assemblywoman Benitez-Thompson wondered whether NERC would be able to conduct fact-finding efforts in 30 days. She had heard about a backlog of cases at NERC including a recommendation for additional funding to resolve the backlog. She asked whether a new process was required because of S.B. 166 (R2).

Senator Spearman said that it was not a separate process. The difference from the bill was that the employer could meet with the employee to resolve the matter. The 30-day timeframe was for the employer and employee to negotiate, not for NERC to conduct investigations.

Assemblywoman Benitez-Thompson had additional questions on section 1, including how fines and penalties were handled and the process and timeframe for the Board of Examiners, but she opted to let other Committee members ask questions.

Assemblywoman Neal referenced section 1 and asked whether there was a shift in who the fines and penalties were assessed against. She asked who received penalty fees and compensation because she believed the bill was written so that the aggrieved party did not receive penalty fees.

Senator Spearman said that the provision was intended to provide transparency. The fines were from the employer. If there was a determination of pay inequity or employment discrimination, there was another process related to what the aggrieved person would receive. The Office of the State Treasurer was designated to receive penalty fees to avoid instances where it was interpreted that the findings of NERC were in NERC's best interest. This same question, she noted, was asked in the Assembly Committee on Government Affairs.

Assemblywoman Neal asked whether the Office of the State Treasurer already had control of penalties. She knew that NERC was under the Department of Employment, Training and Rehabilitation (DETR), but she wondered whether the Office of the State Treasurer had been involved with those penalty fees.

Senator Spearman said that S.B. 166 (R2) did not create a difference in how penalties were handled. If an employer was found guilty of pay inequity or employment discrimination and NERC imposed penalties based on whether the action was willful or negligent, instead of the fine going to NERC, the fine went to the Office of the State Treasurer, who would then request that the penalty be credited to NERC to cover administrative duties.

Kara Jenkins, Administrator, Nevada Equal Rights Commission, DETR, said that she recognized the confusion about how complaints were investigated and where penalties went.

Assemblyman Kramer wondered why section 3, subsection 3, paragraph (b), subparagraph (4) referred to an "employer" who was found guilty of willful employment discrimination, but section 3, subsection 3, paragraph (b), subparagraph (4), sub-subparagraph (I) referenced

a "person" who was assessed a fine. He felt that a company should be fined, not an employee. Senator Spearman stated that the "employer" and the "person" were one and the same. The language could be clearer, but she believed the references were both for the "employer." This change was requested by several stakeholders, including a Chamber of Commerce, to accommodate concerns from small business owners.

Chair Carlton asked Ms. Jenkins to discuss the fiscal note.

Ms. Jenkins said that NERC had worked with Senator Spearman for some time on this bill, and although NERC was neutral on the bill, they were also encouraged by the bill. There were fiscal concerns because NERC had 10.5 full-time equivalent (FTE) statewide investigator positions, NERC had a backlog of cases, and last year, there were about 1,500 complaints. At the time the fiscal note was submitted, there was uncertainty about the bill, and NERC wanted to be conservative about the effect because there was no estimate for how many cases would be filed. She noted that the more visibility NERC had, the greater the number of complaints that were received. The fiscal note requested two additional FTE compliance investigators, one in northern Nevada and one in southern Nevada. She recognized that a rise in the number of complaints based on this legislation would help to justify additional positions in the future. The confusion for NERC arose because the 30-day negotiation period occurred after a full investigation had been conducted, and an investigation often took 12 to 24 months to interview witnesses, get respondents to respond, complete the investigation, and get a cause finding at which point there was a 30-day period for settlement negotiations without a full hearing. For due process sake, there needed to be an investigative finding. It was not acceptable to enter negotiations without an investigation to support the claims.

Timeliness had been a criticism that NERC faced in the past, Ms. Jenkins stated. A good finding of probable cause was needed to motivate an employer to settle in the 30-day timeframe based on pay inequity. She concluded that additional staff members were needed for the investigatory process but not for the hearing process. At some point in the future, there would be a need for a staff attorney position or someone to assist in the office, but at this point, investigators were needed.

Ms. Jenkins said that the funding was initially intended for NERC's gift fund, and although she understood transparency, the gift fund was not used to replenish NERC's operating budget of approximately \$1.8 million. The gift fund was a designated fund that allowed NERC to produce outreach materials, including brochures and pens, and for the development of a case management software system. She did not believe that NERC would be incentivized to hold hearings to generate more penalty fees to raise funds for more brochures or supplies.

Ms. Jenkins summarized by stating that at least two more investigator positions were needed if the legislation was enacted and NERC's needs could be more fully assessed during the interim.

Chair Carlton noted that policy changes often required additional staff, and it was important to have the correct positions and amounts on record.

Senator Spearman stated that NERC's integrity was not intended to be impugned by the move of penalty fees to the Office of the State Treasurer. Several stakeholders had expressed concern and wanted to ensure that penalty fees were not a windfall for trial lawyers, for NERC, or for anyone involved with the aggrieved employee.

Chair Carlton asked Ms. Jones to walk Committee members through the processes described in sections 1 and 2.

Ms. Jones stated that sections 1 and 2, as drafted, were different from other processes. Section 2 discussed penalties and fines that would be deposited to the State General Fund. The NERC may present a claim to the State Board of Examiners for recommendation to the IFC if money was required for attorney fees. The existing process did not specify State General Fund money for attorney fees. The agency would need to request funds from the IFC, which was still routed through the Board of Examiners, but she noted the technical difference in the process. There were several ways to handle position requests. Funds could be appropriated and put in a reserve for consideration by the IFC at a later date, funds could be appropriated, or funds could be placed with the IFC. For attorney's fees, there were similar options. Funding authority could be placed in reserve for consideration by the IFC at a later date, or the agency could go directly to IFC and request funding from the IFC contingency account. Another option was to request funding from the statutory contingency fund in certain cases for recovery of attorney fees. The way the bill was written would be problematic.

Chair Carlton wanted to ensure consistency and that the same procedure was used for those claims as was used for other claims. This consistency would ensure transparency and accountability and ease the processing of work programs through IFC.

Chair Carlton asked whether Committee members had any questions on S.B. 166 (R2).

Assemblywoman Benitez-Thompson wanted to reconcile the bill sponsor's expectations compared to the process in reality. She referred to section 3, subsection 3, paragraph (b), subparagraph (4). Specifically, she referred to a first offense, a second offense, and a third offense with penalties of \$5,000, \$10,000, and \$15,000 respectively. Practically speaking, it sounded as if with a third offense, after fact finding, if an employer was found to have willfully engaged in employment discrimination and a negotiation was agreed upon, penalties could not be imposed. She wondered whether this was a step in the wrong direction. She believed that for egregious violations, a corrective plan was an easy solution for an employer without a financial consequence.

Ms. Jenkins explained that the intent of the bill was that for willful, unfair acts, before a first, second or third fine was issued, a 30-day period for reconciliation after NERC had found just cause was a strong impetus to resolve a situation.

Pay inequity, Ms. Jenkins said, started upon receipt of the first unlawful or unfair paycheck. After a finding of probable cause, the parties needed to be brought together before a hearing was held and fines were levied. Even before the hearing, settlements could happen, and settlements were encouraged at any point in time. If an employer was trying to avoid negotiations or settlements, due process required a hearing where five commissioners appointed by the Governor, not NERC, heard the evidence and levied appropriate fines. The commissioners would have legal counsel, and the employer through due process would have an attorney present.

Assemblywoman Benitez-Thompson asked about section 3, subsection 5 where it stated that "If the person takes such corrective action, the Commission shall not impose the civil penalty." She asked whether as written, it was correct to say that as long as there was a corrective action plan there would be no penalty. It seemed that for a second or third offense, there should be a corrective action plan and a fine.

Senator Spearman said that the language in this bill was taken from federal regulations, specifically from the *Lilly Ledbetter Fair Pay Act of 2009*, and the Senator wanted to ensure that S.B. 166 (R2) was aligned with what was already in federal statute. The intent was not to bankrupt anybody, but she was trying to send a message that people needed to be paid equally. Most employers did this, but some did not. Corrective action did not warrant a fine. Senator Spearman mentioned that she could discuss this further with stakeholders, but many hours of meetings had already been held to reach consensus.

Chair Carlton asked whether Committee members had any other questions, and hearing no responses and knowing that the fiscal note had been resolved, she asked to hear from those in support of S.B. 166 (R2).

Misty Grimmer, a paid lobbyist and Senior Public Affairs Executive with the Ferraro Group representing the Nevada Resort Association, spoke in support of S.B. 166 (R2). She noted that Senator Spearman had been working on this bill for three sessions, and she was happy that an agreement was reached for a structure that worked for business and provided protection for employees. If an amendment was needed in response to Assemblywoman Benitez-Thompson's point, she wanted to be able to talk to member organizations about the change first.

Assemblywoman Benitez-Thompson responded that she was thinking about stakeholders out loud. She respected the work that had been done, but wondered whether removing fines for second and third offenses was the appropriate course of action.

Caroline Mello Roberson, a paid nonprofit lobbyist and Nevada State Director, NARAL Pro-Choice America, spoke in support of S.B. 166 (R2). She introduced her daughter, Freya, and said she hoped Freya would not have to testify on equal pay when she was an adult. Her organization recognized the close tie between reproductive freedom and economic independence.

Elisa Cafferata, a paid lobbyist, owner and principal, Cafferata and Company, representing Planned Parenthood Votes Nevada, spoke in support of S.B. 166 (R2).

Hearing no one else in support of S.B. 166 (R2), Chair Carlton asked for anyone in opposition to S.B. 166 (R2), and hearing no one, she asked for those neutral on S.B. 166 (R2).

Tyre Gray, a paid lobbyist with Fennemore Craig, P.C., representing the Las Vegas Metro Chamber of Commerce, stated that his former opposition to S.B. 166 (R2) had been resolved.

Miranda Hoover, a paid lobbyist with Capitol Partners, representing the Reno+Sparks Chamber of Commerce, spoke on S.B. 166 (R2) and echoed the comments made by the lobbyist for the Las Vegas Metro Chamber of Commerce.

Chair Carlton asked for anyone else who was neutral on S.B. 166 (R2), and hearing no one, she closed the hearing on S.B. 166 (R2). The Chair asked Senator Spearman whether she understood the need for a technical amendment that ensured the bill functioned as intended. There would be no change to the policy of the bill by the amendment and because the bill included an appropriation, the bill would be placed in the "parking lot."

Chair Carlton asked the Fiscal Analysis Division staff to work on the technical amendment.

Assemblyman Kramer asked whether the appropriation was intended to fund NERC staff, and Chair Carlton confirmed that the fiscal note included \$111,646 in fiscal year (FY) 2020 and \$209,310 in FY 2021 for two additional full-time investigator positions.

Assemblyman Kramer asked whether the fiscal note went away, and Chair Carlton clarified that the fiscal note still existed.

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, asked whether Fiscal staff should include appropriation amounts in the technical amendment for consideration when the bill moved, or she noted, the bill could be amended. Chair Carlton believed that was the cleanest way and asked for a mockup.

Senate Bill 485 (2nd Reprint): Revises provisions relating to the education of certain children from Nevada who are patients or residents of certain hospitals or facilities. (BDR 34-397)

Dan Musgrove, a paid lobbyist and Vice-President, Strategies 360, representing Universal Health Services Behavioral Health Hospitals, presented Senate Bill (S.B.) 485 (2nd Reprint), a bill that was started in 2013. Mr. Musgrove noted that on any given day, there were several Nevada Medicaid children who were in long-term residential treatment. Unfortunately, many of those children had to be sent out-of-state.

In 2013, Mr. Musgrove continued, legislation was passed to ensure in-state facilities that were responsible for educating children in long-term, mental health crisis treatment for 30-, 60-, 90-days or more received education dollars. What was not included in the legislation was funding for children who were assigned to out-of-state facilities. Hospitals in Utah housed and treated 58 Nevada Medicaid children who were schooled every day to ensure there would be no additional stigma when the children returned to school in Nevada. Additional stigma included being held back in school or lagging behind their peers academically. Education provided to children out-of-state needed to be quality education because it was already unfair that Nevada children had to go out-of-state for treatment. He noted that S.B. 485 (R2) was intended to ensure a process was available for those out-of-state facilities to receive education funding. The policy for this bill was heard in 2013, and this bill clarified the transfer of funding.

Mr. Musgrove noted that he had worked with the Department of Education, Fiscal Analysis Division staff, and representatives of Clark County and Washoe County because the method for counting had changed since 2013. It was important to ensure that children received a quality education, that the Department of Education had an ability to audit the program, that individualized education programs (IEP) were being followed, and that funding dollars flowed appropriately from one school system to another school or hospital facility. This bill was about equality for children treated out-of-state in comparison to children treated in Nevada.

Chair Carlton stated that section 2.5 contained an appropriation of \$40,000 to the Department of Education for virtual auditing and \$72,000 for in-person auditing of hospitals or other licensed facilities that received educational service reimbursements. She asked for confirmation of her understanding from Mr. Musgrove, and he confirmed her understanding of the fiscal note provided by the Department of Education. He believed that the Department tried to err on the side of caution because the Department had not yet audited an out-of-state facility, and there was an opportunity for virtual auditing. The program focused on Nevada children that had already been accounted for in a school, and the intent was to ensure that disenrollment in a Nevada school had been recognized so school districts were not double-penalized.

Chair Carlton asked whether Committee members had any questions.

Assemblywoman Neal questioned section 1, subsection 4 and the reimbursement amounts as a percentage of the basic support guarantee per pupil for hospitals. She noted that "withhold" had been struck out, but subsection 5 referred to an amount withheld. Mr. Musgrove said that there were basic education dollars and special education dollars. Counts for each funding type were calculated differently. He differentiated between special education children and general education children who were faced with a mental health crisis.

Chair Carlton stepped out of the hearing room, and Vice Chair Benitez-Thompson assumed the role of the Chair.

Assemblywoman Neal asked about the special education student provision and the "educational program" referred to in S.B. 485 (R2). She wondered whether there were any specifics for whether the program met the standards of accommodation required for special education students with mental health crises. She did not see anything specifying what the program entailed and how the program would be measured. She did not want to see any expenditure without documented results. Mr. Musgrove said that an individualized education program (IEP) was required for each child before the funding reimbursement was requested, and that was the purpose of the audit procedure. The audit verified that IEPs were followed. Under the program, 58 children were being educated out-of-state, but there was no process for Nevada to know what was taught and whether it met the Nevada standards.

Assemblywoman Titus referenced the IEP process. As a doctor, Assemblywoman Titus prepared IEPs. She knew that each state had different IEP requirements. She asked who would be preparing IEPs for Nevada children housed out-of-state and what standards would be used. Mr. Musgrove replied that Nevada IEP standards were used for Nevada children regardless of where the facility was located.

Chair Carlton returned to the meeting and resumed her duties as Chair.

Assemblywoman Titus noted that IEPs included input from multiple professionals in a school district, including social workers, psychologists, speech pathologists, physical therapists, and occupational therapists, with an overview by a physician. She wondered how that process would work for students who were lodged out-of-state and which professionals would oversee the process. Mr. Musgrove said that the IEP preparation happened at the start of the process. Once the IEP process was complete, then an in-state bed was identified for the child. If no in-state bed could be designated, then Nevada Medicaid was responsible for locating a bed in an appropriate treatment facility to treat the child under appropriate guidelines. On any day, there were between 100 and 200 Nevada children lodged in out-of-state facilities. This bill ensured that the education for those children met Nevada standards.

Assemblywoman Titus asked whether the school district where the parents lived was responsible for creating an IEP for that child. Mr. Musgrove believed that the school district where the parents lived would be responsible.

Chair Carlton stated that she did not want to discuss any policy for this bill. The Department of Education had worked diligently to resolve the fiscal note. The Chair felt that it was sad that Nevada children could not all be treated in Nevada, but this was a problem she had worked with Mr. Musgrove on in the past. She asked that all policy questions be resolved offline because she wanted to address fiscal matters so the bill would move forward in the process.

Assemblywoman Titus noted that IEPs determined the cost of treatments because part of an IEP identified the needed services.

Assemblywoman Benitez-Thompson asked about Nevada count days, the 100 to 200 children that were housed out-of-state, and the 58 children that were housed out-of-state with mental health problems for variable lengths of stay. She asked how children were counted when the child was enrolled in August and then left school for a treatment period of 12 weeks. She wondered how a child was accounted for by the school. Lindsay E. Anderson, Director of Government Affairs, Washoe County School District, said that when schools moved to average daily enrollment in 2015, school districts received allocations based on the number of days that students were enrolled. When students unenrolled and enrolled in other school districts, the basic support for that student stopped until the student reenrolled and was counted again in the average daily enrollment. The reason Ms. Anderson was interested in S.B. 485 (R2) was because of section 1, subsection 4. Original legislation was passed using a count-day methodology so schools did not receive the allocation, and then funds were further withheld from school districts to fund the out-of-state education, so there was a double consequence to school districts. She wanted to ensure that the school district was only penalized once.

Assemblywoman Benitez-Thompson wanted to ensure that during a six-week period when a child was housed in an out-of-state facility, those dollars would not go to a school district but would go to the out-of-state facility. She wanted to ensure that facility and the school were not both being paid for the duration of the child's stay. Ms. Anderson said that for children in an in-state facility, the amount of that child's allocation was withheld from the district's allocation from the distributive school account and that child was only counted once.

Assemblywoman Benitez-Thompson asked whether the count started after the first seven days of a hospital stay, a minimum of one week, and then the duration of the child's stay was the basic support guarantee per pupil that was provided to Mr. Musgrove. Mr. Musgrove confirmed that what Assemblywoman Benitez-Thompson said was correct.

Assemblywoman Benitez-Thompson asked what a virtual audit entailed. Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said that a virtual audit was a remote audit where information was shared electronically.

Assemblywoman Benitez-Thompson asked for the level of detail provided from a remote audit. She wondered when a facility was in a Measures of Academic Progress (MAP) testing period or a Smarter Balanced Assessments Consortium (SBAC) testing period whether a remote audit would evaluate a hospital's ability to administer healthcare or whether a remote audit focused only on an IEP.

Jonathan P. Moore, Deputy Superintendent for Student Achievement, Department of Education, said that for virtual audits there were several unknown variables because this function was moving the Department into unfamiliar territory. He anticipated that a virtual audit would include, but not be limited to, monitoring files and documents including IEPs, academic, and medical records, an evaluation of physical space, and an examination of staff records.

Assemblywoman Benitez-Thompson understood that a virtual audit meant there would be no site visit to inspect the facility, but the audit might include a review of records, a verification of documentation, and phone conversations with facility staff. Mr. Moore said that her understanding was correct but any virtual or desktop audit could prompt further investigation or engagement, and depending on what was found in a virtual audit, staff might need to travel to the facility for additional examination.

Assemblyman Kramer asked whether the 58 Nevada children in out-of-state facilities was an average, and if so, he noted that the amount of funding recommended for a virtual audit approached the amount of money designated for out-of-state education support for children faced with mental health crises. His rule of thumb had always been not to spend more money auditing a process than was being spent on the task to be audited. Mr. Musgrove stated that the 58 children would not need long-term residential treatment for a complete school year. Based on numbers received from Nevada Medicaid, there were 58 children in facilities associated with Mr. Musgrove, but there were additional Nevada children in at least 5 other states. The average at the last count was approximately 110 children in out-of-state treatment facilities from Utah to Texas. Language was included in the bill to ensure that funding would revert if the Department of Education's forecasts were excessive.

Hearing no other questions from Committee members, Chair Carlton asked to hear from those in support of S.B. 485 (R2).

Lindsay E. Anderson, Director of Government Affairs, Washoe County School District, spoke in support of S.B. 485 (R2) because it addressed the decreased funding problem when schools were penalized twice.

Mary Pierczynski, a paid lobbyist representing the Nevada Association of School Superintendents, spoke in support of S.B. 485 (R2).

Hearing no one else in support of S.B. 485 (R2), Chair Carlton asked to hear from anyone in opposition to, or neutral on, this bill. Hearing no one and hearing no closing comments, the Chair closed the hearing on S.B. 485 (R2).

**Senate Bill 544 (1st Reprint): Creates the Patient Protection Commission.
(BDR 40-1221)**

Allison Combs, Policy Director, Office of the Governor, provided an overview of Senate Bill (S.B.) 544 (R1). This bill created a comprehensive independent commission dedicated to innovative health-care approaches in Nevada. The scope of the Patient Protection Commission was extensive, as indicated in section 8 of the bill and included a systematic review of matters related to health-care needs of Nevadans and the quality, accessibility, and affordability of healthcare. The Commission included 11 voting members who represented patient advocates, health plan providers, hospitals, pharmaceuticals, and an academic experienced in health-care policy. The Commission would create up to six subcommittees at

a time, and it was anticipated that more stakeholders would attend subcommittee meetings to review problems in greater depth. Senate Bill (S.B.) 544 (R1) authorized the hiring of an executive director as well as additional staff.

Susan Brown, Director, Office of Finance, Office of the Governor, explained that the cost was estimated at \$305,180 for fiscal year (FY) 2020 and \$370,293 for FY 2021. Because that cost differed from information provided to Committee members, Chair Carlton asked Fiscal Analysis Division staff to make technical adjustments to reconcile the numbers. Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that she would work with Ms. Brown to ensure everyone had the same estimates.

Chair Carlton asked whether Committee members had any questions on the bill.

Assemblywoman Titus referred to section 5, subsection 2, paragraph (c) of S.B. 544 (R1), and noted that members of the Commission appointed by the Governor must represent the geographic diversity of the state. She appreciated that requirement.

Chair Carlton noted that the requirement for representation that was geographically diverse did not need to be specified in each bill.

Hearing no other questions from Committee members, Chair Carlton asked to hear from those in support of S.B. 544 (R1).

Tray Abney, a paid lobbyist with the Abney Tauchen Group, representing America's Health Insurance Plans, spoke in support of S.B. 544 (R1) and indicated that healthcare was an important matter which affected every Nevadan in a constant and personal way. He noted that America's Health Insurance Plans was ready to sit at the table and work with the state, the Commission created under this bill, and the Legislature to ensure every Nevadan had access to high-quality healthcare that was affordable.

Asher Lisec, a paid lobbyist and Senior Director, State Policy, representing PhRMA, spoke in support of S.B. 544 (R1), and recognized the need for holistic patient-centered solutions that considered cost, quality, and access.

George A. Ross, a paid lobbyist representing the Hospital Corporation of America, spoke in support of S.B. 544 (R1). The Hospital Corporation of America supported the idea of the Patient Protection Commission and believed that the Commission would have an effect on the cost, access, and availability of high-quality healthcare for all Nevadans, and the Hospital Corporation of America would provide support, including personnel resources and time, to make the Commission succeed.

Tom Clark, a paid lobbyist and owner of Tom Clark Solutions, representing the Nevada Association of Health Plans, spoke in support of S.B. 544 (R1) and echoed the comments of previous speakers.

Joanna Jacob, a paid lobbyist with Ferrari Public Affairs, who represented Dignity Health – St. Rose Dominican and seven acute care hospitals spoke in support of S.B. 544 (R1). She echoed comments from previous speakers in support of the bill and appreciated the inclusion of patient representatives on the Patient Protection Commission. Ms. Jacob also appreciated the inclusion of staff in the appropriation.

Nick Vassiliadis, a paid lobbyist with R&R Partners representing Anthem, Inc. and its affiliates, including Blue Cross and Blue Shield and Blue Shield Healthcare Solutions, spoke in support of S.B. 544 (R1) and echoed the comments of previous speakers.

Elisa Cafferata, a paid lobbyist with Cafferata and Company Government Relations, representing the Biotechnology Innovation Organization and Planned Parenthood Votes Nevada, spoke in support of S.B. 544 (R1).

Michael Hackett, a paid lobbyist with Alrus Consulting representing the Nevada Academy of Physician Assistants, Nevada Public Health Association, Nevada Primary Care Association, and Immunize Nevada, spoke in support of S.B. 544 (R1).

Joelle Gutman, a paid lobbyist representing the Washoe County Health District, spoke in support of S.B. 544 (R1) and echoed the comments of previous speakers.

Sarah Adler, a paid lobbyist with Silver State Government Relations, representing the National Alliance on Mental Illness Nevada, spoke in support of S.B. 544 (R1). The Patient Protection Commission would be important to the community, and she recognized that the Legislature and the Governor were concerned with behavioral and mental health in Nevada.

Jessica Ferrato, a paid lobbyist representing the Nevada Nurses Association, spoke in support of S.B. 544 (R1).

Catherine O'Mara, a paid lobbyist representing the Nevada State Medical Association, spoke in support of S.B. 544 (R1).

Dan Musgrove, a paid lobbyist representing the Valley Health System, a group of hospitals for acute care and behavioral health, spoke in support of S.B. 544 (R1).

Liz MacMenamin, a paid lobbyist representing the Retail Association of Nevada, including chain drug stores, pharmacies, and pharmacy assistants, spoke in support of S.B. 544 (R1).

Jay Parmer, a paid lobbyist with American Strategies Inc., representing the Association for Accessible Medicines, spoke in support of S.B. 544 (R1). The Association for Accessible Medicines was a trade association for the generic and biosimilar industry, and Mr. Parmer looked forward to working on the task of understanding health-care delivery and the associated costs.

Chair Carlton asked whether there was anyone else in support of S.B. 544 (R1), and hearing no one, she asked for those in opposition to S.B. 544 (R1). Hearing no one in opposition, the Chair then asked for anyone neutral on, S.B. 544 (R1).

Margot Chappel, Deputy Administrator, Regulatory and Planning Services, Division of Public and Behavioral Health, Department of Health and Human Services, said that she was prepared to assist the Office of the Governor with the proposed Patient Protection Commission.

Hearing no one else neutral on S.B. 544 (R1), Chair Carlton closed the hearing on S.B. 544 (R1).

Chair Carlton opened the meeting for public comment and hearing no public comment, the Chair recessed the meeting at 11:00 a.m.

Chair Carlton called the meeting back to order at 4:12 p.m. The remainder of the meeting, she noted, would focus on Assembly bills, while the Senate bills would be rolled to the next day.

Assembly Bill 111: Requires the Legislative Committee on Child Welfare and Juvenile Justice to conduct a study concerning the funding of the child welfare system in this State. (BDR S-451)

Assemblywoman Daniele Monroe-Moreno, Assembly District No. 1, explained that during the interim she chaired the Legislative Committee on Child Welfare and Juvenile Justice. One problem that arose was now resolved with a conceptual amendment to Assembly Bill (A.B.) 111, ([Exhibit D](#)). She noted that A.B. 111 had undergone many changes, and the conceptual amendment now specified that an interim committee would conduct a study to identify opportunities to maximize federal funds Nevada received for child welfare, medical care, mental health, substance abuse treatments, education, and juvenile justice. Testimony had been heard that indicated Nevada lacked resources for many programs, including social programs, and this bill appropriated a small amount of funding for a study to be conducted with a contracted consultant. The consultant would focus on the maximization of federal funds for these programs.

Chair Carlton stated that the bill was being amended to focus on an analysis of federal funding streams with a goal of bringing more federal money to Nevada. Generating more dollars at the federal level was a worthwhile goal, and the conceptual amendment for the study reduced the appropriation from \$250,000 to \$200,000.

Assemblywoman Monroe-Moreno said that it was important to look at what other states had done in this regard. States similar to Nevada received more federal funds for creative programs, and she believed that there was a need to learn more from other states so federal dollars could be maximized.

Chair Carlton asked whether Committee members had any questions on A.B. 111. Hearing no questions, the Chair asked to hear from those in support of, in opposition to, or neutral on A.B. 111. Hearing no responses, the Chair closed the hearing on A.B. 111. Chair Carlton noted that the action for this bill would be to amend and do pass the bill with the conceptual amendment, Exhibit D.

**Assembly Bill 533 (1st Reprint): Revises provisions relating to cannabis.
(BDR 60-1217)**

Assemblyman Steve Yeager, Assembly District No. 9, introduced Assembly Bill (A.B.) 533 (1st Reprint). This bill established a Cannabis Compliance Board modeled after Nevada's Gaming Control Board. The intent was to transfer responsibility for regulation and rulemaking from the Department of Taxation to the new board. There were two parts to A.B. 533 (R1), the creation of a five-member board appointed by the Governor and the creation of an advisory commission that would make recommendations to the board about how to proceed. There were no fiscal notes to the bill except for the establishment of the board included in The Executive Budget. He noted that this bill was the product of input from many different stakeholders.

Chair Carlton asked for more details about the Board so she could understand the future fiscal consequences of the bill. Shellie Hughes, Chief Deputy Director, Department of Taxation, said that the five-member Cannabis Compliance Board would carry out the provisions established in the bill; adopt policies, procedures, and regulations; establish enforcement and investigative mechanisms; establish requirements for licensees and registrants; and study cannabis consumption lounges.

Chair Carlton asked whether Committee members had any questions on A.B. 533 (R1).

Assemblywoman Benitez-Thompson referred to section 3 and asked why legislative findings and declarations were needed. Specifically, as included in section 3, subsection 3, she believed that public confidence and trust was a good place to start, but section 3, subsection 2, paragraphs (c) and (f) were less measureable. Assemblyman Yeager said that cannabis was still a schedule 1 substance that was illegal at the federal level. Section 3 was a signal to the federal government that Nevada had a state system of regulation for cannabis. The intent was to have an industry that was aboveboard and free of corruption. This language served that purpose and let the federal government know that cannabis was treated seriously and that Nevada wanted to have the best regulatory structure of any state. He added that Nevada wanted to keep the federal government out of its regulated and well-run cannabis industry.

Assemblywoman Benitez-Thompson questioned the difference between the "Legislature hereby declares . . ." and the "Legislature hereby finds . . ." and whether the differentiation affected what could and could not be done at a local level. She also wondered whether section 3 was intended to be a preamble. Assemblyman Yeager said that section 3 was intended as a high-level preamble for what was intended to be achieved. The remainder of the bill laid out parameters for what would happen at a local level and what the local role for

medical marijuana and adult use would be. The bill, he noted, did take a different approach to cannabis consumption lounges by asking that the Cannabis Advisory Commission look at the problem and report to the Legislature during the 81st Session (2021) to decide the best way to proceed. Originally, the bill had a different approach for consumption lounges, but stakeholders later determined that a more deliberate approach would be better. He noted that regardless of what happened to consumption lounges, local governments would continue to play a role in zoning and potential licensing of consumption lounges. The language in this bill would not restrict local governments from having a role in the cannabis industry.

Assemblywoman Titus noted that commission members would receive \$80 per day for their involvement, each board member would receive \$20,000 per year, and the Board Chair would receive \$27,000 per year. She asked about the different roles. Ms. Hughes said that the Cannabis Advisory Commission had eight members appointed by the Governor who would serve in an advisory capacity and who would hold subcommittee meetings on a monthly or quarterly basis to discuss distribution of licenses, and guidelines, rules, and regulations, and then provide recommendations to the Cannabis Compliance Board. The Board members would hold permanent positions and would meet more frequently to regulate the cannabis industry.

Assemblywoman Titus asked about licensure fees in section 107. She wondered whether \$30,000, for example, was typical for a dispensary license. She wondered what the existing fees were and whether there was a table for comparison of the fees. Ms. Hughes said that the fees shown were existing fees.

Assemblywoman Titus noted that because A.B. 533 (R1) was a new law, she wanted to ensure existing fees were not increased.

Assemblywoman Titus asked whether the fees would be used to pay Board and Commission members. Ms. Hughes said that the license fees and any taxes would fund Board and Commission members.

Assemblywoman Titus referenced section 57 and asked whether limiting Board membership to those without involvement in political conventions, political party committees, or political activities, was similar to the Gaming Board membership requirements. Ms. Hughes said that the intent was to get an unbiased, impartial Board. The Cannabis Advisory Commission did not have the same restrictions. She was not familiar with the Gaming Board's restrictions on membership.

Assemblywoman Titus knew that the intent was to mirror the Gaming Board, and she supported the need for control and recognized the need to move the regulation function outside of the Department of Taxation.

Assemblywoman Neal asked how many staff members were needed for a hearing. She noted that section 72 stated that staff were needed at all hearings, and that many hearings were full court-style hearings. Melanie Young, Executive Director, Department of Taxation replied

that several staff members were added to the budget account through the budget process. An executive assistant, and support staff were involved throughout the process similar to the Nevada Tax Commission meetings. Every employee in the division played a part in producing information for the Board.

Assemblywoman Neal noted section 81 of A.B. 533 (R1) and Ms. Young's comparison to the Nevada Tax Commission. She asked whether the Nevada Tax Commission determined when a jury needed to be present for a hearing or a court proceeding. Ms. Young said that the Nevada Tax Commission did not determine whether a jury was needed, and she believed that the Cannabis Compliance Board was modeled more closely after the Nevada Gaming Control Board, rather than the Nevada Tax Commission.

Assemblyman Kramer was concerned about who would oversee the growth of industrial hemp. He was pleased to see that industrial hemp would not be overseen by the Cannabis Advisory Commission and the Cannabis Compliance Board, but rather by the State Department of Agriculture and the Department of Health and Human Services as detailed in section 213.5 and section 227 of A.B. 533 (R1). Assemblyman Yeager agreed with Assemblyman Kramer.

Assemblywoman Benitez-Thompson referred to section 67 of A.B. 533 (R1) and asked about financial and operational audits of licensees. She asked whether the public would be able to see audit results or whether the public would only be able to see a summary of audit results that would be released at the end of each year. Ms. Hughes said that as stated in section 67, subsection 5, paragraph (b), the public would only be able to see the number of audits performed and a summary of the findings.

Assemblywoman Benitez-Thompson noted that the most recent audit provided to Committee members had raised concerns, and she wondered whether there was resolution to those concerns. She also wondered, from the section on medical licenses, about the difference between the tetrahydrocannabinol (THC) level in medical-grade marijuana and the THC level in recreational marijuana and whether that specification was intentionally not addressed in the bill. Ms. Hughes said that the regulations would remain unchanged, but the Board would have regulatory authority to address that matter with passage of A.B. 533 (R1).

Hearing no other questions on A.B. 533 (R1), Chair Carlton noted that the bill was a budget implementation bill and asked to hear from those in support of A.B. 533 (R1).

Matthew J. Walker, a paid lobbyist with Brownstein Hyatt Farber Schreck, representing the Nevada Dispensary Association, spoke in support of A.B. 533 (R1).

Chair Carlton asked to hear from anyone else in support of A.B. 533 (R1), and hearing no one, she asked to hear from anyone in opposition to or neutral on A.B. 533 (R1). Hearing no one, the Chair closed the hearing on A.B. 533 (R1).

Chair Carlton opened a work session.

Assembly Bill 111: Requires the Legislative Committee on Child Welfare and Juvenile Justice to conduct a study concerning the funding of the child welfare system in this State. (BDR S-451)

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, presented Assembly Bill (A.B.) 111. This bill had been heard earlier in the day and required the Legislative Committee on Child Welfare and Juvenile Justice to conduct a study during the interim to look at funding for the child welfare system. The study would identify opportunities to maximize funding based on a conceptual amendment, (Exhibit D), provided by Assemblywoman Daniele Monroe-Moreno, Assembly District No. 1. The bill contained an appropriation from the State General Fund of \$200,000 that would be moved to the Legislative Fund for the purpose of conducting the study.

Chair Carlton asked whether Committee members had any questions on A.B. 111, and hearing no questions, the Chair requested a motion.

ASSEMBLYWOMAN BENITEZ-THOMPSON MOVED TO AMEND AND DO PASS ASSEMBLY BILL 111, INCLUDING AN APPROPRIATION OF \$200,000 AND THE CONCEPTUAL AMENDMENT.

ASSEMBLYWOMAN TITUS SECONDED THE MOTION.

Chair Carlton asked whether Committee members had any discussion on the motion, and hearing no discussion, the Chair called for a vote.

THE MOTION PASSED. (Assemblymen Frierson and Hambrick were not present for the vote.)

Chair Carlton assigned the floor statement to Assemblywoman Monroe-Moreno.

Assembly Bill 533 (1st Reprint): Revises provisions relating to cannabis. (BDR 60-1217)

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, presented Assembly Bill (A.B.) 533 (1st Reprint). This bill was heard earlier in the day and revised provisions related to cannabis. This was a budget implementation bill, and for the Department of Taxation's budget which closed on May 17, 2019, the money committees approved the establishment of a standalone cannabis control agency to administer the state's marijuana regulation activities. There were 44 associated positions overseen by the Department of Taxation that would move to the new agency. The money committees also approved two unclassified positions, four Peace Officer Standards and Training (P.O.S.T.)-certified or sworn positions, five part-time Cannabis Compliance Board member positions, and 8 Cannabis Advisory Commission positions. With the establishment of a new agency, the money committees also approved the elimination of one revenue officer position.

Chair Carlton asked whether Committee members had any questions on A.B. 533 (R1).

Assemblywoman Neal remembered conversations concerning the need for the Cannabis Advisory Commission to look at regulations and provisions from the bill during the interim, but she did not see language that would allow flexibility for that effort. She wondered what would happen to existing language when a new entity was created to oversee cannabis regulation and the new board might take action that contradicted the original regulation.

Chair Carlton stated that a new Board could not propose regulations that violated state statutes.

Assemblywoman Neal said that she did not see an amendment that would provide the new Board with authority to take contradictory action on certain sections of the bill. Assemblywoman Benitez-Thompson found the answer in section 65, subsection 9.

Hearing no other questions, Chair Carlton noted that there were no proposed amendments. The Chair requested a motion.

ASSEMBLYWOMAN MONROE-MORENO MOVED TO DO PASS AS
AMENDED ASSEMBLY BILL 533 (1ST REPRINT).

ASSEMBLYWOMAN JAUREGUI SECONDED THE MOTION.

Chair Carlton asked whether Committee members had any discussion on the motion, and hearing no discussion, the Chair called for a vote.

THE MOTION PASSED. (Assemblymen Frierson and Hambrick were not present for the vote.)

Chair Carlton assigned the floor statement to Assemblyman Yeager.

Assembly Bill 216 (2nd Reprint): Requires the establishment of a database of information relating to funding opportunities for higher education. (BDR 18-858)

Chair Carlton stated that this bill was presented by Assemblywoman Jill Tolles, Assembly District No. 25, earlier in the session, and a fiscal note had been removed. The Office of the State Treasurer believed that the work could be absorbed with no proposed amendments.

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, confirmed that there were no proposed amendments for Assembly Bill (A.B.) 216 (2nd Reprint). Representatives from the Nevada System for Higher Education supported the bill, and there was no testimony in opposition to the bill.

Chair Carlton asked whether Committee members had any questions on the bill, and hearing no questions, the Chair requested a motion.

ASSEMBLYWOMAN TITUS MOVED TO DO PASS AS AMENDED
ASSEMBLY BILL 216 (2ND REPRINT).

ASSEMBLYMAN WHEELER SECONDED THE MOTION.

Chair Carlton asked whether Committee members had any discussion on the motion, and hearing no discussion, the Chair called for a vote.

THE MOTION PASSED. (Assemblymen Frierson and Hambrick were not present for the vote.)

Chair Carlton assigned the floor statement to Assemblywoman Tolles with backup from Assemblyman Wheeler.

Chair Carlton opened the meeting for public comment, and hearing no public comment, the meeting was adjourned at 4:55 p.m.

RESPECTFULLY SUBMITTED:

Carmen M. Neveau
Committee Secretary

APPROVED BY:

Assemblywoman Maggie Carlton, Chair

DATE: _____

EXHIBITS

[Exhibit A](#) is the Agenda.

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

[Exhibit C](#) is a proposed amendment to Assembly Bill (A.B.) 326 (1st Reprint) presented by Assemblyman William McCurdy II, Assembly District No. 6.

[Exhibit D](#) is a conceptual amendment to Assembly Bill (A.B.) 111, presented by Assemblywoman Daniele Monroe-Moreno, Assembly District No. 1.