

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

**Eightieth Session
May 29, 2019**

The Senate Committee on Government Affairs was called to order by Chair David R. Parks at 5:02 p.m. on Wednesday, May 29, 2019, in Room 2149 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator David R. Parks, Chair
Senator Melanie Scheible, Vice Chair
Senator James Ohrenschall
Senator Ben Kieckhefer
Senator Pete Goicoechea

GUEST LEGISLATORS PRESENT:

Assemblywoman Susan Martinez, Assembly District No. 12
Assemblywoman Daniele Monroe-Moreno, Assembly District No. 1
Assemblywoman Sarah Peters, Assembly District No. 24
Assemblyman Howard Watts III, Assembly District No. 15

STAFF MEMBERS PRESENT:

Jennifer Ruedy, Committee Policy Analyst
Heidi Chlarson, Committee Counsel
Suzanne Efford, Committee Secretary

OTHERS PRESENT:

Bobbi Rahder, Museum Director, Stewart Indian School Cultural Center and
Museum; Nevada Indian Commission
Brenda Nebesky, Acting Director, Department of Tourism and Cultural Affairs
Lori Pasqua, Nevada Indian Commission

Senate Committee on Government Affairs
May 29, 2019
Page 2

Laurie Thom, Chair, Yerington Paiute Tribe
Marla McDade Williams, Reno-Sparks Indian Colony
Ernie Adler, Pyramid Lake Paiute Tribe
Amber Torres, Chair, Walker River Paiute Tribe
Alfonso Lopez, International Association of Sheet Metal, Air, Rail and
Transportation Workers
Jeff Proffitt, Cochair, Sheet Metal Local 88 Training Center
Terry Taylor, Fire Prevention Association of Nevada; Northern Nevada Fire
Chiefs Association
Dan Musgrove, Sheet Metal and Air Conditioning Contractors' National
Association of Southern Nevada
Bart Chambers, Chief, State Fire Marshal Division, Department of Public Safety
Zach Conine, State Treasurer
Tess Opferman, City of Reno
Randy Soltero, United Food and Commercial Workers International Union
Mike Cathcart, City of Henderson
Brian O'Callaghan, Las Vegas Metropolitan Police Department
Warren Hardy, Nevada League of Cities and Municipalities
Fran Almaraz, Teamsters
Shaunt Sarkissian, Bank of London
Gabriel Allred, Tokes Platform
Patti Jesinoski

CHAIR PARKS:

We will open the hearing with Assembly Bill (A.B.) 44.

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

BOBBI RAHDER (Museum Director, Stewart Indian School Cultural Center and
Museum; Nevada Indian Commission):

I have a slide presentation explaining the purpose behind A.B. 44 ([Exhibit C](#)).

The Nevada Indian Commission (NIC) oversees the Stewart Indian School. The
NIC was established in 1965 as the liaison between the Governor's Office and
the 27 tribes, bands and colonies in Nevada. The NIC's five-member board is
appointed by the Governor. It has created a master plan to preserve the Stewart
Indian School campus. The first part of the preservation effort is about the
Stewart Indian School itself.

For those of you who may not be familiar with the Stewart Indian School, it was part of the federal government's assimilation policy to create boarding schools for Native American children in the 1800s. The School was part of the treaty rights in which the government agreed to accept land from the tribes in exchange for educating their children. That is why these boarding schools were created all across the Country. The purpose was to educate the children, teach them English, have them become citizens and have job skills. To do that, the children were taken away from their families and their tribal influences in an attempt to eliminate their native culture.

The Stewart Indian School was established in 1890 to educate the Great Basin tribes' children. The School eventually accepted children from other states and tribes. Children as young as four years old were taken from their families which was traumatic. We hope the Stewart Indian School Cultural Center and Museum will help families heal from this trauma and tell the stories of their experiences at the School.

Eventually, the School changed and became a place where the children wanted to go. There were many different experiences, and the Museum will attempt to tell those stories. The School was closed in 1980 by the Bureau of Indian Affairs, U.S. Department of the Interior. We are trying to tell a complicated story with the Museum, and A.B. 44 is part of that story.

We are grateful that the 2015 Legislature funded the museum director position. The Museum also has a curator. In 2017, the Legislature approved \$4.5 million to renovate the former administration building to be the Museum and the former post office to be the welcome center. Those buildings are under construction. We hope they will be finished by the end of August. We will then install the exhibits we have been able to create with the funding we received from the Legislature. Those will be installed by the end of November, looking at December for the entire Museum to be completed. The grand opening is planned for the spring of 2020.

We also created a cultural advisory committee composed of School alumni. We want former students of the School to tell their stories. The alumni oversee everything we do. We also have recorded oral histories from alumni who attended the School. We use those to form our exhibits and our interpretation of the School's history.

Museum funding pays the museum director and curator salaries. The \$4.5 million from the Legislature is for the renovation of the two buildings. With that funding, we are creating a research room, a storytelling room, educational classrooms and an exhibit called "Our Home, Our Relations" which depicts the School's 90-year history.

Assembly Bill 44 will establish the Museum in statute under the NIC. Without this legislation, it would not exist. That is the primary reason for the bill. However, the bill will also allow for a museum business and marketing plan to create a museum store, have fundraising activities and special events, accept donations and admissions, and create a membership program.

Assembly Bill 44 will help us establish a fully functioning State-funded Museum. The new operating budget we are requesting includes two new positions: a Curator I and a Museum Attendant II. Those positions will allow the Museum to become fully functioning because it has only two staff positions. It will need help if it is going to provide services. The Museum will have temporary and changing exhibits so people will want to return, and it will provide educational activities and special events.

The Museum needs funding for a security system to ensure that its collections are secure and preserved. It has over 1,900 items reflecting the 90 years of the School's history. We want to be good stewards of those collections.

We want the Museum to be a place the alumni and their families can come to and tell their stories. Slide 8, [Exhibit C](#), is a picture of some of the alumni who are no longer with us. We asked alumni to come today to testify, but we were not able to find anyone who was available. We have asked them to contact this Committee and tell you how they feel about this bill.

We want this Museum to be a place of healing from the trauma of the early years of the School when it was a difficult place for children and their families. Trauma has carried on through the generations to families today.

Slide 8 of [Exhibit C](#) shows the Museum's mission statement. The Museum is dedicated to the memories of the first School students from Great Basin tribes in 1890 and all the students and their families who were impacted by the Stewart Indian School experience. The mission of the Stewart Indian School Cultural Center and Museum is to tell the stories of the thousands of American

Indian children from Western tribes who were educated at the School. These stories tell of a complex past that changed the course of generations of these children. The museum is a place of living heritage through exhibits of contemporary Native American art, storytelling, arts and crafts demonstrations, lectures, public programming and educational activities.

SENATOR OHRENSCHALL:

We had a family friend who was a student at the Stewart Indian School. However, at that time I did not understand what the School was and what had happened to those children. I never got a chance to talk to her about it. I appreciate what you are doing to preserve that history.

CHAIR PARKS:

I have a budgetary question. A fiscal note was put on the bill. Did the Assembly Ways and Means Committee give you an appropriation for your budget?

BRENDA NEBESKY (Acting Director, Department of Tourism and Cultural Affairs):

The Stewart budget account was given an appropriation of \$130,518 for fiscal year (FY) 2020 and \$113, 864 for FY 2021. However, the fiscal note is still necessary because that small appropriation would not be enough to fulfill all of the operational and educational programs the School and the Museum intend to conduct.

LORI PASQUA (Nevada Indian Commission):

I am a Washoe Tribal member and a descendant of the Pyramid Lake Paiute Tribe. I grew up here. My grandmother was a student at the Stewart Indian School when she was three years old. However, when they found she was too young, she was sent to Truckee. She hid out until she was 12 years old, when she was caught and brought back to the School for a brief time. She ended up in a boarding school in California where they have her picture.

I would like to see this Museum have pictures of the thousands of students who came to the School. This would put Carson City on the map.

I am testifying for the sale of gifts and souvenirs. As a member of the Washoe Tribe, I help the Tribe conduct demonstrations. We have done that for about three years. Busloads of students who are interested in hearing these things come from all over. If the museum director was able to sell souvenirs and gifts, manage the Museum and provide for this Museum, that would be an asset for

everyone—not only for us but for Carson City and Nevada because people hear about these boarding schools all over the Country.

It is a good thing to proceed with this bill, and you will be able to provide for us. Thank you for what you have done so far.

MS. RAHDER:

I have a letter from a Stewart Indian School alumnus, Linda Eben Jones, supporting A.B. 44 ([Exhibit D](#)).

LAURIE THOM (Chair, Yerington Paiute Tribe):

I have a history with Stewart Indian School. My father was the cross country coach at the School when it was a high school. I was a young child then and was able to run around and feel welcomed at the campus.

My grandmother, who turned 95 years old this weekend, was a 5-year-old girl who was loaded into a cattle truck and taken from Schurz, the Walker River Indian Reservation, to the Stewart Indian School. She does not talk about the things that happened there, but she remembers that she learned to sew, cook and make bread. She has been able to pass those things down. However, she was not able to pass down our language. When I greeted you in our Paiute language, I had to learn that after the fact because she is not able to speak our language anymore.

Supporting A.B. 44 would be a way of recognizing the historical trauma our people endured during a time of Indian policy in which the federal government thought it was doing the right thing. However, when we come down to self-determination, we like to know that the tribes understand the importance of continuing the Museum and documenting what happened. Hopefully, that will never happen again; we would appreciate that.

We want to ensure there is continued funding for those positions so we can expand the Museum and bring in tourists. We want others to know and learn the history of the Stewart Indian School. I am proud of what the NIC has done so far. I was honored to be a part of the strategic planning process.

Last year, I was honored to receive the Tribal Leader of the Year award from the NIC. I believe in the things the NIC is doing to help our tribes, to further the Museum and to continue to document our history through the Museum.

Senate Committee on Government Affairs
May 29, 2019
Page 7

MARLA MCDADE WILLIAMS (Reno-Sparks Indian Colony):

The Reno-Sparks Indian Colony supports this bill. It is an important step in the preservation of the history of the Stewart Indian School. Establishing the Museum shows support of the Native Americans in Nevada and in surrounding states who attended the School throughout its history.

ERNIE ADLER (Pyramid Lake Paiute Tribe):

The Pyramid Lake Paiute Tribe supports this bill.

CHAIR PARKS:

We will close the hearing on A.B. 44 and open the hearing on A.B. 264.

ASSEMBLY BILL 264 (2nd Reprint): Makes various changes relating to relations between state agencies and Indian nations or tribes. (BDR 18-671)

ASSEMBLYWOMAN SARAH PETERS (Assembly District No. 24):

Assembly Bill 264 has been a work in progress. It has been a passion of mine for the last few years to see Nevada enhance its relations with the 27 tribal governments in the State.

Assembly Bill 264 directs the NIC to develop policies, guidelines and training for State agencies to ensure transparency and accountability in their correspondence, collaboration and consultation processes with tribal governments. The State has an interesting relationship with the 27 tribal governments. They are sovereign nations, yet their members share citizenship with State governments and their tribal governments.

The State leverages resources. It also has unique resources. It is worth having a baseline of understanding for communication and collaboration that is accountable to both parties. With this legislation, Nevada can proactively ensure a policy is in place to enhance these relationships to the best of its ability.

In addition to policy and guidelines, this bill ensures that the tribes have a seat at the table annually with the Governor to help vet issues from across the State that impact tribal members. This is important because issues that come up on tribal land are not always reflective of the issues of other citizens in the State. Tribal land does not move. You do not move a house from one side of Nevada to another and maintain tribal sovereignty. The tribes stay where they are. They are often in areas impacted by environmental issues disproportionate to the rest

of the State. They are often impacted by economic disparity disproportionate to other entities across the State. It is important to identify that in order to uplift those communities and leverage resources for the surrounding communities.

CHAIR PARKS:

The substance of the matter is in section 6 of the bill. Committee members can review that.

MS. THOM:

The reasoning for A.B. 264 was generated when Amber Torres and I went to the Substance Abuse and Mental Health Services Administration workshop training in New Mexico. We met with other tribes and state entities. We found that other states with tribal consultation acts have increased communication and partnerships between the states and the tribes. That is necessary as we move forward because a number of programs work well with us, such as the Department of Health and Human Services program which has good communication with the tribes. However, others do not understand the meaning of consultation or the meaning of government-to-government relations. We know that the federal government has a fiduciary responsibility with tribes. But there are a number of laws and other issues that affect us on tribal lands.

You may not be able to see the tribal boundaries, but they are there. Once someone crosses the boundary into a sovereign nation, we would like to have respect. We would like to have a continuing partnership with the State agencies that do not already have that in place. We would like to make sure it happens.

When we spoke with Governor Steve Sisolak, he wanted to have more than one meeting. However, he did not want to tie any future governor's hands; therefore, meetings will continue with Governor Sisolak. This is an investment into the future of how the tribes and the State can better partner to serve all citizens. There are unique programs for which tribes can qualify to supplement and take care of their citizens and not have to tax some of the State dollars.

There are ways we can work together better. I would like to see this bill passed and have the support to do so.

AMBER TORRES (Chair, Walker River Paiute Tribe):

Assembly Bill 264 is important because we want to have that seat at the table. We want to have our voices heard. "If we do not have a seat at the table, we

are on the menu." We want to continue to collaborate and build a rapport with the Governor's Office and all the State agencies with which we work and have relationships. As Ms. Thom said, we have good working relationships with State entities, but we want to continue to enhance those.

The portion of A.B. 264 that I am concerned with is training, cultural competency or Indian 101 so everyone is aware of who we are, what we are and how we operate. Certain policies and procedures need to be followed. We want to educate people about what that looks like. We are sovereign nations, and we want to have a voice at the table to instruct people on how that works. Decisions being made on behalf of our people should be made by us and our people.

We want to make sure we can continue to talk with the Governor and his or her staff about issues in Indian country with all 27 tribes. We are all unique but similar at the same time. We appreciate that the NIC has a relationship with the tribes, the State and the Governor's Office. We want to continue to build those relationships going forward. We appreciate your support of A.B. 264.

MS. WILLIAMS:

Arlan D. Melendez, the Chair of the Reno-Sparks Indian Colony, wanted to be here to express his support for A.B. 264, but he had other obligations. This bill is a major milestone for tribes in Nevada. Certain federal agencies already have the obligation to consult with tribes on certain federal projects. This legislation builds on the relationships the tribes have gotten used to with federal agencies.

Nevada continues to make strides that facilitate communication with the 27 tribes and establish a true government-to-government relationship which will be beneficial to both the State and the Tribes.

We want to extend our sincere appreciation to Assemblywoman Peters and Chair Thom for bringing this legislation forward. We look forward to developing policies that will enhance State and tribal relationships.

MR. ADLER:

The advantage of this bill is it will fix a system that is hit and miss. The Department of Health and Human Services is responsive to tribes regarding their issues. However, another agency, which will remain unnamed, will not even

return phone calls. This bill will create coordination between the tribes and State governments which will be beneficial in the future.

CHAIR PARKS:

We will close the hearing on A.B. 264 and open the hearing on A.B. 297.

ASSEMBLY BILL 297 (2nd Reprint): Revises provisions governing fire safety equipment. (BDR 42-1051)

ASSEMBLYWOMAN SUSAN MARTINEZ (Assembly District No. 12):

Assembly Bill 297 is a public safety measure designed to protect the public in the event of a fire.

Section 2 of the bill requires the owner or operator of a building equipped with a fire or smoke damper or a combination of the two to have the unit inspected by a certified technician as often as required by the most recently adopted version of the *International Fire Code*. Additionally, the bill requires the owner or operator of a building to make the certification of inspection available upon the request of the State Fire Marshal.

Section 3 of the bill requires the technician to report malfunctions or defects discovered during the inspection to the building owner or operator, the State Fire Marshal and the governing body of the city or county in which the building is located.

Furthermore, the bill requires the technician to provide a certification of inspection to the building owner or operator containing the location of the devices, the date of the inspection, the results of the inspection, and the name and certification number of the technician.

Sections 4 and 5 make conforming changes regarding the inspection and certification of smoke control systems.

Section 6 of the bill authorizes the State Fire Marshal to adopt regulations relating to the maintenance and testing of fire dampers, smoke dampers, combination fire and smoke dampers, and smoke control systems.

Section 7 states that this act becomes effective on July 1.

ALFONSO LOPEZ (International Association of Sheet Metal, Air, Rail and Transportation Workers):

I am here to show you how a fire and smoke damper functions and what it does when it comes to fire life safety in buildings. This object I have is considered a combination fire-smoke damper. In case of fire, it is designed to isolate fire and smoke and divert it to a safe area.

The majority of people who die in fires, die from smoke inhalation. The device senses fire or smoke and diverts it away from the area. The dampers are defined in the *International Fire Code*, but the issue is that they are not regularly inspected to ensure they are working properly.

SENATOR OHRENSCHALL:

What kind of training does the technician referred to in sections 2 through 4 have to have, and how long does it take?

MR. LOPEZ:

The people conducting the inspections have to go through an American National Standard Institute (ANSI) certified program. This program is thorough and nationwide. They have to be certified through this program to inspect dampers properly and make sure they are safe.

SENATOR KIECKHEFER:

How many people in Nevada are certified?

MR. LOPEZ:

Approximately 105 certified technicians exist in the sheet metal workers union.

SENATOR KIECKHEFER:

In your estimation, how many annual inspections have to take place? Newly installed and renewals would have to be inspected.

MR. LOPEZ:

They have to be inspected when they are newly installed. After that, an inspection is required every four years.

SENATOR KIECKHEFER:

How many total dampers are installed statewide?

MR. LOPEZ:

That is difficult to determine. But for example, a new hospital would have anywhere from 250 to 350 dampers. Casinos could range from 500 to 800 dampers. Dampers are everywhere throughout the duct system.

SENATOR KIECKHEFER:

Are there enough people certified to do these inspections? It sounds like much work.

MR. LOPEZ:

The State Fire Marshal could answer that because he deals with it on a daily basis. However, he stated in the Assembly that he has a backlog. We have plenty of manpower trained. Training is not strictly isolated to sheet metal workers. This program is open to anyone who wants to go through the process of being ANSI-certified.

SENATOR SCHEIBLE:

Are you able to speak to that certification process? I am interested in what kind of career path this is for Nevadans.

JEFF PROFFITT (Cochair, Sheet Metal Local 88 Training Center):

I am the cochair of the sheet metal workers training center. For the past nine years, I have been in charge of this type of training. It is part of a class we call Service Technician I or Apprentice I. It is a three-credit course similar to a college course. At the end of the course, the students take an examination that is accredited through the ANSI accreditation as proposed in the bill. When that is completed, the apprentice does not start working on dampers. The apprentice will work with a journey person. The apprentices will not do this work on their own until their apprenticeship is finished. The journey person will work with them over the next four years of their apprenticeship until they are finished. It is a long, difficult process.

We have certified roughly over 100 people. We can meet the demand. We can bring journey persons into the program to be trained. It is easier to train a journey person than an apprentice.

CHAIR PARKS:

I would like to take a step back. Would you share with us where we would find these dampers? I am presuming that they are in commercial structures and not residential structures, but it might be in a hotel.

MR. PROFFITT:

In this building, the hallways or corridors are a means of egress. People can get out of the building through the corridors if they follow the exit signs. A building like this is going to have duct work running through those corridors. Each one of the offices is going to have a duct branch entering it. The doors are fire doors, and the walls are fire walls. Every time the duct branches off into one of the offices, it is going to have dampers for the air going in and the air coming out. Each office has at least two dampers. This building would have 150 to 200 dampers.

CHAIR PARKS:

Would an inspector inspect these dampers when he or she is doing other inspections? Is this connected or tied to other inspections for convenience reasons?

MR. PROFFITT:

This would be the sole inspection being conducted. The inspector would be there to inspect, repair or replace the damper. The inspector goes in with only one purpose.

CHAIR PARKS:

Is the inspection of the dampers standard procedure across the Country?

MR. PROFFITT:

The bill relates back to the fire codes which are nationwide.

SENATOR GOICOECHEA:

Would this inspection be done on a unit-by-unit basis or on an hourly rate? It could get expensive. Would it be bid on a unit-by-unit or hourly rate to inspect them all?

MR. PROFFITT:

That would be up to the contractor. There are piecework contractors and hourly contractors. Normally, in a building like this, a technician would get to 30 dampers a day. It is up to the contractor as to how they pay their people.

SENATOR GOICOECHEA:

You said they need to be inspected every four years; therefore, every four years someone has to go through the building.

MR. PROFFITT:

The only caveat to that is hospitals are inspected every six years. They have a carveout for themselves.

SENATOR GOICOECHEA:

Do some residences have dampers?

MR. PROFFITT:

I have been doing this for 26 years, and the only ones we have done were in some high-end residences. You would have to ask the Fire Marshal if that is something that has to be done for those types of residences.

SENATOR GOICOECHEA:

I am not exactly sure, but some residences have vents with a backing plate. They are not as extensive as the one demonstrated. I want to make sure we are not getting down into the weeds.

MR. PROFFITT:

That would be a question for the State Fire Marshal.

TERRY TAYLOR (Fire Prevention Association of Nevada; Northern Nevada Fire Chiefs Association):

The Fire Prevention Association of Nevada and the Northern Nevada Fire Chiefs Association support this bill. Regarding Senator Goicoechea's statement about contractors and so forth, under the regulatory scheme of the State Fire Marshal, certain employers are allowed to license and test. Large casino employees come under the license. They would take the class, be hired by the casino and perform these duties. That is a way to get extra people immediately into some of these buildings.

When we were working on the MGM Grand Hotel, which is how I got started in this profession, we never thought about testing dampers. In my experience as a fire investigator, I found them bypassed time and time again or neutralized which allows smoke and heat to spread from one part of a building to another. It is long overdue to get them properly inspected and repaired. I found them with sheet metal screws imbedded and jammed open with sticks. That is not a good idea when you are trying to separate assembly occupancies from residential occupancies.

SENATOR GOICOECHEA:

Are some of these dampers in a small area? Some structures 5,000 square feet or less might have them.

MR. TAYLOR:

During my 28 years in Douglas County, I found them in structures as small as 1,500 square feet because those are hazardous structures. Dampers are part of containing or directing an airborne hazard to another location.

SENATOR GOICOECHEA:

A casino has its own personnel doing the maintenance and inspection on the dampers. They would sign off on a sheet and periodically the Fire Marshal would check and make sure they were in compliance.

MR. TAYLOR:

In most cases, the regulatory structure would be handled by local government, and the testing would be concurrent. That is what we do now. We go through with the various disciplines and look at the sprinkler system and the alarm system. This would be added in with a different trade.

SENATOR GOICOECHEA:

There are some population caps of 700,000 and under 100,000 in the bill. I get a little nervous about rural areas and how well we inspect. That would fall back to the State Fire Marshal in the smaller rural areas to make sure they were functioning in a hotel.

MR. TAYLOR:

Nevada Revised Statutes 477 would allow qualified personnel of a company to inspect their own premises as well as qualified contracting personnel or others to do these kinds of inspections.

DAN MUSGROVE (Sheet Metal and Air Conditioning Contractors' National Association of Southern Nevada):
The Sheet Metal and Air Conditioning Contractors' National Association (SMACNA) are the subcontractors who would do this work.

Senator Ohrenschall and the previous speaker hit the nail on the head regarding knowing where they were when the MGM fire started. After that fire, Nevada took on a mission to make sure it is the safest state in the Nation. This bill takes us another step closer to that goal to make sure we never have these kinds of issues in our public buildings.

New Mexico just passed similar legislation within the last two months; therefore, SMACNA supports this bill.

CHAIR PARKS:

Mr. Lopez, you showed us the damper system. Is there an exhaust system that is attached to it? I am thinking that there are numerous dampers which are all attached to one big fan that sucks the air out.

MR. LOPEZ:

Yes, you are correct. All these dampers are within duct systems that either supply air to the air conditioned space or they exhaust air out. Everything is tied within the duct system to do what they are supposed to do.

I have a statement from Scott Hammond ([Exhibit E](#)). He testified in the Assembly. He is with the National Energy Management Institute Committee. He would like it to be part of the record.

BART CHAMBERS (Chief, State Fire Marshal Division, Department of Public Safety):

I am testifying neutral on this bill. Senator Goicoechea, regarding your questions about residences, some residences may have dampers. The State Fire Marshal has not adopted the *International Fire Code* for residences; however, some local jurisdictions have. Depending on the local jurisdiction, that code can be more stringent and in play as well. Regulatory enforcement would come out of my office working with the local jurisdictions in the event they find problems.

ASSEMBLYWOMAN MARTINEZ:

We do not have population caps on this bill. All Nevadans should be kept safe. When the bill came out of the Assembly Ways and Means Committee, we had appropriations for one Department of Public Safety officer and one administrative assistant.

CHAIR PARKS:

We will close the hearing on A.B. 297 and open the hearing on A.B. 466.

ASSEMBLY BILL 466 (1st Reprint): Requires the creation of a pilot program to facilitate certain financial transactions relating to marijuana. (BDR 18-870)

ASSEMBLYWOMAN DANIELE MONROE-MORENO (Assembly District No. 1):

Assembly Bill 466 is a straightforward bill. In discussions with the State Treasurer and working in law enforcement in my previous occupation, the fact that we have a growing industry in Nevada—the cannabis industry—that is a cash industry scares me due to so much cash floating around the State.

Working with Zach Conine the State Treasurer, we tried to look outside the box. Assembly Bill 466 provides strong and secure payment capabilities and solutions for Nevada's cannabis industry while reducing critical inherent issues with cash usage.

ZACH CONINE (State Treasurer):

Assembly Bill 466 proposes a closed-loop payment system for marijuana banking. We have a relatively inefficient cash-based system which opens us up to danger and potential misses when it comes to accounting.

The Office of the State Treasurer manages and oversees the State's banking functions and reconciles banking transactions for all State agencies. The Cash Management Division in the Office is responsible for reconciling all transactions in the bank and creating the necessary entries in the State's accounting system. We look at this as a logical and simple expansion of the work we have been doing historically.

SENATOR SCHEIBLE:

Is this a good bill?

Senate Committee on Government Affairs
May 29, 2019
Page 18

MR. CONINE:

It is not; it is a great bill!

CHAIR PARKS:

We are talking about a closed-loop payment processing pilot system, enabling marijuana establishments to engage in financial transactions in a safe and efficient manner.

TESS OPFERMAN (City of Reno):

The City of Reno supports A.B. 466. Once a quarter, the City has a marijuana tax day where we hire extra security because people bring roughly \$80,000 in cash to the City. We support this bill so we do not have to do that.

RANDY SOLTERO (United Food and Commercial Workers International Union):

The United Food and Commercial Workers International Union supports this bill. The Union represents workers in the cannabis dispensary industry as well as the cultivation industry. It is not a safe way to get paid every week for the work performed when there is not a safe system to do that. The Union knows this is a great bill. It will enable workers to be paid safely.

MIKE CATHCART (City of Henderson):

The cash issue was one of Henderson City Council's biggest concerns when it was deliberating its marijuana business ordinances. The City supports any solution to that problem and A.B. 466.

BRIAN O'CALLAGHAN (Las Vegas Metropolitan Police Department):

The Las Vegas Metropolitan Police Department supports A.B. 466 because of the cash flow problems and the amount of cash in these businesses.

WARREN HARDY (Nevada League of Cities and Municipalities):

The Nevada League of Cities and Municipalities supports this important safety issue addressed in A.B. 466.

FRAN ALMARAZ (Teamsters):

The Teamsters throughout the State support this bill. They see this as a great safety bill because we know where the cash is kept which is not safe. This bill will handle that situation.

SHAUNT SARKISSIAN (Bank of London):

I am the global head of payments and intellectual property for the Bank of London. I have been a payments engineer for more than 20 years. I have seen this technology succeed.

As Nevadans, and particularly each of you as informed lawmakers, we are aware that the federal government has left this gap in marijuana businesses. There is a dire need of banking services. This has led to what is known as the "cash problem," although that is only part of it.

These businesses need to also look to digitize those funds to make this more effective. We are encouraged that A.B. 466 will allow Nevada to lead the Nation in this area. To be clear, this is not new technology, but its application to this market in the regulated, effective way this pilot program contemplates can put Nevada on the cutting edge, leading the rest of the Nation in this area.

GABRIEL ALLRED (Tokes Platform):

The Tokes Platform is a blockchain-focused software company producing solutions for the cannabis industry. I support A.B. 466.

The State support of a cashless system paves the way for honest and compliant service providers to deploy their offerings in a test environment, working out the hurdles hand-in-hand with regulatory and State bodies. Assembly Bill 466 can put Nevada at the forefront of solving the cash problem within the industry and potentially position Nevada as a model to be followed by other states in need of similar solutions.

My company leverages blockchain for a number of uses. With the passage of S.B. No. 398 in the 79th Session as well as S.B. 162, S.B. 163 and S.B.164 of this Session, sponsored by Senator Kieckhefer, Nevada is now positioned as a leading state in blockchain technology, recognizing the potential efficacy of blockchain for a multitude of uses.

SENATE BILL 162 (1st Reprint): Revises provisions relating to electronic transactions. (BDR 59-876)

SENATE BILL 163 (1st Reprint): Revises provisions relating to technology used by certain business entities. (BDR 7-877)

SENATE BILL 164 (1st Reprint): Recognizes certain virtual currencies as a form of intangible personal property for purposes of taxation. (BDR 32-878)

The same blockchain technology can be advantageous in the case of this pilot program and serve to further position Nevada at the forefront of this emerging trend while improving safety, reducing costs and increasing efficiency in the cannabis industry.

PATTI JESINOSKI:

I am speaking against A.B. 466 because I am a third-generation pharmacist. Once this loophole is closed for financial transactions, I fear the loss of revenue for schools.

Pharmaceutical magazines in 2012 had articles about their GMO marijuana. I was in the pharmacy profession for over 50 years. A certain number of prescription drugs were grandfathered in because they were old, had proven health records and little adverse effects, such as Dilantin, digoxin, quinine and colchicine. Generics were available for decades. Then around ten years ago, a small pharmaceutical company applied for a new drug application. Gradually, many of these drugs were approved. The price of quinine went from under \$15 per 100 to \$150 for 30. All generics were then banned.

If big pharmaceutical companies are already creating GMO marijuana, there will be a new drug application to the U.S. Food and Drug Administration to take over this industry and classify only pharmaceutical-made marijuana as legal. This industry will be taken over by big pharmaceutical companies once you have cleared the loophole for the cash. You will see an escalation of price for the purchase of marijuana supplies. Marijuana pills created almost 30 years ago were claimed to be for pain for cancer. However, it was not the correct species and only created the munchies. The insurance companies did not cover \$150 for 30 pills, making it too expensive for cancer patients to use. If you use the closed loophole to close the cash, you will see your school dollars lost and this being taken over by big pharmaceutical companies. I would like to see those dollars still go to the schools for education.

CHAIR PARKS:

Those dollars will be going to the schools.

We will close the hearing on A.B. 466 and open the hearing on A.B. 383.

ASSEMBLY BILL 383 (2nd Reprint): Provides for the designation of a Student Loan Ombudsman. (BDR 18-880)

ASSEMBLYMAN HOWARD WATTS III (Assembly District No. 15):

Paying for higher education can be a challenge. Student loans are a valuable tool that help many people gain access to postsecondary institutions and technical colleges. Unfortunately, we have seen student loan debt become a growing crisis in our Country. Total debt exceeds \$1.4 trillion in the United States. In Nevada, the median student loan debt is almost \$17,000.

Reports compiled by agencies such as the Consumer Financial Protection Bureau indicated that consumers have encountered many different issues with student loan servicers. Some are just miscommunications, and some are due to inconsistent standards of regulations. Ultimately, the consumers suffer. It is important to have effective mechanisms for borrowers to communicate with those servicers.

Assembly Bill 383 would create a student loan ombudsman position within the Office of the State Treasurer, funded by the Nevada College Savings Trust Fund. The bill defines the powers and duties of the ombudsman. The ombudsman would be a neutral contact who evaluates information for student borrowers and works with them and loan services to resolve any issues they are facing.

I have had bad customer service experiences. It is something most of us can relate to. When those things happen, at best you feel misinformed and struggle to understand the product or service you are dealing with. At worst you feel you are being taken advantage of. This bill creates an advocate for all student loan borrowers in the State who can help resolve issues and get the best possible deal and position for them to pay for their education.

MR. CONINE:

We will be able to pay for this out of the College Savings Endowment Account which is the collection of all the monies we get from the 529 college savings plan partners. It being May 29, I have to make a push for the 529 plans, including free paid college tuition, the State Street Global Advisors 529 Plan and a number of other plans that have helped Nevadans go to college for more than 10 years. Those dollars come into the State and are supposed to be used for the expansion of educational opportunities. The student loan ombudsman would

be the second side of that coin. The Office gets more than 17,000 calls a year inquiring about how to pay for college. Some of those call are from individuals asking about how to pay for the college they have already attended. This ombudsman would give us the resources, the skillset and the tools to reach out to help those individuals better prepare in advance for taking a loan and make sure they are being treated fairly after receipt.

ASSEMBLYMAN WATTS:

There is also an educational component to this bill. It would allow us to educate the community about the different types of loans, resources and the availability of help through the ombudsman. Reports will be compiled on the activities of the ombudsman and submitted to the Legislature. In terms of negotiating the issues consumers encounter, we can take that information and determine what other options we might want to evaluate moving forward to protect consumers.

SENATOR OHRENSCHALL:

I want to thank Assemblyman Watts and Mr. Conine for all the great work you have done this Session trying to help kids get into higher education and stay in higher education. I like this bill.

CHAIR PARKS:

We will close the hearing on A.B. 383. We are going to have to reschedule A.B. 476 for the next meeting.

ASSEMBLY BILL 476 (2nd Reprint): Revises provisions concerning affordable housing. (BDR 25-1119)

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Senate Committee on Government Affairs
May 29, 2019
Page 23

CHAIR PARKS:

Having no further business to come before the Senate Committee on Government Affairs, we are adjourned at 6:14 p.m.

RESPECTFULLY SUBMITTED:

Suzanne Efford,
Committee Secretary

APPROVED BY:

Senator David R. Parks, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit / # of pages		Witness / Entity	Description
	A	2		Agenda
	B	7		Attendance Roster
A.B. 44	C	8	Bobbi Rahder / Nevada Indian Commission	Presentation
A.B. 44	D	1	Linda Eben Jones	Letter in Support
A.B. 297	E	2	Scott Hammond	Letter in Support