

**MINUTES OF THE MEETING  
OF THE  
ASSEMBLY COMMITTEE ON NATURAL RESOURCES**

**Eighty-First Session  
May 27, 2021**

The Committee on Natural Resources was called to order by Chair Howard Watts at 4:44 p.m. on Thursday, May 27, 2021, Online and in Room 3143 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at [www.leg.state.nv.us/App/NELIS/REL/81st2021](http://www.leg.state.nv.us/App/NELIS/REL/81st2021).

**COMMITTEE MEMBERS PRESENT:**

Assemblyman Howard Watts, Chair  
Assemblywoman Natha C. Anderson  
Assemblywoman Annie Black  
Assemblywoman Tracy Brown-May  
Assemblyman John Ellison  
Assemblywoman Cecelia González  
Assemblywoman Robin L. Titus  
Assemblyman Jim Wheeler

**COMMITTEE MEMBERS ABSENT:**

Assemblywoman Maggie Carlton (excused)  
Assemblywoman Lesley E. Cohen, Vice Chair (excused)  
Assemblywoman Alexis Hansen (excused)  
Assemblywoman Susie Martinez (excused)

**GUEST LEGISLATORS PRESENT:**

None

**STAFF MEMBERS PRESENT:**

Jann Stinnesbeck, Committee Policy Analyst  
Allan Amburn, Committee Counsel  
Devon Kajatt, Committee Manager  
Nancy Davis, Committee Secretary



**OTHERS PRESENT:**

Douglas Farris, Administrator, Animal Industry Division, State Department of Agriculture

K. Neena Laxalt, representing Nevada Cattlemen's Association

Doug Busselman, Executive Vice President, Nevada Farm Bureau Federation

**Chair Watts:**

[Roll was called.] Today we will conduct a hearing on Senate Bill 454 (1st Reprint).

**Senate Bill 454 (1st Reprint): Revises provisions relating to agriculture. (BDR 50-1102)**

**Douglas Farris, Administrator, Animal Industry Division, State Department of Agriculture:**

Senate Bill 454 (1st Reprint) provides one part of a two-part solution to solve the budget problems that exist in budget account 4546, the Livestock Identification Program. To provide some background, the 2019 Legislature issued a letter of intent for the budget account that funds the Livestock Identification Program because the budget was projected to go into the negative by the next biennium. As part of the State Department of Agriculture's (NDA) response for long-term financial stability, we created a business plan that not only solved the budget portion, but also addressed some long-standing quality, training, and customer service issues within the Program. The business plan was submitted to the June 2020 Interim Finance Committee and submitted as a budget amendment for the fiscal year 2022-2023 biennium budget. The Joint Subcommittee on General Government of the Senate Committee on Finance and the Assembly Committee on Ways and Means chose not to approve the business plan in part, we believe, because the change from this bill was not yet in place.

As I mentioned, this bill is one part of a two-part solution. The first part is an increase in fees for service that has to go through the administrative rulemaking process. We began that process and have had two workshops with the industry. The first workshop was held on January 14, 2021, and the second workshop was on May 18, 2021. The next step in that process is the intention of requesting participation on the first Legislative Commission agenda after this session.

The second part of the solution is S.B. 454 (R1). This bill was a recommendation by the industry to reduce the need to solve the entire budget shortfall by fee increases only. There are approximately 5,700 individuals or families in Nevada with a brand registered with the NDA. The brand is recorded for \$120 every four years. After an amendment on the floor of the Senate, S.B. 454 (R1) changes the brand recording time period from \$120 every four years to \$200 every five years. This will provide approximately \$112,000 annually to the budget account as part of the overall Livestock Identification Program's solution. The remaining changes to the bill are updating language allowing for electronic submission of applications and deliveries of registration certificates. This concludes my presentation.

**Chair Watts:**

Are there any questions?

**Assemblywoman Brown-May:**

The way it is presented, it does not look like there is any prorating. Is the five-year time frame going to start the day you apply for the brand and pay the \$200 fee? If I apply for a brand midcycle, will my fee be prorated?

**Doug Farris:**

You are correct that the application date would start midcycle, depending on when you apply. That is the way it has been set up historically in statute. If you apply for a brand in between the recording cycle, that \$200 will apply until the end of the recording cycle. I believe the recording cycle begins in January 2023. The recording cycle would begin again in January 2028.

**Assemblywoman Brown-May:**

For clarification, if I applied for a brand the year before the recording cycle ends, I would pay the \$200 fee. Would I have to pay the \$200 fee again in one year?

**Doug Farris:**

Yes. That is how it has worked historically, and that is the way it is proposed in this bill.

**Assemblyman Ellison:**

I had multiple different brands because sometimes brands do not work as good as they should. Will this create a problem for those with multiple brands?

**Doug Farris:**

It will operate as it has historically. We will continue the same operation. Multiple brands will be processed in the same fashion throughout our program.

**Assemblyman Ellison:**

If someone surrenders a brand midcycle, will he get a credit?

**Doug Farris:**

We do not provide refunds. When this was under the four-year cycle, if you surrendered a brand midcycle, you did not get a refund.

**Chair Watts:**

I am not familiar with this process. It appears that some portions of the bill have been pulled and modified from the *Nevada Administrative Code*. In section 1, there is specific reference to the recording itself and the fee related to the recording. Section 1.5 strikes out the recording and then adds the processing of applications. Will you walk us through the process as it exists now and how it is contemplated under this bill? When someone applies, are fees currently collected at the time of application? Is that distinct from fees that have to be paid for the recording itself? How will all of that change under the proposed legislation?

**Doug Farris:**

Currently, the \$120, which is the current assessment on registering a brand, is paid at the time of application. The reason that language was changed is, under the regulation changes that the Department has proposed, there would be a \$35 processing fee. Currently, if you send in an application and \$120, if the application is denied because it is a duplicate or too close to an existing brand, the Department will refund the entire \$120. Over time we found that we had a lot of staff hours involved in processing the application and researching to ensure there are no conflicting brands. The way this was set up, after we do research and deny the application, we would be out the \$120. We changed that to include a \$35 processing fee on new applications to cover the administrative costs that are associated with the application process. In the case of this bill, if someone were to apply, there is a \$235 fee. If the brand is not awarded, he would be refunded \$200.

**Chair Watts:**

I would also note that section 1 references the application itself, and section 1.5 references the other fee schedule. I think getting the thorough rundown on the process and what is envisioned, particularly with the proposed application fee, is very helpful. Are there any other questions? Seeing none, I will open up testimony on S.B. 454 (R1). Is there anyone wishing to provide testimony in support?

**K. Neena Laxalt, representing Nevada Cattlemen's Association:**

The Nevada Cattlemen's Association is in support of S.B. 454 (R1). With the five-year extension, this amounts to \$40 a year. The Association has been working closely with NDA to help with the funding issues they have been having with this Program. We would like to see it continue and be successful.

**Chair Watts:**

I would note that a letter of support was also provided by the Nevada Cattlemen's Association and is available on the Nevada Electronic Legislative Information System [[Exhibit C](#)]. We will hear the next caller in support.

**Doug Busselman, Executive Vice President, Nevada Farm Bureau Federation:**

The Nevada Farm Bureau Federation is in support of S.B. 454 (R1). The Bureau has recently participated in a regulatory workshop dealing with the rewrite of the applications for the brand inspection program. Senate Bill 454 (1st Reprint) is one of the components in the process for implementing the business plan that the NDA has prepared to bring the brand inspection program to a financially sustainable operation. We also spoke in support of the original bill when it was heard in the Senate Committee on Natural Resources. Our support for S.B. 454 (R1) is based on the critical importance for long-term viability of the brand program in order to conduct interstate commerce. Based on this framework, we urge you to pass S.B. 454 (R1) and change the brand recording cycle as well as the other changes that are spelled out in the first reprint.

**Chair Watts:**

We will hear the next caller. Hearing no one, is there anyone in opposition? Hearing no one, is there anyone in neutral? Hearing no one, are there any closing comments?

**Doug Farris:**

Thank you for your time. This bill is critical to the Livestock Identification Program and the fiscal stability of it.

**Chair Watts:**

With that, I will close the hearing on S.B. 454 (R1). We are not going to work session this bill today in order to give everyone a chance to review it. I will let you know as soon as possible when we will work session the bill. That brings us to the final item on the agenda, which is public comment. Is there anyone wishing to provide public comment? Hearing no one, we are adjourned [at 5:01 p.m.].

RESPECTFULLY SUBMITTED:

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Nancy Davis  
Committee Secretary

APPROVED BY:

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Assemblyman Howard Watts, Chair

DATE: \_\_\_\_\_

## **EXHIBITS**

[Exhibit A](#) is the Agenda.

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

[Exhibit C](#) is a letter dated May 27, 2021, submitted by Martin Paris, Executive Director, Nevada Cattlemen's Association, in support of Senate Bill 454 (1st Reprint).