

**MINUTES OF THE
SENATE COMMITTEE ON FINANCE**

**Eightieth Session
May 25, 2019**

The Senate Committee on Finance was called to order by Chair Joyce Woodhouse at 9:26 a.m. on Saturday, May 25, 2019, in Room 2134 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 Joyce Woodhouse, Chair
Senator David R. Parks, Vice Chair
Senator Moises Denis
Senator Yvanna D. Cancela
Senator Chris Brooks
Senator James A. Settelmeyer
Senator Ben Kieckhefer
Senator Pete Goicoechea

GUEST LEGISLATORS PRESENT:

Senator Nicole J. Cannizzaro, Senatorial District No. 6
Senator Joseph P. Hardy, Senatorial District No. 12
Senator Dallas Harris, Senatorial District No. 11
Senator James Ohrenschall, Senatorial District No. 21

STAFF MEMBERS PRESENT:

Mark Krmpotic, Senate Fiscal Analyst
Alex Haartz, Principal Deputy Fiscal Analyst
Leannandra Copeland, Program Analyst
Adam Drost, Senior Program Analyst
Kimbra Ellsworth, Program Analyst
Brenda J. Erdoes, Legislative Counsel
Russell Guindon, Principal Deputy Fiscal Analyst
John Kucera, Program Analyst

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Brody Leiser, Senior Program Analyst
James Malone, Program Analyst
Colby Nichols, Program Analyst
Jaimarie Ortega, Program Analyst
Kristina Shea, Program Analyst
Michael Keever, Committee Secretary
Tom Weber, Committee Secretary

OTHERS PRESENT:

Margot Chappel, Deputy Administrator, Regulatory and Planning Services,
Division of Public and Behavioral Health, Nevada Department of Health
and Human Services
Terry Taylor, Sierra Front Wildfire Cooperators
Vonne S. Chowning
Matt Walker, TNT Fireworks; City of Henderson; City of Las Vegas
Mark Fiorentino, Red Apple Fireworks
Alexandria Cannito, Jake's Fireworks
Josh Hicks, Phantom Fireworks
Chris Ferrari, D&T Imports, Inc.
Bart Chambers, Nevada State Fire Marshall
Sean P. McDonald, Administrator, Division of Central Services and Records,
Nevada Department of Motor Vehicles
Victoria Carreon, Deputy Administrator, Division of Industrial Relations, Nevada
Department of Business and Industry
Elizabeth MacMenimin, Vice President of Government Affairs, Retail Association
of Nevada
Elisa Cafferata, Planned Parenthood Votes Nevada
Brian McAnallen, Nevada Institute for Autonomous Systems
Chris Wallach, Executive Director, Nevada Institute for Autonomous Systems;
Director, FAA-Designated Nevada Unmanned Aerial Systems Test Site
Dylan Shaver, City of Reno
Alisa Nave Worth, Business Law Section, State Bar of Nevada
Scott W. Anderson, Chief Deputy Secretary, Nevada Secretary of State

CHAIR WOODHOUSE:

This meeting will start with a Committee introduction of Bill Draft Request
(BDR) S-1268.

BILL DRAFT REQUEST S-1268: Establishes for the 2019-2021 biennium the subsidies to be paid to the Public Employees' Benefits Program for insurance for certain active and retired public officers and employees. (Later introduced as [Senate Bill 550](#).)

MARK KRMPOTIC (Senate Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

Bill Draft Request S-1268 is a budget implementation BDR and represents the Nevada Public Employees' Benefits Program (PEBP) rates that will be in effect during the 2019-2021 biennium. The chosen PEBP rates will be based on decisions made by the Nevada Legislature Senate Committee on Finance and Assembly Committee on Ways and Means (Money Committees) when closing budget account (B/A) 625-1338.

SPECIAL PURPOSE AGENCIES

PUBLIC EMPLOYEES' RETIREMENT SYSTEM

PEBP - Public Employees Benefits Program — Budget Page PEBP-6 (Volume III)
Budget Account 625-1338

SENATOR PARKS MOVED TO INTRODUCE BDR S-1268.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR WOODHOUSE:

The Committee will now move onto a work session starting with Senate Bill (S.B.) 543.

SENATE BILL 543: Revises provisions relating to the funding of public schools. (BDR 34-1263)

MR. KRMPOTIC:

Proposed Amendment No. 5949 ([Exhibit C](#)) incorporates changes subsequent to when it was presented to the Money Committees on May, 21, 2019. Proposed

Amendment No. 5949 changes the language in section 2, subsection 5 of S.B. 543 to include the interest and income earned on money deposited in the Nevada Department of Education's (DOE) Education Stabilization Account for federal purposes to be credited back into the account.

Proposed Amendment No. 5949 changes the language in section 3, subsection 1 of S.B. 543 to reflect the actual ending fund balance of school districts in excess of 16.6 percent of total actual, rather than budgeted, expenditures for the DOE State Education Fund. During discussions regarding S.B. 543, the Committee will constantly hear references to section 2, subsection 5, which is the portion of S.B. 543 that includes accounts created for the purpose of administering money received from the federal government. Proposed Amendment No. 5949 revises section 3, subsection 3 of S.B. 543 to exclude the Education Stabilization Account or any account exceeding 15 percent of the total federal appropriations authorized from the State Education Fund.

Proposed Amendment No. 5949 makes new subsection 5 under section 3 of S.B. 543 which transfers any remaining balance in the State Education Fund at the end of the year to the Education Stabilization Account.

Proposed Amendment No. 5949 revises section 4, subsection 1 of S.B. 543 to exclude the Education Stabilization Account or any account created for the purpose of administering money received from the federal government from experiencing a decrease in funding from the preceding fiscal year (FY).

Proposed Amendment No. 5949 revises section 9, subsection 5 of S.B. 543 to include the percent increase or decrease in the U.S. Department of Labor's Consumer Price Index (CPI) when determining the rate of inflation.

Proposed Amendment No. 5949 revises language in section 10, subsection 2, paragraph (g) of S.B. 543 requiring the appointing authority when making appointments to the Nevada Commission on School Funding to consider whether the membership of the Commission generally reflects the geographic distribution of the State. Proposed Amendment No. 5949 makes a new paragraph (b) under section 10, subsection 3 of S.B. 543 prohibiting anyone registered as a lobbyist in the preceding 2 years from serving on the Commission. Proposed Amendment No. 5949 makes a new paragraph (f) under section 10, subsection 3 of S.B. 543 requiring each member of the Commission

to have demonstrated ability in economics, taxation or other disciplines necessary to school finance. This results in adding new language to S.B. 543 to provide qualifications relating to the background of the members of the Commission.

Proposed Amendment No. 5949 modifies the dates in section 12, subsection 1 of S.B. 543. Proposed Amendment No. 5949 revises language in section 12, subsection 2 of S.B. 543 to change the dates of annual reporting by the DOE from June 1 and July 1 to July 1 and August 1 largely for technical reasons. This states that the Legislature may not appropriate funding for kindergarten through Grade 12 (K-12) before June 1 of odd-numbered years.

Proposed Amendment No. 5949 revises language in section 66, subsection 1, paragraph (c) of S.B. 543 to include the transfer of the total amount of fees, taxes, interest and penalties collected to the State Education Fund for the purposes of the Local School Support Tax.

Proposed Amendment No. 5949 revises language in section 76, subsection 1 of S.B. 543 referring to the projected distribution of funding under existing law rather than the actual distribution of funding, for technical reasons.

SENATOR KIECKHEFER:

I have concerns with the changes Proposed Amendment No. 5949 makes to language in section 3, subsection 4 of S.B. 543 referring to authorizations and the maintenance-of-effort requirements regarding the transfers of money back to the Education Stabilization Account. Are we expecting large sums of federal money will be included in the State Education Fund? When discussing the authorization for expenditure, are we referring to general operating funds in the State Education Fund? If the DOE places all of the U.S. Department of Education Title 1 of the Elementary and Secondary Education Act funding into the State Education Fund, will the DOE be required to receive an authorization when transferring funding into the Education Stabilization Account?

MR. KRMPOTIC:

Regarding the difference between authorized and appropriated and how they are described in the General Appropriations Act and the Authorizations Act, authorized revenue includes any revenue source outside of appropriated funds. The intent of Proposed Amendment No. 5949 is to look at authorized revenue coming into the State Education Fund including a number of revenue sources

currently being deposited into B/A 101-2610. These revenue sources include the Tax on Rental of Transient Lodging funds, marijuana revenue in excess of administrative costs, the out-of-State Local School Support Tax and local taxes counted under the DOE New Nevada Plan but not included in B/A 101-2610 such as the Local School Support Tax and the 75-cent Property Tax Abatement.

EDUCATION

K-12 EDUCATION

NDE - Distributive School Account — Budget Page K-12 EDUCATION-17
(Volume I)
Budget Account 101-2610

These various revenue sources are considered to be authorized and not appropriated under the State Education Fund. In looking at section 3, subsection 4 of S.B. 543 regarding the 97 percent or less language, it would not appear logical to try to look at appropriated money in terms of the 97 percent, as this money is appropriated from the State General Fund already and is not subject to fluctuation. The authorized revenue coming into the State Education Fund would be subject to fluctuation and could potentially fall below the 97 percent threshold.

SENATOR KIECKHEFER:

This is how I have understood this issue as well. Does section 3, subsection 3 of S.B. 543 include General Fund appropriations and all of the other tax revenue going into the Educational Stabilization Account outlined in section 2, subsection 2 of S.B. 543? Could the 15 percent cap in the Educational Stabilization Account also include federal money that may not be outlined in S.B. 543 but could potentially be created as an account within the State Education Fund by the DOE Superintendent of Public Instruction under section 2, subsection 5?

MR. KRMPOTIC:

The new language included by Proposed Amendment No. 5949 in section 2, subsection 5 of S.B. 543 indicates the Superintendent of Public Instruction may create one or more accounts in the State Education Fund for the purpose of administering any money received from the federal government for the support of education and any State money required to be administered

separately to satisfy any requirement imposed by the federal government. The federal funds currently received by the DOE would be set aside in separate accounts within the State Education Fund and would be excluded from the 15 percent cap indicated in section 3, subsection 3 of S.B. 543.

SENATOR KIECKHEFER:

Regarding the change by Proposed Amendment No. 5949 adding section 3, subsection 5 to S.B. 543, is it correct that any balance in the State Education Fund at the end of a FY will transfer to the Educational Stabilization Account?

MR. KRMPOTIC:

Correct.

SENATOR KIECKHEFER:

I have an issue with this in regard to policy. Is June 30 the committed date for fund expenditure? Is there a lag time regarding funds dispersed from B/A 101-2610 that would push the remaining balances in school districts' accounts past June 30?

MR. KRMPOTIC:

There is a lag time for funds dispersed from B/A 101-2610. Regarding the transfer of funding from the State General Fund to the Account to Stabilize the Operation of State Government (Rainy Day Fund), although funding cannot be committed for expenditure beyond June 30, there is a lag time to account for expenditures that have been committed prior to June 30. The deadline set by the Nevada State Controller's Office for State agency expenditures is August 15. The State generally closes its books regarding balances remaining in State agency accounts by the end of September. The State General Fund balance is calculated when closing out the prior FY's accounts to be deposited into the Rainy Day Fund. The balance is then compared to the measurement outlined in statute for the Rainy Day Fund to determine whether or not a transfer will occur.

The transfer into the Rainy Day Fund follows one year behind the prior FY. When Nevada generated a surplus of funding for a variety of reasons in FY 2018, books were closed around the end of September or early October for FY 2018. The actual transfer into the Rainy Day Fund did not occur until January 2019. The transfers from B/A 101-2610 do not get balanced until around August 15. There needs to be a lag time in order to determine what the

ending fund balance is in the State Education Fund based on the processes undertaken by the State Controller to close out the FY on an accounting basis.

SENATOR KIECKHEFER:

Regarding policy, I do not know why we would do this. We are using unanticipated revenue for the current FY to pay for one-time expenses regarding the general operation of State government in the future. We are taking money otherwise dedicated to education out of legislative control to be used for educational purposes in subsequent biennia by putting the funding into the Education Stabilization Account. There are always issues regarding K-12 funding, and I do not understand why we would do this.

SENATOR DENIS:

There are issues with the State Controller regarding fund type.

MR. KRMPOTIC:

Legislative Counsel Bureau (LCB) Fiscal Analysis Division staff has not yet discussed this concern with the State Controller regarding appropriations that are made to a special revenue fund. Fiscal staff did speak with LCB Legal Division staff regarding the DOE special revenue fund and whether it would preclude General Fund appropriations being made to the State Education Fund. Section 2, subsection 1 of S.B. 543 defines the State Education Fund as a special revenue fund. Legislative Counsel Bureau staff have not concluded whether appropriations could not be recorded in the special revenue fund. We are aware of the concerns of the Governor's Office of Finance (GFO) and the State Controller.

SENATOR DENIS:

There was discussion among school districts regarding the *Constitution of the State of Nevada* and including the net proceeds of minerals tax into the State Education Fund.

RUSSELL GUINDON (Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

There is a portion of the net proceeds of minerals tax a school district will get attributable to the 75-cent property tax abatement. The school districts with a debt service rate get a portion of the net proceeds of minerals tax attributable to the debt service rate. Senate Bill 543 requires the portion attributable to the 75-cent property tax abatement to be deposited by school districts into the

State Education Fund. We will have to defer to the Legal Division regarding the constitutionality of these measures.

SENATOR DENIS:

Is there a mechanism where the portion of the net proceeds attributable to the 75-cent property tax abatement are placed into the State Education Fund?

MR. GUINDON:

Are you asking if there is a provision in S.B. 543 requiring an adjustment be made to the portion of the net proceeds attributable to the 75-cent property tax abatement when distributions are made back to school districts to account for the portion of the 75-cent property tax abatement the school district deposited into the State Education Fund?

SENATOR DENIS:

Is it constitutional for school districts to deposit a portion of the net proceeds they are attributed of the 75-cent property tax abatement into the State Education Fund?

BRENDA J. ERDOES (Legislative Counsel, Legal Division, Legislative Counsel Bureau):

There are two issues regarding the net proceeds of minerals tax. The Nevada Constitution requires that the portion of the net proceeds of minerals tax imposed by local governmental entities must be returned back to the entity imposing it. Regarding S.B. 543, the net proceeds of minerals tax goes into the State Education Fund and is returned exactly the same way it went in to the entity whom deposited it. A decision is then made regarding which money will be used to fund education. The case of *Clean Water Coalition v. the M Resort, LLC*, 255 P.3d 247 (Nev. 2011) had implications regarding taking locally imposed taxes and spreading them across the State. Senate Bill 543 resolves this issue by requiring the money be returned to the entity imposing the tax.

SENATOR GOICOECHEA:

Regarding net proceeds, a county will typically implement their tax rate with the balance going back to the State. If there is a tax rate of \$2.50 with a 75-cent property tax abatement, will the 75 cents be the portion of the tax going to school districts? When discussing the 75-cent property tax abatement, 25 cents usually goes to B/A 101-2610 with the remaining 50 cents going to

the operations of the school district. I think this is where the challenge regarding S.B. 543 will be, as it changes the mechanism by which the net proceeds are being dedicated back to support the operations of school districts.

MS. ERDOES:

I am not sure if S.B. 543 will really change this, as the 75-cent property tax abatement has been imposed for years across the State by the Legislature and is not a local option. Instead of being distributed the way that it has been for years, the 75-cent property tax abatement will now go into the State Education Fund. The formula in S.B. 543 accounts for the money as it is distributed back out of the State Education Fund, and the same revenues will go back to the local government imposing them.

MR. GUINDON:

The 75-cent property tax abatement works for net proceeds the same way it works for personal property in that it is assessed against value. The New Nevada Plan uses a two-thirds to one-third ratio, with one-third being guaranteed to be used on education. This is different from S.B. 543, where all of the proceeds of the 75-cent property tax abatement go to the school district. Senate Bill 543 does not change the assessment of the 75-cent property tax abatement or the proceeds it generates. The revenue generated from the 75-cent property tax abatement will be placed into the State Education Fund, and then go back to the local governmental entity imposing the levy.

SENATOR GOICOECHEA:

This is where the conflict between the Nevada Constitution and S.B. 543 exists, as the 75-cent property tax abatement which was previously constitutionally required to come back to local governments as net proceeds will now be required to go to the State. The State typically has a higher tax rate with more net proceeds that could be more easily dedicated to the State Education Fund.

SENATOR KIECKHEFER:

Senate Bill 543 results in local entities keeping capital and debt service money, with everything else going into the State Education Fund. The concept of the distribution formula in S.B. 543 is that schools districts who are now overallocated funding based on the distribution of existing revenue streams will be locked into the distribution amounts they receive in 2020. As local revenue grows, the new formula results in entities not receiving a dollar-for-dollar increase consistent with the growth in net proceeds.

MS. ERDOES:

In order to make S.B. 543 constitutional, we had to make sure that the exact amount of the growing net proceeds goes back to the local entities distributing funds. This is similar to Title 1 funding, which also has to go back to local entities in the same way it is earned under federal law.

SENATOR GOICOECHEA:

I have concerns regarding the volatility of the net proceeds as they are not capped like property taxes; the net proceeds can go up \$100 million in 1 year. How is the funding formula impacted if a school district has a cap placed on their net proceeds?

SENATOR DENIS:

It is important to ensure Commission members represent all areas of the State and serve as technical advisors instead of advocates. In a previous meeting, Senator Kieckhefer had questions regarding the categorical funding Nevada Victory schools received.

SENATOR KIECKHEFER:

Section 74 of S.B. 543 places an expiration date on S.B. No. 432 of the 78th Session. I thought this meant that Victory schools were not going to be considered under S.B. 543, but Senator Denis has confirmed the programs in S.B. 543 could potentially change after every biennium to include new schools and that new bills would be passed every year by this Committee; this alleviated my concerns regarding this issue.

SENATOR DENIS:

Section 10, subsection 5 of S.B. 543 makes changes to the Commission's ability to remove members. Is it correct that the Commission is a public body subject to the Nevada Open Meeting Law?

MR. KRMPOTIC:

Senate Bill 543 does not specifically state the Commission will be subject to the Open Meeting Law.

MR. GUINDON:

There is a section of laws excluding entities from the Open Meeting Law which is not contained in S.B. 543. Because this section is not contained in S.B. 543

and the Commission is a public body, I believe the Commission is subject to the Open Meeting Law.

SENATOR DENIS:

Does S.B. 543 affect library funding?

MR. KRMPOTIC:

Libraries currently receive formula funding through B/A 101-2610, and there is nothing in S.B. 543 indicating this will change.

SENATOR KIECKHEFER:

One of my several objections deals with the language regarding *Nevada Revised Statutes* (NRS) 387.207 in S.B. 543 which deals with maintenance-of-effort requirements for schools when investing in library books and supplies. Through NRS 387.207, school districts are required to maintain a rolling-three-year average of funding regarding libraries. I am concerned with eliminating the minimum expenditure requirement regarding school district textbooks and supplies contained in sections 29 and 30 of S.B. 543.

SENATOR DENIS:

Assemblywoman Neal was concerned regarding the appropriate use of sales taxes in S.B. 543.

MR. GUINDON:

Senate Bill 543 requires that all of the proceeds from the 2.6 percent Local School Support Tax go into the State Education Fund. Proposed Amendment No. 5949 contains language from NRS 374 requiring taxes, fees, interests and penalties to go into the State Education Fund in order to align proceeds attributable to supporting local schools.

SENATOR DENIS:

Actual versus budgeted expenditures were discussed in section 3, subsection 1 of S.B. 543. Is it correct that Proposed Amendment No. 5949 section 2, subsection 5; section 3, subsection 2; and section 9, subsection 2, paragraph (a) of S.B. 543 deal with my concerns regarding the categorization of federal funding?

MR. KRMPOTIC:

Your concerns regarding the categorization of federal funding were covered under the changes Proposed Amendment No. 5949 makes to sections 3, 4 and 9 of S.B. 543. Your concerns regarding actual versus budgeted expenditures were addressed in the changes Proposed Amendment No. 5949 makes to section 3, subsection 1 of S.B. 543.

SENATOR DENIS:

Were my concerns regarding the parallel relationship between the categorization of federal funding and actual versus budgeted expenditures contained in S.B. 543 addressed by Proposed Amendment No. 5949?

MR. KRMPOTIC:

Proposed Amendment No. 5949 makes changes to section 76 of S.B. 543 to change actual expenditures to projected expenditures. This was done for technical reasons because actual distribution and information regarding funding may not be available in time for the Commission to make necessary decisions. Regarding the parallel relationship between the categorization of federal funding and actual versus budgeted expenditures contained in S.B. 543, the effective date is July 1, 2021. Between now and July 1, 2021, the Nevada Plan formula will be in effect.

SENATOR DENIS:

Were my concerns regarding the concept of manipulating the CPI calculation in section 9, subsection 3 of SB. 543 addressed by Proposed Amendment No. 5949?

MR. KRMPOTIC:

Proposed Amendment No. 5949 makes changes to section 9, subsection 5 of S.B. 543 to clarify the use of the CPI in determining the rate of inflation.

SENATOR SETTELMAYER:

Is information regarding hold-harmless clauses addressed in section 15 of S.B. 543? Are charter schools provided with a hold-harmless clause at the same rate as school districts?

MR. KRMPOTIC:

Section 15 of S.B. 543 does provide information regarding hold-harmless clauses.

SENATOR SETTELMAYER:

I appreciate that Proposed Amendment No. 5949 extends hold-harmless clauses for counties to FY 2020. Are the charter schools in each county provided with the same level of hold-harmless clauses Statewide?

MR. KRMPOTIC:

Fiscal staff will need to have this discussion with the Legal Division.

SENATOR DENIS MOVED TO AMEND AND DO PASS AS AMENDED S.B. 543 WITH PROPOSED AMENDMENT NO. 5949 AS OF MAY 24, 2019.

SENATOR KIECKHEFER SECONDED THE MOTION.

SENATOR SETTELMAYER:

I appreciate the time and effort that went into Proposed Amendment No. 5949 and S.B. 543, and I agree with the language regarding proposed student ratios and moving the related deadline to 2020. I still have concerns regarding charter schools and the net proceeds. I will be a "no" vote regarding S.B. 543 and reserve my right to vote "no" on the Floor too.

SENATOR GOICOECHEA:

I will also be voting "no" regarding S.B. 543 and Proposed Amendment No. 5949, as I am concerned with the lack of a mechanism to control inflation. A hold-harmless clause does not prevent a school district from becoming frozen regarding inflation and student enrollment increases.

SENATOR KIECKHEFER:

I have numerous technical concerns regarding S.B. 543 specifically in dealing with the elimination of categories of pupils such as those going to charter schools who are eligible to receive additional funding. I disagree with the idea of reduced flexibility regarding the Legislature's ability to allocate General Fund appropriations. I do not like statutorily requiring school districts to spend dedicated amounts of money in specific areas rather than going through a normal appropriation process in regards to the Education Stabilization Account.

During a previous meeting, Senator Cancela inquired about the power and influence of the Commission suggesting that the influence of the Commission is limited. I disagree with this notion, as I think the Commission is incredibly

powerful in determining how much money is distributed between counties based on various cost-allocation plans they will be utilizing going forward. Section 76 of S.B. 543 describes how the Commission will track the distribution of funding during the 2019-2021 biennium using assumptions and data it deems appropriate. I want to know if the monitoring and tracking of funding by the Commission and the assumptions that the Commission makes will lead to how the Governor's recommended budget is constructed in the next biennium. The assumptions the Commission makes in the next three to six months will be incredibly determinative in terms of the distribution of funding long term.

It was suggested that the Commission should function similarly to the Legislature's Economic Forum; the Economic Forum works really well. However, I think the Legislature must be willing to take the risk of addressing any inequities created. We take the needs of our rural school districts seriously, and we will address problems as they arise. In the end, S.B. 543 is a more logical and necessary way to distribute education funding long term for our State. I support S.B. 543 and believe the Legislature is capable of making sure it is enacted appropriately.

CHAIR WOODHOUSE:

No piece of legislation is perfect. A lot of work has gone into S.B. 543 by educated individuals, and I believe it is time for the Legislature to take a big step forward in processing the changes proposed by Proposed Amendment No. 5949. The provisions in S.B. 543 do not become effective until 2020, giving the Legislature time to evaluate the implementation of the provisions.

SENATOR DENIS:

I agree in that the Legislature will strictly evaluate the implementation of S.B. 543 over the next two years to determine its effects and make adjustments. This is not an example of the Legislature approving legislation that we know will need to be fixed later. I appreciate the Legislature's joint meeting of the Money Committees and the approval of B/A 101-2610 which will increase the base funding of B/A 101-2610 and give us more room to work with. I think this a good first step to get the DOE where it needs to be, and I appreciate all of the stakeholders' work in this regard.

SENATOR GOICOECHEA:

I realize this a big first step for the DOE and the Legislature, but five of the six school districts that I represent are negatively impacted by S.B. 543, and I need more assurance regarding the success of these initiatives.

SENATOR CANCELA:

I truly appreciate the work Chair Woodhouse and Senator Denis have completed regarding S.B. 543. I am extremely impressed with the patience they have displayed in accepting input and direction regarding the initiatives contained in S.B. 543.

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

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MR. KRMPOTIC:

Senate Bill 295 establishes the Nevada National Guard Youth Challenge Program within the Nevada Department of Veterans Services' Office of the Military. The Money Committees have approved funding in B/A 101-3650 for the Youth Challenge Program.

SENATE BILL 295 (1st Reprint): Creates the Nevada National Guard Youth Challenge Program. (BDR 34-566)

SPECIAL PURPOSE AGENCIES

MILITARY

Military — Budget Page MILITARY-6 (Volume III)
Budget Account 101-3650

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

Senate Bill 295 was heard on May 23, 2019, and becomes effective on July 1, 2019. As amended, S.B. 295 requires the Office of the Military to enter into an agreement with the Superintendent of Public Instruction and the board of trustees of a school district to establish a challenge school. Regarding fiscal impact, S.B. 295 is a budget implementation bill. When closing B/A 101-3650,

the Money Committees approved the utilization of General Fund appropriations of \$500,000 in each FY of the 2019-2021 biennium in State-matching funds for the Youth Challenge Program. There were five individuals who provided testimony in support of S.B. 295; no testimony in opposition or neutral was provided.

SENATOR DENIS MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 295.

SENATOR CANCELA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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MR. KRMPOTIC:

Senate Bill 321 abolishes the achievement school district and would implement the decision made by the Money Committees to abolish B/A 101-2674.

SENATE BILL 321 (1st Reprint): Abolishes the Achievement School District.
(BDR 34-682)

NDE - Achievement School District — Budget Page K-12 EDUCATION-157
(Volume I)
Budget Account 101-2674

MS. ORTEGA:

Senate Bill 321 was presented by Senator Marilyn Dondero Loop on May 22, 2019, and becomes effective upon passage and approval. As amended, S.B. 321 abolishes the achievement school district and requires the existing schools sponsored by the achievement school district to convert to a charter school under the sponsorship of the State Public Charter School Authority or cease operations. Furthermore, S.B. 321 requires the governing body of an achievement charter school to enter into a charter contract with the Charter School Authority and operate under existing law governing the charter schools by July 1, 2020. Regarding fiscal impact, S.B. 321 is a budget implementation bill to eliminate B/A 101-2674. There were 5 individuals who testified in support of S.B. 321; no testimony in opposition or neutral was provided.

SENATOR DENIS MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 321.

SENATOR PARKS SECONDED THE MOTION.

SENATOR SETTELMAYER:

In looking at the notes from a previous Nevada Legislature Education Committee meeting, I see there was a fair amount of opposition with people believing the achievement school districts have not had enough time to take effect.

THE MOTION CARRIED. (SENATORS KIECKHEFER AND SETTELMAYER
VOTED NO.)

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MR. KRMPOTIC:

Senate Bill 497 is a budget implementation bill relating to the elimination of certain filing requirements for the Commerce Tax return with the Nevada Department of Taxation.

SENATE BILL 497: Eliminates certain filing requirements related to the commerce tax. (BDR 32-1198)

MS. ORTEGA:

Senate Bill 497 eliminates the requirement for certain business entities whose gross revenue in a FY is \$4 million or less to file a Commerce Tax return with the Department of Taxation. This bill was presented by Executive Director Melanie Young of the Department of Taxation on May 22, 2019, and becomes effective upon passage and approval. The bill will reduce General Fund appropriations totaling \$37,228 over the 2019-2021 biennium, and there was no testimony regarding this bill.

SENATOR SETTELMAYER MOVED TO DO PASS S.B. 497.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Ms. ORTEGA:

Senate Bill 518 makes an appropriation of \$1.7 million to the Department of Taxation for the needs assessment for the modernization of the Nevada Unified Tax System. This bill was presented by Melanie Young of the Department of Taxation on May 23, 2019, and becomes effective upon passage and approval. There was no testimony regarding this bill.

SENATE BILL 518: Makes an appropriation to the Department of Taxation for the needs assessment for the modernization of the Unified Tax System. (BDR S-1226)

SENATOR DENIS MOVED TO DO PASS S.B. 518.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Ms. ORTEGA:

Senate Bill 545 requires the distribution of the proceeds of the excise tax on retail sales of marijuana and marijuana products to be deposited into B/A 101-2610 as opposed to the Rainy Day Fund.

SENATE BILL 545: Revises provisions governing the distribution of certain tax proceeds. (BDR 32-1241)

Senate Bill 545 was presented by Susan Brown of the GFO on May 24, 2019. This budget implementation bill for B/A 101-2610 becomes effective on July 1, 2019, and is projected to generate \$58.6 million in FY 2020 and \$61.3 million in FY 2021. There were 15 individuals who testified in support of S.B. 545; no testimony in opposition or neutral was provided.

SENATOR DENIS MOVED TO DO PASS S.B. 545.

SENATOR CANCELA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

BRODY LEISER (Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

Senate Bill 503 was presented by Senator Denis, representatives from the State Treasurer's Office and representatives of the Nevada System of Higher Education to the Committee on May 21, 2019, and appropriates \$4.5 million in General Fund appropriations to the Nevada Promise Scholarship Account created by NRS 396.9645. The Promise Scholarship Account and program were established during the 78th Legislature with the provisions within S.B. 503 becoming effective upon passage and approval.

SENATE BILL 503: Makes an appropriation for the continuation of the Nevada Promise Scholarship Program. (BDR S-1169)

The appropriation made by S.B. 503 is included in the Executive Budget, and money remaining in the Promise Scholarship Account at the end of the FY does not revert to the State General Fund and must be carried forward to the next FY. Representatives from the College of Southern Nevada and the Las Vegas Metropolitan Chamber of Commerce provided testimony in support of the bill; no testimony in opposition or neutral was provided.

SENATOR DENIS MOVED TO DO PASS S.B. 503.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

JAMES MALONE (Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

Senate Bill 514 makes an \$11.5 million General Fund appropriation to the Nevada Department of Public Safety (DPS) Records, Communications and Compliance Division's Central Repository for Nevada Records of Criminal History for replacement of the DPS Nevada Criminal Justice Information System (NCJIS).

SENATE BILL 514: Makes an appropriation to the Central Repository for Nevada Records of Criminal History for replacement of the Nevada Criminal Justice Information System and authorizes the expenditure of non-appropriated money for the same purpose. (BDR S-1192)

Senate Bill 514 also authorizes \$4 million for expenditures of non-appropriated money for replacement of the NCJIS. The bill was heard on May 23, 2019, with the NCJIS modernization project being projected to extend through FY 2025 for a total cost of \$57.5 million; \$15.5 million will be spent over the 2019-2021 biennium. A reduction of approximately \$14 million in project costs over the 2019-2021 biennium is a result of updated projections and a staff change to include the utilization of 8 State positions for a portion of the project management office rather than contracted staff.

During the Committee hearing on May 23, 2019, the DPS testified that in order to align the General Fund appropriation included in the NCJIS modernization project with the B/A 101-4709 closing decisions made by the Money Committees, the General Fund Appropriation of \$11.5 million in section 1, subsection 1 of S.B. 514 should be reduced to \$6,994,026.

PUBLIC SAFETY

PUBLIC SAFETY

Dps-Central Rep For NV Records of Criminal History — Budget Page PUBLIC SAFETY-116 (Volume III)
Budget Account 101-4709

Additionally, the DPS testified that the money included in section 1, subsection 2 of S.B. 514 would need to be increased. The authorization to utilize non-appropriated funds was approved for B/A 101-4709 by the Money Committees, and Fiscal staff recommends eliminating the duplicative authority in order to utilize the non-appropriated funds included in section 1, subsection 2 of S.B. 514. Additionally, the NCJIS project management office and the operations to fund the NCJIS modernization project had been approved for funding over the 2019-2021 biennium through the utilization of reserve funding in B/A 101-4709; these known costs were developed using detailed expenditure schedules. However, the DPS indicated the costs in acquiring the NCJIS software solution cannot be determined until the DPS has effectively

released their request for proposal (RFP) and contracts with a vendor. The RFP is anticipated to be released July 1, 2019, and the DPS anticipates to contract with a vendor by the end of FY 2020.

The one-shot General Fund appropriation covers the anticipated costs to acquire the NCJIS software solution and the approximate \$780,000 in contingency costs with \$700,000 being built into B/A 101-4709 for FY 2021.

FY 2019 One-Shot, (BUDGET OVERVIEW-26).

Because the costs of acquiring the NCJIS software solution will not be known until the end of FY 2020, the Money Committees approved a Letter of Intent requiring the DPS to report to the Nevada Legislature's Interim Finance Committee (IFC) on a quarterly basis regarding the status of the NCJIS project. The Committee may consider placing the one-shot appropriation into the IFC Contingency Account with the intent the DPS would return with updated known-costs for the acquisition of the NCJIS software solution and request the appropriate amount of funding at that time.

Senate Bill 514 becomes effective upon passage and approval, and there was no testimony provided for the bill.

SENATOR PARKS MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 514 AND REQUIRE THE DPS TO REPORT TO THE IFC ON A
QUARTERLY BASIS REGARDING THE STATUS OF THE NCJIS PROJECT.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

MR. MALONE:

Senate Bill 517 makes an approximate \$2.2 million State Highway Fund appropriation to the DPS Nevada Highway Patrol for radio system maintenance and support, replacement of computer hardware and software equipment, replacement of mobile data computers and the purchase of portable and mobile radio equipment.

SENATE BILL 517: Makes appropriations to the Nevada Highway Patrol for maintenance and support of the radio system, replacement of computer hardware and software, mobile data computers and portable and mobile radio equipment. (BDR S-1224)

During the May 23, 2019, hearing, the DPS submitted Amendment No. 987 requesting S.B. 517 be amended to reflect updated amounts and language. Due to an agreement between the Nevada Department of Transportation (NDOT) and Harris Corporation, the DPS indicated section 1 of S.B. 517 could be eliminated due to the maintenance and support of the radio system being funded at no cost to the Highway Patrol. Regarding section 3 of S.B. 517, the DPS indicated the NDOT would fund a portion of the mobile data computers utilizing Highway Fund appropriations and the one-shot Highway Fund appropriation could be reduced from \$1,118,722 to \$620,228.

FY 2019 One-Shot, (BUDGET OVERVIEW-26).

The DPS indicated the funds in section 4 of S.B. 517 would be utilized to acquire 3 R8100 Freedom Communication Technologies Communications System Analyzers in order for the Agency to perform radio frequency alignment procedures. Senate Bill 517 becomes effective upon passage and approval and there was no testimony provided for the bill.

SENATOR SETTELMAYER MOVED TO AMEND AND DO PASS AS AMENDED S.B. 517.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

MR. MALONE:

Senate Bill 533 makes a \$5 million General Fund appropriation to the GFO for the Statewide expansion of the northern and southern Nevada Museum of Arts. This bill was last heard on May 24, 2019.

SENATE BILL 533: Makes an appropriation to the Office of Finance for the statewide expansion plan for the Northern and Southern Museum of Arts. (BDR S-1167)

On May 10, 2019, the GFO submitted a formal request to amend S.B. 533 (Exhibit D) to add language requiring the Nevada Museum of Arts to match the funds included as an appropriation and add reporting requirements. Section 1 of the conceptual amendment clarifies the appropriation is intended to be appropriated into B/A 101-1301 for allocation to the Nevada Museum of Arts.

ELECTED OFFICIALS

Governor's Ofc of Finance - Special Appropriations — Budget Page ELECTED-69
(Volume I)
Budget Account 101-1301

Section 2, subsection 1 of the amendment mandates the Nevada Museum of Art provides proof satisfactory to the GFO that matching equivalent funding has been committed prior to allocation of funding. Section 2, subsection 2, paragraphs (a) through (c) of the amendment mandate reporting requirements for the Nevada Museum of Art to the IFC detailing expenditures made with the appropriations and, upon request of the Nevada Legislature's Legislative Commission, make available to the LCB Audit Division various financial and operational documents necessary to conduct an audit.

Committee members expressed concern the \$5 million appropriation may not be utilized to expedite the process of expanding the opening of the southern Nevada Museum of Art. If the Committee would like further updates regarding the use of funding prior to allocation, the Committee may consider appropriating funding to the IFC Contingency Account with the intent the Nevada Museum of Art would provide a plan to the IFC for the expansion of the southern Museum of Art using the allocated funds. Senate Bill 533 becomes effective upon passage and approval with several individuals testifying in support; no testimony in opposition or neutral was provided.

SENATOR CANCELA MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 533 AND REQUIRE THE APPROPRIATION OF FUNDING TO THE
IFC CONTINGENCY ACCOUNT WITH THE INTENT THE NEVADA

Senate Committee on Finance
May 25, 2019
Page 25

MUSEUM OF ART PROVIDE A PLAN TO THE IFC FOR THE EXPANSION
OF THE SOUTHERN MUSEUM OF ART USING THE ALLOCATED FUNDS.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

MR. KRMPOTIC:

Did the Committee direct the appropriation to the IFC versus the GFO?

CHAIR WOODHOUSE:

Correct.

MR. MALONE:

Senate Bill 526 makes an approximate \$13.5 million Highway Fund appropriation to the Highway Patrol for the replacement of patrol vehicles and motorcycles.

SENATE BILL 526: Makes appropriations to the Nevada Highway Patrol for the replacement of patrol vehicles and motorcycles. (BDR S-1223)

On May 24, 2019, the DPS submitted Amendment No. 945 requesting adjustments be made to sections 1 and 2 of S.B. 526. The DPS indicated the appropriation contained in section 1 of S.B. 526 is to be used for patrol vehicles, and the appropriation contained in section 2 would be for patrol motorcycles. This bill becomes effective upon passage and approval and there was no testimony in support, opposition or neutral provided.

SENATOR CANCELA MOVED TO DO PASS S.B. 526.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

MR. KRMPOTIC:

Regarding S.B. 526, there were a couple of technical corrections noted by the DPS. On line 4 of S.B. 526, the DPS identified patrol and motorcycles would be included in the \$13.2 million appropriation. Line 8 of S.B. 526 has been changed to include motorcycles in the vehicles mentioned. The DPS requests are summarized as corrections in terminology to clarify what the appropriations will be used for.

SENATOR DENIS MOVED TO RESCIND THE PREVIOUS ACTION TAKEN ON S.B. 526.

SENATOR CANCELA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

SENATOR GOICOECHEA MOVED TO AMEND AND DO PASS AS AMENDED S.B. 526.

SENATOR BROOKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

ADAM DROST (Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

Senate Bill 408 was heard by the Committee on May 24, 2019. For the purposes of motor vehicle registration and traffic laws, S.B. 408 clarifies that a trimobile is a vehicle designated to travel with three wheels in contact with the ground and must be equipped with handlebars and a saddle seat.

SENATE BILL 408 (1st Reprint): Revises provisions relating to public safety.
(BDR 43-805)

Senate Bill 408 eliminates certain exceptions to the requirements for installing an ignition-interlock device if a court makes certain determinations upon a conviction. This bill was presented by Senator Marilyn Dondero Loop and the

DPS Office of Traffic Safety. Regarding fiscal impact, S.B. 408 would allow for an additional motorcycle safety fee of \$6 for trimobiles and mopeds which the DPS projects would generate approximately \$26,871 over the 2019-2021 biennium. The Nevada Department of Motor Vehicles (DMV) further indicated the information technology (IT) programming hours associated with the bill could be absorbed utilizing existing resources. There were no amendments to the bill and testimony was provided in support by Susan Fisher from McDonald Carano; no further testimony was provided. This bill becomes effective on October 1, 2019.

SENATOR DENIS MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 408.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

MR. DROST:

Senate Bill 542 was heard by the Committee on May 22, 2019, and would extend the imposition of the \$1 technology fee charged for any transaction performed by the DMV for which a fee is charged through June 30, 2022.

SENATE BILL 542: Extends the imposition of a technology fee on certain transactions by the Department of Motor Vehicles. (BDR 43-1210)

Under existing law, the requirement to impose this fee is set to expire on June 30, 2020. The bill was presented by DMV Director Julie Butler, with S.B. 542 being a budget implementation bill that would allow the DMV to continue collecting technology fee revenue in FY 2021 to support its system technology application redesign IT update. The DMV estimated technology fee revenue collections would total \$6.9 million in each year of the upcoming biennium. There were no testimony or amendments provided for the bill and S.B. 542 becomes effective upon passage and approval.

SENATOR DENIS MOVED TO DO PASS S.B. 542.

SENATOR CANCELA SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS GOICOECHEA, KIECKHEFER AND SETTELMAYER VOTED NO.)

* * * * *

COLBY NICHOLS (Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

Senate Bill 539 revises provisions governing financial support of the Nevada Department of Business and Industry's (B&I) Taxicab Authority (TA).

SENATE BILL 539: Revises provisions governing financial support of the Taxicab Authority. (BDR 58-1208)

This is a budget implementation bill revising the medallion fee which is the annual per cab fee assessed by the TA against a medallion holder from \$100 to \$300. This bill was presented by B&I Director Michael Brown and TA Administrator Scott Whittemore to this Committee on May 22, 2019. Testimony in support of S.B. 539 was provided by the Livery Operators Association of Las Vegas with no testimony against or neutral provided; there are no amendments for the bill.

Regarding the fiscal impact in closing B/A 245-4130, the Money Committees approved the recommendation to increase the medallion fee from \$100 per cab annually to \$300 contingent upon the passage of S.B. 539 or other enabling legislation.

COMMERCE AND INDUSTRY

BUSINESS AND INDUSTRY

B&I - Taxicab Authority — Budget Page B & I-162 (Volume II)
Budget Account 245-4130

This would increase revenue by approximately \$706,000 in each year of the 2019-2021 biennium which would be balanced to reserves to partially address the solvency of the TA. This bill becomes effective on July 1, 2019.

SENATOR BROOKS MOVED TO DO PASS S.B. 539.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR SETTELMAYER VOTED NO.)

* * * * *

KRISTINA SHEA (Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

Senate Bill 515 makes a General Fund appropriation of \$2.7 million for the replacement of the DPS Parole and Probation's Offender Tracking Information System and becomes effective upon passage and approval.

SENATE BILL 515: Makes an appropriation to the Division of Parole and Probation for the replacement of computer equipment and the Offender Tracking Information System. (BDR S-1193)

This bill also makes General Fund appropriations of \$470,322 for the replacement of computer hardware. This bill was presented by a representative from Parole and Probation on May 23, 2019, and there was no testimony in support, opposition, neutral or any amendments provided for the bill.

SENATOR SETTELMAYER MOVED TO DO PASS S.B. 515.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Ms. SHEA:

Senate Bill 516 makes General Fund appropriations of \$43,249 for the replacement of computer software and hardware, \$87,555 for the replacement of videoconferencing equipment and \$11,380 for the replacement of hearing room chairs.

SENATE BILL 516: Makes appropriations to the State Board of Parole Commissioners for the replacement of certain equipment. (BDR S-1195)

This bill was presented by representatives from the Nevada Board of Parole Commissioners, and there was no testimony provided in support, opposition or neutral for the bill. Amendment No. 984 was presented by the Board of Parole requesting 18 additional desktop computers resulting in an increase in General Fund appropriations of \$24,426, increasing the total General Fund appropriations in section 1 of S.B. 516 to \$67,675. The bill becomes effective upon passage and approval.

SENATOR PARKS MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 516.

SENATOR CANCELA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Ms. SHEA:

Senate Bill 519 makes General Fund appropriations of \$190,500 to the GFO for a snowcat vehicle for winter access to the pump house and dam at the Department of Administration, State Public Works Division's (SPWD) Marlette Lake Water System.

SENATE BILL 519: Makes an appropriation to the Office of Finance for a Snowcat vehicle for winter access to the pump house and dam at Marlette Lake. (BDR S-1228)

This bill was presented by representatives from the SPWD, and there was no testimony provided in support, opposition or neutral for the bill; S.B. 519 becomes effective upon passage and approval.

SENATOR SETTELMAYER MOVED TO AMEND AND DO PASS AS
AMENDED S.B. 519.

SENATOR PARKS SECONDED THE MOTION.

MR. KRMPOTIC:

Senate Bill 519 becomes effective on July 1, 2019, instead of upon passage and approval.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

MR. DROST:

Senate Bill 376 was presented by Senator Woodhouse to the Committee on May 22, 2019, and revises provisions relating to the DOE Nevada Institute on Teacher and Educator Preparation.

SENATE BILL 376: Revises provisions relating to the Nevada Institute on Teaching and Educator Preparation. (BDR 34-732)

This bill establishes and authorizes the Institute to accept gifts, donations, requests, grants and other sources of funding. This bill becomes effective on July 1, 2019, and is a budget implementation bill. In closing B/A 101-2699, the Money Committees approved General Fund appropriations of \$750,000 in each year of the 2019-2021 biennium to continue granting funding for the Institute.

NDE - Other State Education Programs — Budget Page K-12 EDUCATION-22
(Volume I)
Budget Account 101-2699

Testimony in support of S.B. 376 was provided by the University of Nevada, Las Vegas, and no other testimony was provided.

SENATOR DENIS MOVED TO DO PASS S.B. 376.

SENATOR BROOKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

MR. DROST:

Senate Bill 534 provides a General Fund appropriation of \$4,090,651 for the GFO for the replacement of the NDOT Nevada Shared Radio System (NSRS).

SENATE BILL 534: Makes an appropriation from the State General Fund to the Office of Finance for the replacement of the Nevada State Radio System. (BDR S-1168)

This budget implementation bill was presented by Felicia Denney from the NDOT and represents the General Fund share of the cost to replace the NSRS which is maintained by the NDOT. During its presentation, the NDOT indicated the amounts in S.B. 534 should be revised to reflect \$3,645,989. The Committee may wish to amend S.B. 534 to provide the General Fund appropriation directly to the NDOT since they are responsible for maintaining the NSRS and tracking expenditures associated with the system's replacement. No testimony was provided for the bill and it becomes effective upon passage and approval.

SENATOR GOICOECHEA MOVED TO AMEND AND DO PASS AS AMENDED S.B. 534 AND PROVIDE THE GENERAL FUND APPROPRIATION DIRECTLY TO THE NDOT.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

JOHN KUCERA (Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

Senate Bill 510 makes an appropriation to the Nevada Department of Employment, Training and Rehabilitation (DETR) for a database system.

SENATE BILL 510: Makes an appropriation to the Department of Employment, Training and Rehabilitation for a database system. (BDR S-1186)

This bill includes one-shot General Fund appropriations of \$352,000 in FY 2019.

FY 2019 One-Shot, (BUDGET OVERVIEW-24).

This bill was previously heard on May 23, 2019, and is sponsored on behalf of the GFO. According to the GFO, the appropriation in S.B. 510 would allow the

Nevada Commission on Postsecondary Education (CPE) to process payments online, track and support initial and ongoing licensure activities and support background investigation responsibilities. The database system would support the management of training programs for the U.S. Department of Veterans Affairs (VA) Educational Benefits program as well as the Alcohol Awareness Training of Nevada (AA) for the issuance of AA Alcohol Beverage Awareness cards.

Based on the submitted technology investment notification, if S.B. 510 is approved, the DETR expects implementation to begin July 2020 following the formal RFP. This bill becomes effective upon passage and approval. Components of the \$352,000 include \$125,000 for software, platform and vendor implementation, \$52,000 for data conversion and \$175,000 for master service agreement consultant support. The DETR estimates ongoing expenditures will be \$3,500 per month.

Fiscal staff recommends an amendment to section 1 of S.B. 510, because as the bill was introduced it incorrectly identified the appropriation as supporting access to a database system as opposed to the purchase and installation of a new database business management system. Additionally, the proposed database system would support all functions of the CPE including but not limited to the VA Education Benefits program and AA program functions. Fiscal staff recommends the language in section 1 of S.B. 510 following the \$352,000 figure be deleted and replaced with "for a new business management system."

SENATOR DENIS MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 510.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

MR. KUCERA:

Senate Bill 527 makes an appropriation to the Nevada Department of Health and Human Services (DHHS) Division of Child and Family Services (DCFS) for equipment and deferred maintenance projects.

SENATE BILL 527: Makes appropriations to the Division of Child and Family Services for deferred maintenance projects and security camera system upgrades at various facilities. (BDR S-1245)

This bill was heard on May 24, 2019, and contains no significant testimony. S.B. 527 includes 6 sections and \$1.7 million in General Fund appropriations included in the Executive Budget to support one-shot appropriation equipment and deferred maintenance projects for the DCFS. This bill becomes effective upon passage and approval.

FY 2019 One-Shot, (BUDGET OVERVIEW-24).

Section 1 of S.B. 527 includes \$231,250 for deferred maintenance projects at the DCFS Caliente Youth Center (CYC). Section 2 of S.B. 527 includes \$110,608 for the purchase of equipment at the CYC. Section 3 of S.B. 527 includes \$780,206 for deferred maintenance projects at the DCFS Nevada Youth Training Center. Section 4 of S.B. 527 includes \$113,396 for security camera system upgrades in B/A 101-3281.

HEALTH AND HUMAN SERVICES

CHILD AND FAMILY SERVICES

HHS-DCFS - Northern NV Child & Adolescent Services — Budget Page
DHHS-DCFS-74 (Volume II)
Budget Account 101-3281

Section 5 of S.B. 527 includes \$204,240 for deferred maintenance projects in B/A 101-3646.

HHS-DCFS - Southern NV Child & Adolescent Services — Budget Page
DHHS-DCFS-80 (Volume II)
Budget Account 101-3646

Section 6 of S.B. 527 includes \$308,723 for deferred maintenance projects at the DCFS Summit View Youth Center. There are no proposed amendments for the bill.

SENATOR PARKS MOVED TO DO PASS S.B. 527.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

LEANN DRA COPELAND (Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

Senate Bill 512 makes a \$7.4 million appropriation to the Nevada Gaming Control Board (GCB) for modernization of the technology system and replacement of security system equipment and is effective upon passage and approval.

SENATE BILL 512: Makes appropriations to the Nevada Gaming Control Board for modernization of the technology system and replacement of security system equipment. (BDR S-1188)

The ongoing technology replacement in S.B. 512 is to change the GCB's 30-year-old system. This bill also includes a one-shot General Fund appropriation of \$143,211 to replace the security systems in both the Carson City office and the GCB Technology Division Lab in Las Vegas that have reached the end of their useful life spans.

FY 2019 One-Shot, (BUDGET OVERVIEW-24).

This bill was presented by GCB chair Sandra Douglass Morgan, and there was no testimony provided for the bill. The GCB submitted a proposed amendment (Exhibit E) for S.B. 512 requesting the reappropriation of approximately \$112,000 of unobligated in-State travel funding appropriated for use in the 2017-2019 biennium to be reappropriated for the same use in the 2019-2021 biennium. This bill can be amended to extend the reversion date of the travel funds from June 30, 2019, to June 30, 2021.

SENATOR DENIS MOVED TO AMEND AND DO PASS AS AMENDED S.B. 512.

SENATOR CANCELA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

MS. COPELAND:

Senate Bill 513 makes a General Fund appropriation of \$52.6 million to the DHHS Division of Welfare and Support Services (DWSS) of which \$50.1 million would be allocated for the continuation of the replacement of the automated processing system used by the DWSS Child Support Enforcement Program.

SENATE BILL 513: Makes appropriations to the Division of Welfare and Supportive Services for the Child Support Enforcement Modernization system and the replacement of computer hardware and software and office equipment and authorizes the expenditure of money for these purposes. (BDR S-1189)

The bill allocates \$2.5 million for computer software and hardware replacement with the remaining approximate \$18,000 providing for the replacement of 140 conference room chairs in refurbishing a large conference room. This bill was introduced by Steve Fisher of DWSS, and there were no testimony or amendments provided for the bill.

SENATOR BROOKS MOVED TO DO PASS S.B. 513.

SENATOR CANCELA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

KIMBRA ELLSWORTH (Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

Senate Bill 525 makes an appropriation to the Nevada Department of Conservation and Natural Resources Division of Forestry (NDF) for equipment and maintenance.

SENATE BILL 525: Makes appropriations to the Division of Forestry for equipment and maintenance. (BDR S-1179)

This bill was heard on May 24, 2019, and as introduced appropriates \$12.8 million from the General Fund to the NDF to fund replacement equipment and deferred maintenance projects. There was no testimony provided for the bill. Kacey KC, State Forester/Firewarden presented the bill and indicated several adjustments were needed regarding appropriated amounts. These amounts were based on current price quotes for equipment provided by vendors and adjustments to deferred maintenance project amounts based on average annual expenditures.

Regarding section 1 of S.B. 525, the amount appropriated should be adjusted from \$4.5 million to \$4,610,000. The appropriation in section 2 of S.B. 525 should be adjusted from \$485,088 to \$517,017.

The appropriation in section 3 of S.B. 525 should be adjusted from \$711,651 to \$729,518. To clarify the type of equipment being purchased in section 3 of S.B. 525, Fiscal staff recommends adding service vehicles to the types of emergency response vehicles.

The amount for deferred maintenance projects in section 4 of S.B. 525 should be reduced from \$2.6 million to \$510,000. The amount appropriated in section 5 of S.B. 525 should be adjusted from \$218,295 to \$243,126.

The amount appropriated in section 6 of S.B. 525 should be adjusted from \$2,234,850 to \$2,527,420. The description of the type of equipment being purchased should be changed to include the replacement of emergency crew carriers for the NDF Forestry Conservation Camps. Regarding the procurement of equipment, the language in section 6 of S.B. 525 should be changed to allow additional time by striking the language referencing FY 2020.

The amount appropriated in section 7 of S.B. 525 should be reduced from \$2,103,642 to \$310,000. The reference to FY 2020 in section 7 of S.B. 525 should be struck to allow additional time to complete projects.

Section 8 of S.B. 525 should be adjusted to allow expenditure through FY 2021 for all items in order to provide adequate time to procure equipment and complete projects. Section 9 of S.B. 525 should be modified to become effective upon passage and approval for all sections of the bill.

As amended, the amounts appropriated in S.B. 525 would be reduced from \$12,848,070 to \$9,447,081 for a reduction of approximately \$3.4 million. This bill contains an appropriation included in the Executive Budget. As amended, S.B. 525 would become effective upon passage and approval.

SENATOR DENIS MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 525.

SENATOR CANCELA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Ms. ELLSWORTH:

Senate Bill 536 revises provisions governing B/A 101-4875.

SENATE BILL 536: Revises provisions governing the Account for Renewable Energy, Energy Efficiency and Energy Conservation Loans. (BDR 58-1196)

GOE – Renewable, Efficiency, Conservation Loan — Budget Page ELECTED-29
(Volume II)
Budget Account 101-4875

This bill was heard on May 24, 2019, and expands the authorized uses of the money received pursuant to the American Recovery and Reinvestment Act of 2009 (ARRA) which are deposited into B/A 101-4875. Funding in B/A 101-4875 is administered by the Director of the Nevada Governor's Office of Energy to be used for any purpose for which the U.S. Department of Energy has approved. This bill changes B/A 101-4875 by striking the word "loan" from the account name. There were no amendments or testimony provided for this budget implementation bill.

When closing B/A 101-4875, the Money Committees approved repurposing a portion of the remaining ARRA loan funds to establish a competitive grant program as approved by the U.S. Department of Energy to provide grants for projects meeting Nevada's energy goals and initiatives. This bill becomes effective on July 1, 2019.

SENATOR BROOKS MOVED TO DO PASS S.B. 536.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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MR. KRMPOTIC:

Senate Bill 548 was heard on May 23, 2019, and appropriates \$33 million from the General Fund to the Nevada State Treasurer Millennium Scholarship Trust Fund.

SENATE BILL 548: Makes an appropriation to the Millennium Scholarship Trust Fund. (BDR S-1275)

This bill becomes effective upon passage and approval, and there were no amendments or opposing or neutral testimony provided for the bill; supporting testimony was provided.

SENATOR DENIS MOVED TO DO PASS S.B. 548.

SENATOR KIECKHEFER SECONDED THE MOTION.

SENATOR KIECKHEFER:

I appreciate the Legislature's commitment to continue funding the successful Millennium Scholarship program as it is critical for youth looking for opportunities to attend college. The \$33 million appropriation is being made out of FY 2019 funding, and we need to find a way to make this solvent moving forward.

SENATOR SETTELMAYER:

One of my children utilizes Millennium Scholarship funding.

THE MOTION CARRIED UNANIMOUSLY.

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ALEX HAARTZ (Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

Senate Bill 193 was heard by the Committee on March 25, 2019, and makes a \$175,000 appropriation in each FY of the 2019-2021 biennium to support the We the People: The Citizen and the Constitution educational program relating to history, law and civics.

SENATE BILL 193: Makes an appropriation for educational programs relating to history, law and civics. (BDR S-368)

There were numerous people who testified in support of S.B. 193 with no testimony being provided in opposition or neutral; no amendments were provided for this bill.

SENATOR CANCELA MOVED TO DO PASS S.B. 193.

SENATOR BROOKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR WOODHOUSE:

This Committee will now hear S.B. 209.

SENATE BILL 209 (1st Reprint): Revises provisions relating to hemp. (BDR 49-584)

SENATOR DALLAS HARRIS (Senatorial District No. 11):

As amended, S.B. 209 no longer has a fiscal impact. When the bill was originally presented, it had a fiscal note of \$1,814,553 in FY 2019, \$1,039,570 in FY 2020 and approximately \$2 million in future biennia. Through discussions with both the Nevada Department of Agriculture (NDA) and the DHHS, regulations promulgated through S.B. 209 will no longer have a fiscal impact on the State. The NDA is the only department to initially place a fiscal note on the bill with both the NDA and DHHS being required to promulgate its regulations.

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MARGOT CHAPPEL (Deputy Administrator, Regulatory and Planning Services, Division of Public and Behavioral Health, Nevada Department of Health and Human Services):

There is no fiscal note from the DHHS regarding S.B. 209.

CHAIR WOODHOUSE:

This Committee will now hear S.B. 338.

SENATE BILL 338 (1st Reprint): Makes various changes relating to the regulation of fireworks. (BDR 42-34)

SENATOR JAMES OHRENSCHALL (Senatorial District No. 21):

Dangerous fireworks are having a negative effect on Nevada by starting fires. The celebrations on Independence Day are especially posing a problem regarding fire safety. There are nonprofit booths authorized in Clark County and municipalities to sell safe and sane fireworks and raise money for charities. Unfortunately, many people end up buying non-authorized fireworks which emit pollutants and fill our skies with smoke. Former Assemblywoman Vonne Chowning gave much impetus to the ideas contained in S.B. 338.

Outside of Clark County, the regulations overseeing fireworks dealers are not uniform. Under Nevada law, there is a checkerboard of different rules and bylaws governing fireworks making it hard to regulate public safety, keep property from being damaged and prevent fires. Data from the U.S. Department of the Interior, Bureau of Land Management's (BLM) Carson City District Office shows the number of fires set by non-safe and sane fireworks is increasing.

If passed into law, S.B. 338 would establish a uniform minimum standard regarding fireworks Statewide and hold counties accountable for regulating fireworks. This bill will greatly reduce the amount of dangerous non-safe and sane fireworks endangering forests, lives and property. Constituents will say this bill will put people out of business. This is incorrect, as safe and sane fireworks will still be allowed to be sold. Many people buy and enjoy safe and sane fireworks to celebrate Independence Day generating much revenue for businesses. This bill will not affect professional fireworks displays as these are already regulated under existing law.

TERRY TAYLOR (Sierra Front Wildfire Cooperators):

Sierra Front Wildfire Cooperators is a bi-state fire organization involving fire departments in Nevada and California. Along with Sierra Front, the Fire Prevention Association of Nevada and the Nevada International Association of Arson Investigators work together to prevent fires. Statistics regarding fireworks events are very difficult to come by in Nevada. According to the Carson City BLM Office, in 2016 there were 9 fireworks fires investigated by federal investigators. Only one of these fires was a result of the use of safe and sane fireworks with the remaining eight being caused by dangerous fireworks. In 2017, 12 fireworks fires were investigated with 3 being caused by safe and sane fireworks. In 2018, 41 fireworks fires were investigated with 5 being caused by safe and sane fireworks.

Sierra Front has trained new investigators at the Minden-Tahoe Airport to test fireworks determining that despite wet weather, dangerous fireworks are still able to ignite cheat grass and sage four-out-of-five times; this information is what S.B. 338 is based upon. Despite a fiscal impact to Pahrump, Nye and Lander Counties, this bill seeks to change a product instead of eliminating jobs or changing the economy. There will still be a demand for fireworks with individual counties being able to dictate sales. Douglas County does not allow fireworks and only authorizes the use of commercial displays at Lake Tahoe and permitted displays in Carson Valley. Senate Bill 338 enables the State to regulate fireworks through inspection and collection of existing hazardous material (HAZMAT) fees to establish Statewide use of safe and sane fireworks.

SENATOR GOICOECHEA:

How many fires were caused by fireworks in Douglas County over the past five years?

MR. TAYLOR:

The statistics provided by the BLM regarding fireworks fires were not specific to Douglas County, but some fires resulting from use of prohibited fireworks did occur there.

SENATOR GOICOECHEA:

Local jurisdictions need to be the entities regulating fireworks. This issue is about enforcing fireworks safety not banning the use of certain fireworks Statewide. We have local ordinances in Eureka County banning fireworks which takes away the need for enforcement. Sovereign Native American reservations

are still going to be able to sell dangerous fireworks with everyone else only being able to use sparklers.

SENATOR SETTELMAYER:

I support the concept and the idea behind S.B. 338, but people will still be able to buy dangerous fireworks from the Native American reservations.

CHAIR WOODHOUSE:

A fiscal note submitted by the DPS for S.B. 338 shows there will be an effect of \$1,025,199 over the 2019-2021 biennium. Have you reached out to the DPS regarding this fiscal note?

SENATOR OHRENSCHALL:

I have spoken with the DPS regarding their fiscal note, and I believe there are revisions that would bring the amount down considerably. There is additional funding from fees that can be used to reduce the fiscal impact.

MR. TAYLOR:

The DPS State Fire Marshall (SFM) currently collects fees for inspecting buildings and issuing HAZMAT permits which are scheduled to provide approximately \$400,000 by June 30, 2019. This will provide funding to cover about two-thirds of the current cost estimate relating to S.B. 338 over the 2019-2021 biennium. Instead of letting the \$400,000 revert at the end of a FY, we should use this money to start a Statewide fireworks enforcement and inspection program. There is nothing in S.B. 338 preventing local law and fire enforcement agencies from regulating fireworks in their areas; the provisions in the bill enhance these agencies' abilities to recover costs associated with enforcing fireworks laws.

SENATOR DENIS:

I also think local jurisdictions should be able to enforce fireworks laws. Regarding Clark County, I know the problem exists because people bring in fireworks from other areas. I had a neighbor using non-safe and sane fireworks which resulted in a firecracker flying towards us and almost injuring one of my grandchildren; this firecracker ended up burning a hole in my wife's clothes. We have an issue with enforcement, but any way we can reduce people's ability to acquire dangerous fireworks is a step in the right direction. Despite these dangerous fireworks still being able to be sold on Native American reservations,

enforcement agencies will be better able to target problem areas if the ability to acquire and use these fireworks Statewide is limited.

SENATOR OHRENSCHALL:

We worked with the city of Henderson regarding an amendment submitted during a previous Nevada Legislature Senate Committee on Government Affairs meeting, and S.B. 338 as amended lends itself to collaboration between local governance and the SFM. Governmental entities are able to recover the fees regarding disposal and confiscation of fireworks Statewide. If there is less of a supply of dangerous fireworks coming into the State, it will be easier to target their port of entry regarding enforcement.

VONNE S. CHOWNING:

I am a former State Assemblywoman from Assembly District No. 28, and I adamantly support S.B. 338. This is a public safety bill. Nevada is the only State in the Nation to not have a State law regarding control of fireworks putting citizens at considerable risk. We need to take a public safety stance regarding the protection of Nevada's citizens by passing S.B. 338. A young man from Assembly District No. 28 died from the misuse of a Roman candle showing the dire consequences of not having a Statewide fireworks law.

Calls relating to fireworks safety in Clark County have increased over the last decade from 300 calls to close to 25,000 in 2018. The 25,000 calls are a drop in the bucket compared to the rest of the people who did not call in about the fireworks issues they were experiencing; taxpayers have to foot the bill for administering these calls. This issue is getting considerably worse, and our State needs to do something to address this issue other than leaving it up to local ordinances to enforce firework safety.

The revised fiscal note regarding S.B. 338 is approximately \$600,000 which if divided per capita is an expenditure of approximately 20 cents per Nevada citizen. With the reversion of funding, the fiscal note impact will only be about \$200,000. If fireworks are currently confiscated, taxpayers, fire departments and local entities foot the bill. Senate Bill 338 changes this by requiring fireworks dealers to pay for the confiscation of fireworks adding more revenue through fines and fees.

MATT WALKER (TNT Fireworks; City of Henderson; City of Las Vegas):

I and TNT Fireworks are in full support of S.B. 338 with TNT Fireworks participating nationally regarding American Fireworks Standards Laboratory (AFSL) criteria and developing building codes for fireworks. We have entered into a memorandum of understanding with southern Nevada jurisdictions to safely dispose of fireworks confiscated by law enforcement and fire departments. We partner with local governments to attempt to negate fiscal impacts.

MARK FIORENTINO (Red Apple Fireworks):

Red Apple Fireworks supports the issues regarding fireworks safety and enforcement of existing regulations. We do not want to oppose a bill proposed by Senators Ohrenschall and Parks, but S.B. 338 will have significant impacts on citizens and small family-owned businesses in Nye County. Red Apple Fireworks is a family-owned company in operation since 1979 with a vast majority of sales coming from legal fireworks sales; S.B. 338 will put this company out of business. It is not illegal to use fireworks in Nye County which has permitted certain county lands to be used for firing fireworks. These lands generate revenue by issuing permits and scheduling people to use the facilities under the supervision of safe and sane firework instructors.

I do not represent Nye County, but they have authorized me to present a fiscal impact letter ([Exhibit F](#)) detailing the fiscal repercussions on Nye County if S.B. 338 is passed; approximately \$600,000 annually generated from license fees, revenue and sales tax will be lost. Regardless if money is reverted back into source funds directly or indirectly, if S.B. 338 is adopted, it will cause financial hardships to small businesses in Nye County; Red Apple Fireworks is willing to work with the sponsors of S.B. 338 to mediate issues.

ALEXANDRIA CANNITO (Jake's Fireworks):

Jake's Fireworks is a small family-owned business that has been in operation for over 75 years, and we oppose S.B. 338. If this bill passes, it would allow the AFSL to act as the governing body of fireworks in Nevada. The AFSL is a voluntary group testing and verifying fireworks produced in China, charging service fees to members to participate in activities. While Jake's Fireworks is a significant member of the AFSL, we do not think this company should be developing governmental and legislative decisions as they are privately funded. Senate Bill 338 only helps large companies and puts smaller companies out of business hurting both owners and the Nevada residents they employ.

JOSH HICKS (Phantom Fireworks):

Phantom Fireworks opposes S.B. 338 as we have been operating in Nye County for about 18 years. We have 8 to 10 full-time employees and 50 to 60 seasonal employees; the seasonal employees are hired during the busy season from April to July 4. Phantom Fireworks pays a significant amount in taxes and permits to Nye County which could be jeopardized if this bill passes. Issues have arisen in other states regarding federal standards conflicting with local standards over control. Nevada counties are currently enforcing their own fireworks laws, with Washoe County prohibiting fireworks altogether and Clark and Nye Counties limiting the sales of certain types. Changing Nevada's fireworks laws could jeopardize county-level enforcement which is the key to fireworks safety.

CHRIS FERRARI (D&T Imports, Inc.):

We at family-owned D&T Imports, Inc. also operate in Nye County and are opposed to S.B. 338. Doug and Tom own D&T, which has been in business for more than 30 years. Similarly to Red Apple Fireworks, D&T employs 19 full-time employees and 80 seasonal employees. Fireworks safety is critical and while regulating fireworks on a county level may not be necessary, the potential for S.B. 338 to close down small businesses is unacceptable. Beginning in 2012, D&T began offering healthcare and a 401(k) retirement plan to its employees and submits money to the Nye County fireworks park from every sale. Tourists visit Nye County to use the park generating revenue by booking hotel rooms and utilizing services; S.B. 338 could jeopardize this for Nye County.

BART CHAMBERS (Nevada State Fire Marshall):

I am neutral regarding S.B. 338, but after working in California law enforcement I have seen the kinds of fireworks people from Nevada bring with them into California. Clark County currently recognizes safe and sane fireworks as they are written in California.

SENATOR GOICOECHEA:

How will the SFM enforce Nevada fireworks laws when people are constantly bringing in dangerous fireworks purchased out of State? Local governmental entities are still going to bear the burden of enforcing and regulating fireworks. How is Nevada going to keep track of offenders who leave the State?

MR. CHAMBERS:

Current statutes require local jurisdictions to report back to the SFM regarding confiscation of fireworks and citing infractions. Senate Bill 338 and current laws

will push the SFM and local ordinances to continue working collaboratively to support enforcement and regulation of fireworks. Nye County currently has 302 Type 4 Magazine Conex boxes for transporting fireworks; the SFM has not received payments for the licensure or certifications regarding any of these boxes.

CHAIR WOODHOUSE:

Do you have any information regarding reductions in the DPS fiscal note?

MR. CHAMBERS:

The agreement in the DPS fiscal note for S.B. 338 was for the SFM to reduce its staff down to two DPS officer II positions that would be cross-trained to inspect fireworks and enforce regulations. We have removed all aspects of logistics or support for these positions taking the fiscal note to just under \$600,000 for the 2019-2021 biennium.

SENATOR OHRENSCHALL:

The Nevada Conservation League provided a letter of support for S.B. 338 found in ([Exhibit G](#)). I believe S.B. 338 will not put anyone out of business, as nonprofit fireworks booths thrive in selling many safe and sane fireworks. The fiscal notes do not account for the costs associated with forest fires and damage to property. I am open to discussing any amendments which could help further reduce fiscal impact.

SENATOR PARKS:

Regarding the 25,000 illegal fireworks reports for Clark County, this amount of cases basically immobilized public safety officials and first responders in effectively regulating fireworks. The website <www.ISpyFireworks.com> became inundated with complaints regarding fireworks proving the increase in fireworks activity needs to be addressed.

CHAIR WOODHOUSE:

The Committee will now hear S.B. 352.

[SENATE BILL 352 \(1st Reprint\)](#): Revises provisions relating to motor vehicle registration. (BDR 43-51)

SENATOR JAMES A. SETTELMAYER (Senatorial District No. 17):

Senate Bill 352 would allow for individuals to concurrently register multiple vehicles in one visit. This bill is similar to other legislation allowing for large corporations to register multiple vehicles at once. The fiscal note attached to S.B. 352 was originally \$134,400, but Amendment No. 142 submitted by the DMV in brought the fiscal impact down to zero.

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

The DMV appreciates having had the opportunity to work with Senator Settelmeyer, and the extension of the implementation date contained in the Amendment No. 142 has removed the fiscal note. The DMV submitted an unsolicited follow-up fiscal note showing the provisions in S.B. 352 will have no fiscal impact other than internal work hours related to programming that the DMV will absorb.

CHAIR WOODHOUSE:

The Committee will now hear S.B. 377.

SENATE BILL 377 (1st Reprint): Revises provisions relating to workers' compensation. (BDR 53-1025)

SENATOR HARRIS:

Senate Bill 377 would provide the 2.3 percent annual cost-of-living (COLA) increase for individuals who were permanently and totally disabled prior to January 1, 2004. These individuals were left out of receiving COLAs due to legislation that was passed during the 72nd Legislative Session which prospectively granted COLAs to individuals who were disabled after 2004. Under S.B. 377, individuals will get a 2.3 percent COLA increase based on the income they are receiving when the bill is passed. There was no opposing testimony submitted for this bill, and insurers indicated that associated costs would be covered through an increase in assessments.

SENATOR SETTELMAYER:

This increase in assessments are based on category, meaning individuals working in the private sector will not affect the categorization costs for self-insured individuals or individuals from other categories. I am in support of S.B. 377.

VICTORIA CARREON (Deputy Administrator, Division of Industrial Relations, Nevada Department of Business and Industry):

The B&I's Division of Industrial Relations has placed a fiscal note on S.B. 377 which will not be funded through General Fund appropriations. The funds used to cover the costs in the fiscal note will come from the B&I's Workers Compensation fund which receives funding from assessments on private insurance carriers, self-insured employers and associations of self-insured employers. There is no administrative impact to the Division of Industrial Relations.

CHAIR WOODHOUSE:

The Committee will now hear S.B. 361.

SENATE BILL 361: Provides for the prescribing, ordering and dispensing of contraceptive supplies by pharmacists. (BDR 54-921)

SENATOR NICOLE J. CANNIZZARO (Senatorial District No. 6):

I will be reading from my testimony ([Exhibit H](#)) submitted for S.B. 361. This bill seeks to expand upon the successes from S.B. No. 233 of the 79th Session. During a previous Nevada Legislature Senate Committee on Commerce and Labor meeting, several women testified it could take as long as four-to-six months to get an appointment with their doctor in order to receive an assessment for possible prescriptions. Many forms of birth control are routinely prescribed by doctors and are considered as a "low concern" type of medication.

The proposed conceptual amendment ([Exhibit I](#)) will remove the fiscal note attached to S.B. 361 as it creates a standing order from Nevada's Chief Medical Officer (CMO) Dr. Ihsan Azzam to allow pharmacists to dispense contraceptives without a doctor's prescription. Any of the costs included as part of the prescriptive authority should be absorbed by the CMO's duties. Senate Bill 361 will increase women's access to healthcare.

SENATOR KIECKHEFER:

Regarding S.B. 361, I am concerned we would be creating a process which removes a necessary doctor's visit for a young woman when we have been encouraging them to see their obstetrics and gynecology (OBGYN) doctors more often. Does S.B. 361 cut into these efforts?

SENATOR CANNIZZARO:

This issue was discussed in a previous Commerce and Labor Committee meeting. The fact women will still have to go to their OBGYN for many different screenings other than just receiving birth control mediates this issue. Nothing in S.B. 361 prevents a woman from visiting her OBGYN, and nothing regarding the acquisition of birth control makes the OBGYN appointment unnecessary or unadvisable. The self-screening risk assessment questionnaire from my proposed conceptual amendment in [Exhibit I](#) will be used to indicate if a woman is in need of visiting her OBGYN for complex reasons outside of just acquiring birth control; sometimes women request contraceptives to treat a number of different ailments. In cases such as these, the questionnaire will indicate to the pharmacist that an OBGYN visit is necessary before the contraceptive can be administered.

Senate Bill 361 seeks to make it easier for women to acquire birth control without having to set an appointment with an OBGYN. The contraceptives discussed under S.B. 361 are self-administered and so commonly taken that they should be easier to acquire. It is not like these women are seeking an opioid prescription, they are seeking a common pill more akin to over-the-counter medications.

SENATOR KIECKHEFER:

While I appreciate these circumstances, I feel that overall people are bad at maintaining preventative health and undergoing routine screenings. The way we currently prescribe birth control makes it easier for doctors to know if a woman is up-to-date regarding screenings. Regarding fiscal impact, does having the CMO writing standing orders result in implications on the State's liability insurance ability to cover pharmacies and the State CMO?

SENATOR CANNIZZARO:

I do not have specific information regarding the State's liability insurance, but what is covered under S.B. 361 deals with contraceptives that are considered over the counter in other states. We are not seeking to authorize something that would be exceedingly detrimental to women's health.

SENATOR JOSEPH P. HARDY (Senatorial District No. 12):
I support S.B. 361.

ELIZABETH MACMENIMIN (Vice President of Government Affairs, Retail Association of Nevada):

The Retail Association of Nevada supports S.B. 361 and the proposed conceptual amendment as this legislation is a step in the right direction regarding women's access to healthcare. Regarding Senator Kieckhefer's question, other states have covered pharmacies under their liability insurance programs. Considering pap smears are recommended to occur every three-to-five years, S.B. 361 seeks to only allow women to receive a contraceptive without having to get a prescription from their doctor.

ELISA CAFFERATA (Planned Parenthood Votes Nevada):

Planned Parenthood Votes Nevada supports S.B. 361. We are working with the Nevada State Medical Association, pharmacies, medical boards and Majority Leader Cannizzaro to fine tune her proposed conceptual amendment. Nevada's medical community has a great deal of experience and understands what is needed regarding contraceptive prescriptions with 99 percent of American women using a form of birth control at some point in their lives.

Planned Parenthood health centers and most family-planning organizations believe contraceptive use is important and have been providing access to birth control without requiring a pap test screening for quite some time. Sometimes a visit to the doctor can be daunting, discouraging people from following up with their health issues. As we are going through the process outlined in S.B. 361, we strive to make sure the screening risk assessment asks the qualifying questions and that people are properly trained to administer them; there are some conditions where a hormonal birth control would not be indicated. We are also developing health information that can be provided with the prescriptions to make sure people are properly screened and treated for sexually transmitted diseases.

SENATOR CANCELA:

Are the contraceptive supplies that can be self-administered by a patient a range of items other than just birth control pills? Do these supplies include birth control rings and other self-administered items? I know long-acting forms of birth control must be prescribed by a doctor.

MS. CAFFERATA:

Including birth control pills, we are looking into patches and rings as self-administered supplies covered under S.B. 361. Over the last few decades,

we have seen much innovation regarding birth control options, and S.B. 361 allows the CMO to track which eligible self-administered forms of birth control are being supplied.

SENATOR CANCELA:

I am glad S.B. 361 is written to involve differing types of birth control as the more options women have the more likely they are to stay on birth control.

CHAIR WOODHOUSE:

The Committee will now hear S.B. 421.

SENATE BILL 421 (1st Reprint): Requires the establishment and carrying out of a program relating to certain unmanned aircraft systems. (BDR 18-31)

SENATOR OHRENSCHALL:

Senate Bill 421 seeks to expand the Nevada Institute for Autonomous Systems (NIAS) and draw businesses and investors from all over the world to Nevada.

BRIAN MCANALLEN (Nevada Institute for Autonomous Systems):

Through S.B. 421, the NIAS is asking for a \$1 million appropriation to help NIAS continue its operations and continue the work contained in multiple RFPs that we currently have out.

CHRIS WALLACH (Executive Director, Nevada Institute for Autonomous Systems; Director, FAA-Designated Nevada Unmanned Aerial Systems Test Site):

The NIAS has a prime Federal Aviation Administration (FAA) contract which was set to expire in 2019, but due to support from the U.S. Congress will extend for another 5 years. This Congressional FAA contract is a major factor in growing the drone industry in Nevada, and we hope commercial, public and recreational drone entities will be able to safely operate drones in the FAA National Airspace System. The NIAS works with multiple commercial and public entities, cities, counties and State officials to help safely integrate drones from a communication, navigational and surveillance perspective to keep the use of drones safe.

The mission of the NIAS is to continue advancing the drone industry. Legislation was approved during the 78th Legislative Session which appropriated \$5 million to start Nevada's Unmanned Aircraft System (UAS) Test Site, allowing the

NIAS to get where it is today. Unfortunately, this funding is running out. We initially strove to be self-sustaining, but the authorizations from section 333 of the FAA Modernization and Reform Act of 2012 allowed anyone from the national drone industry and any UAS business to acquire airspace authorization for flying drones. Had the six drone test sites across the Nation been the only organizations that could be used to grow drone businesses and provide airspace authorizations, the NIAS could have been self-sustaining. Like any organization, the NIAS has had to make adjustments to advance Nevada in the national and global drone industries and stay competitive.

The research priority and direction of the six drone industries across the Nation are different. The NIAS Board of Directors has representation from the University of Nevada, Reno, the University of Nevada, Las Vegas, the Nevada Desert Research Institute, Switch Nevada and the Regional Transportation Commission of Southern Nevada to make sure Nevada is appropriately represented. A specific model for growing the drone industry does not exist within the business management industry, but other states have been investing in their drone industries and have come up with models that we can follow.

The NIAS is a top-rated organization regarding national standards, and despite receiving no capital investment over the past five years, we will continue networking and expanding our drone systems. The NIAS, the State of Nevada and Reno also hold several national and global aviation records. We have been recognized under the NASA Unmanned Aircraft Systems Traffic Management program, the FAA UAS Traffic Management Pilot Program, the NASA Urban Air Mobility Guard Challenge and other top programs. The activities and accomplishments of the NIAS are further described in my presentation ([Exhibit J](#)). The \$1 million appropriation contained in S.B. 421 will go a long way in helping the NIAS continue to expand and become competitive regarding the other national drone test sites.

DYLAN SHAVER (City of Reno):

The City of Reno is one of ten destinations chosen for the FAA's UAS Integration Pilot Program. Reno has been working with the FAA, the NIAS and NASA to expand drone use. We need to balance federal, state and local jurisdictional responsibilities before drones become integrated into our systems and societies. People need to know who to contact when an issue pertaining to drones arises and how to overcome drone-related challenges pertaining to safety. The NIAS has been a leader in these initiatives, and Reno

has benefitted from their activities. The City of Reno supports S.B. 421 and believes this legislation will have long-lasting positive effects.

SENATOR OHRENSCHALL:

Despite the fact S.B. 421 is asking for \$1 million, it can have long-lasting positive effects for Nevada and the drone industry. Because Nevada is one of six states authorized to have a drone test site, and this bill is an opportunity to continue attracting new businesses into our State.

MR. MCANALLEN:

The Transportation, and Housing and Urban Development, and Related Agencies Appropriations Bill of 2018 appropriated \$6 million to the Nation's drone test sites for additional resources. These funds require matching funds by states, which is why we are asking for help through S.B. 421 to be able to continue receiving funding. I have been asked by the offices of Congresswomen Dina Titus and Catherine Cortez Masto to notify you that they are huge proponents of the drone industry and drawing federal funding into Nevada; they both also support the efforts and activities of NIAS. On June 15, 2019, Poland's president Andrzej Duda will be visiting Reno to witness drone tests, as Poland has a number of companies interested in Nevada's drone activities and testing in our airspace.

CHAIR WOODHOUSE:

The Committee will now hear S.B. 427.

SENATE BILL 427: Revises provisions relating to business entities. (BDR 7-306)

ALISA NAVE WORTH (Business Law Section, State Bar of Nevada):

Senate Bill 427 was drafted by the Business Law Section of the State Bar of Nevada who will be submitting a proposed amendment. As originally drafted, section 1 of S.B. 427 had a slight fiscal impact on the Nevada Secretary of State's Office resulting from a reduction in fees. The State Bar has been working with Chief Deputy Secretary of State Scott W. Anderson, and his letter ([Exhibit K](#)) confirms S.B. 427 no longer has a fiscal impact.

SENATOR HARDY:

I support S.B. 427 and request that we not yet accept the State Bar's amendment as work to be done between the Nevada Senate and the Nevada Assembly will negate the amendment's effects.

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SCOTT W. ANDERSON (Chief Deputy Secretary, Nevada Secretary of State):
Senate Bill 427 will no longer have a fiscal impact.

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CHAIR WOODHOUSE:

Seeing no further questions, this meeting is adjourned at 12:31 p.m.

RESPECTFULLY SUBMITTED:

Tom Weber,
Committee Secretary

APPROVED BY:

Senator Joyce Woodhouse, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit / # of pages		Witness / Entity	Description
	A	2		Agenda
	B	6		Attendance Roster
S.B. 543	C	72	Fiscal Analysis Division / Legislative Counsel Bureau	Proposed Amendment 5949
S.B. 533	D	2	Governor's Office of Finance	Proposed Amendment
S.B. 512	E	1	Nevada Gaming Control Board	Proposed Amendment
S.B. 338	F	1	Mark Fiorentino / Nye County	Fiscal Impact
S.B. 338	G	1	Nevada Conservation League	Letter of Support
S.B. 361	H	2	Senator Nicole J. Cannizzaro	Written Testimony
S.B. 361	I	2	Senator Nicole J. Cannizzaro	Proposed Conceptual Amendment
S.B. 421	J	9	Chris Wallach / Nevada Institute for Autonomous Systems	Presentation
S.B. 427	K	1	Nevada Secretary of State's Office	Letter