

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

**Eighty-First Session
May 3, 2021**

The Committee on Ways and Means was called to order by Chair Maggie Carlton at 6:17 p.m. on Monday, May 3, 2021, Online and in Room 3137 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.

COMMITTEE MEMBERS PRESENT:

Assemblywoman Maggie Carlton, Chair
Assemblywoman Daniele Monroe-Moreno, Vice Chair
Assemblywoman Teresa Benitez-Thompson
Assemblyman Jason Frierson
Assemblywoman Michelle Gorelow
Assemblyman Gregory T. Hafen II
Assemblywoman Sandra Jauregui
Assemblyman Glen Leavitt
Assemblywoman Brittney Miller
Assemblywoman Sarah Peters
Assemblyman Tom Roberts
Assemblywoman Robin L. Titus
Assemblywoman Jill Tolles
Assemblyman Howard Watts

COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

Assemblywoman Lesley E. Cohen, Assembly District No. 29
Assemblyman Philip "P.K." O'Neill, Assembly District No. 40
Assemblywoman Rochelle T. Nguyen, Assembly District No. 10



STAFF MEMBERS PRESENT:

Sarah Coffman, Assembly Fiscal Analyst
Brody Leiser, Principal Deputy Fiscal Analyst
Mary O'Hair, Committee Manager
Adam Cates, Committee Secretary
Bet Torres, Committee Assistant

OTHERS PRESENT:

Susan Brown, Director, Office of Finance, Office of the Governor
Adam Sullivan, State Engineer, Division of Water Resources, State Department of Conservation and Natural Resources
Chris Thorson, Deputy Administrator, Division of Water Resources, State Department of Conservation and Natural Resources
Russell Alfano, Medical Administrator, Department of Corrections
Tonja Brown, Private Citizen, Carson City, Nevada
Kristina L. Swallow, Director, Department of Transportation
Felicia Denney, Assistant Director, Administration Services Division, Department of Transportation
Sean Sever, Administrator, Division of Management Services and Programs, Department of Motor Vehicles
Barbara Cegavske, Secretary of State, Office of the Secretary of State
Sharath Chandra, Administrator, Real Estate Division, Department of Business and Industry
James Jones, Acting Deputy Director, Support Services, Department of Corrections
Steve H. Fisher, Administrator, Division of Welfare and Supportive Services, Department of Health and Human Services
Karen S. Cliffe, Director, Family Support Division, Office of the Clark County District Attorney
Erin Lynch, Social Services Chief 3, Division of Health Care Financing and Policy, Department of Health and Human Services
Bradley Mayer, representing Southern Nevada Health District
Joanna Jacob, representing Clark County, Nevada
Tom Dunn, representing Professional Firefighters of Nevada
Andrew LePeilbet, Chairman, United Veterans Legislative Council, Nevada Department of Veterans Services
Joseph "J.D." Decker, Administrator, Division of Compliance Enforcement, Department of Motor Vehicles
Peter Krueger, representing Nevada Emissions Testers Council
Andrew Mackay, representing Nevada Franchised Auto Dealers Association
Inas Santiago, representing Chispa Nevada, Las Vegas, Nevada
Joelle Gutman Dodson, representing Washoe County Health District
Jessica Adair, Chief of Staff, Office of the Attorney General

Barbara E. Buckley, Executive Director, Legal Aid Center of Southern Nevada, Las Vegas, Nevada
Jessica Hoban, Chief Financial Officer, Office of the Attorney General
Bailey Bortolin, representing Washoe Legal Services
Constance Akridge, Member, Nevada Access to Justice Commission, Supreme Court of Nevada
John Piro, Chief Deputy Public Defender, Legislative Liaison, Clark County Public Defender's Office
Kendra Bertschy, representing Washoe County Public Defender's Office
Nicholas Shepack, Program and Policy Advocate, American Civil Liberties Union of Nevada
Donald Gallimore Sr., Chair, Legislative Committee, National Association for the Advancement of Colored People, Reno-Sparks Branch No. 1112
Leisa Moseley, Nevada State Director, Fines and Fees Justice Center
Marcos Lopez, representing Americans for Prosperity Nevada
Michael Cathcart, representing the City of Henderson
John McCormick, Assistant Court Administrator, Administrative Office of the Courts, Supreme Court of Nevada
Calli Wilsey, representing the City of Reno
Randy Robison, representing the City of Las Vegas
Alex Ortiz, representing Clark County
Dagney Stapleton, Executive Director, Nevada Association of Counties

Chair Carlton:

[The meeting was called to order. Roll was taken and protocol was discussed.] We have several bills to work through, but we will start with the bill draft request (BDR) introductions at this time. I will let Sarah Coffman walk us through those. Ms. Coffman, if you will read them all, I will then take one motion on all of them.

BDR 43-1149—Renames the Division of Management Services and Programs of the Department of Motor Vehicles. (Later introduced as [Assembly Bill 476](#).)

BDR S-1062—Makes an appropriation from the State General Fund to the Millennium Scholarship Trust Fund to support the Governor Guinn Millennium Scholarship Program. (Later introduced as [Assembly Bill 475](#).)

BDR 40-1069—Revises provisions relating to the Patient Protection Commission. (Later introduced as [Assembly Bill 478](#).)

BDR S-1097—Revises provisions relating to off-highway vehicles. (Later introduced as [Assembly Bill 477](#).)

Sarah Coffman, Assembly Fiscal Analyst:

Bill Draft Request (BDR) 43-1149 is an act relating to the Department of Motor Vehicles (DMV), renaming the Division of Management Services and Programs of the DMV to the Division of Research and Project Management and providing other matters relating thereto.

Bill Draft Request S-1062 is an act making an appropriation to the Millennium Scholarship Trust Fund to support the Governor Guinn Millennium Scholarship Program, and providing other matters properly relating thereto.

Bill Draft Request 40-1069 is an act relating to health care, transferring the Patient Protection Commission from the Office of the Governor to the Aging and Disability Services Division of the Department of Health and Human Services and providing other matters properly relating thereto.

Bill Draft Request S-1097 is an act relating to off-highway vehicles, abolishing the revolving account for the assistance of the Department, and providing other matters properly related thereto.

Chair Carlton:

Does anyone have any questions on any of the BDR introductions at this time? [There were none.] I will accept a motion.

ASSEMBLYWOMAN BENITEZ-THOMPSON MOVED TO APPROVE
THE INTRODUCTIONS OF BDR 43-1149, BDR S-1062, BDR 40-1069,
AND BDR S-1097.

ASSEMBLYWOMAN TITUS SECONDED THE MOTION.

Chair Carlton:

Are there any questions or comments on the motion? [There were none.]

THE MOTION PASSED UNANIMOUSLY.

Chair Carlton:

We will report those to the floor, and they are going to get spun back around to us, so expect to see them on an agenda soon. With that, we can begin our business for the evening, beginning with Assembly Bill 464. I will have Ms. Coffman walk through it, and then we will go to the representative from the Governor's Finance Office.

Assembly Bill 464: Makes appropriations to restore the balances in the Stale Claims Account, the Emergency Account, the Reserve for Statutory Contingency Account and the Contingency Account. (BDR S-1051)

Sarah Coffman, Assembly Fiscal Analyst:

Assembly Bill 464 provides for State General Fund appropriations to the Stale Claims Account for \$3.57 million, the Emergency Account for \$239,791, the Reserve for Statutory Contingency Account for \$12.05 million, and the Contingency Account for \$13.7 million.

Chair Carlton:

Can you walk the Committee through the basic purpose of this bill? This is one that we see every session. It is one of the things that we do to be able to replenish some of these funds.

Sarah Coffman:

This bill is a replenishment bill, and there are four basic contingency or emergency accounts that require replenishment each year. This bill would bring the various accounts to a level that is sufficient to meet the needs for the next biennium.

Susan Brown, Director, Governor's Finance Office:

I am happy to answer any questions or provide any information you need on this particular bill.

Chair Carlton:

Committee members, are there any questions of Ms. Brown and/or staff on the replenishment of these different accounts? [There were none.] This is the bill hearing for A.B. 464, and I will open it up to those in support. [There were none.] Is there anyone to testify in opposition? [There were none.] Is there anyone to speak in neutral? [There were none.] I do not believe there are any other discussion points or closing comments needed, so we will close the hearing on A.B. 464, and open up the hearing on Assembly Bill 465.

Assembly Bill 465: Makes an appropriation to the Division of Water Resources of the State Department of Conservation and Natural Resources for the repair and maintenance of the South Fork Dam. (BDR S-1105)

Sarah Coffman, Assembly Fiscal Analyst:

Assembly Bill 465 makes an appropriation from the State General Fund of \$2.1 million to the Division of Water Resources of the State Department of Conservation and Natural Resources. This is for the repair and maintenance of the South Fork Dam.

Chair Carlton:

Committee members, are there any questions of Ms. Coffman? [There were none.] Ms. Brown, do you have a statement?

Susan Brown, Director, Governor's Finance Office:

The Division of Water Resources is available to talk about this bill.

Adam Sullivan, State Engineer, Division of Water Resources, State Department of Conservation and Natural Resources:

We have a power point presentation to go along with the discussion of this bill.

Chair Carlton:

How long is it?

Adam Sullivan:

It is between five and ten minutes.

Chair Carlton:

No, if you would just give us a brief overview. We understand the issue, and we have heard about it numerous times. We understand how important and significant the maintenance on the South Fork Dam is. We would be happy to look at photos, but I do not believe the Committee needs a ten minute power point presentation on the South Fork Dam—not that we do not appreciate you going through the work.

Adam Sullivan:

With me are Micheline Fairbank and Chris Thorson, Deputy Administrators in the Division of Water Resources, Department of Conservation and Natural Resources. The problem we are facing at the South Fork Dam right now is uncontrolled foundational seepage at the toe of the dam. We are in the process of doing a geotechnical investigation of the mechanism of the seepage; however, it has been getting substantially worse over the last few years. The purpose of this appropriation is to fund the construction costs that would be required to repair the foundational seepage based on the outcome of the geotechnical investigation.

The South Fork Dam is a high-hazard dam located in Elko County. It also supports the South Fork Reservoir which is a Division of State Parks-managed facility as well as a Nevada Department of Wildlife fishery. The risk here is potential dam failure which, as it is a high-hazard dam, would result in a high likelihood of loss of life. It is a 33-year-old structure; it has continuing and pervasive needs for ongoing maintenance. The Division has a base operating budget of \$32,000, but most of that goes to the United State Geological Survey (USGS) gauging stations upstream and downstream of the reservoir. We have enough to cover basic expenses, but any work above base operating expenses requires an additional appropriation.

With A.B. 465, the Division believes we have a duty to request funding for the immediate repairs to protect life, property, and the recreational and economic resource. If anyone has questions about the condition of the dam, the status of the investigation, or the plans for construction, we are available.

Chair Carlton:

I was joking with you, but I did not want to hurt anyone's feelings for preparing the presentation. Individual members will be able to review it as a submitted exhibit [[Exhibit C](#)]. When was the investigation done on the dam?

Adam Sullivan:

The investigation is ongoing. It was initiated about two years ago. The investigation on-site has been completed, and there is current analysis and modeling being conducted. The purpose of that is to distinguish the best, most cost-effective construction methods and approach for addressing the failure.

Assemblywoman Titus:

This comes with specific dates that it needs to happen by. It sounds like you have done your studies. How quickly can you do this, and can you fulfill the obligation by September 2023?

Chris Thorson, Deputy Administrator, Division of Water Resources, State Department of Conservation and Natural Resources:

At this time, it is too early in the investigation to know. We need a little more time to make sure we can meet the deadline that is proposed in the bill.

Assemblywoman Titus:

To clarify with staff, if they are not able to meet the deadline, would they then come back for an extension? What would the process be?

Sarah Coffman:

The appropriation within this bill allows for the agency to utilize the funds through June 30, 2023. If it still needs additional funding, or if they have not utilized the funds, that funding would revert, at which time the 2023 Legislature would be approached by the Division to seek an additional appropriation to continue on with the project.

Assemblywoman Titus:

Thank you for the clarification because if they are still in the planning stage, I worry that getting things started, as well as securing a contractor and permits could be delayed. I am concerned about that, but hopefully, within the two-year process, they will be able to get this done.

Chair Carlton:

Committee members, are there any other questions at this time? [There were none.] With that, this is the hearing on A.B. 465. I will open it up to those in support. [There were none.] Is there anyone to speak in opposition? [There were none.] Is there anyone to speak as neutral? [There were none.] I will close the hearing on A.B. 465 and open the hearing on Assembly Bill 466.

Assembly Bill 466: Makes appropriations to the Department of Corrections for hepatitis C treatments for offenders and new and replacement medical and dental equipment. (BDR S-1125)

Sarah Coffman, Assembly Fiscal Analyst:

Assembly Bill 466 makes a State General Fund appropriation of \$15.8 million for hepatitis C treatment for offenders within the Department of Corrections. It also provides for a State

General Fund appropriation of \$196,523 for the replacement of medical and dental equipment.

Chair Carlton:

Do we have someone from the Department of Corrections?

Russell Alfano, Medical Administrator, Department of Corrections:

I am here and available for any questions.

Chair Carlton:

The hepatitis C issues are familiar for a lot of us on this Committee, especially those who sat through the interim. I do not believe we need too much explanation, but would you give us a high-level overview of what we are talking about with the medical and dental equipment replacement?

Russell Alfano:

Basically, it is a list of equipment that, through usage, is worn out and beyond its useful life. We ask that these things be replaced so that we can maintain the providing of care for the inmates in our custody. The equipment needs include intravenous infusion pumps, defibrillators, electrocardiograms, cavitrons for sterilization, a digital dental x-ray system to bring us more into the current era, surgical hand pieces, dental suites, visual acuity charts, ophthalmic chair and stands, and x-ray readers.

Chair Carlton:

I am assuming this equipment is spread to all the different institutions across the state.

Russell Alfano:

Yes, this is for statewide replacement.

Chair Carlton:

We will not ask you what is going where—that is not necessary. Are there any questions?

Assemblywoman Titus:

For clarification, none of this replacement equipment includes the ultrasound equipment that is needed prior to treatment for these hepatitis C patients.

Russell Alfano:

No, ma'am.

Assemblywoman Titus:

Are you still going to outsource that particular need?

Russell Alfano:

We are looking to establish a few providers who can provide treatment and observation for the ultrasounds, either in the fences or through our in-network preferred provider

organizations. These would be providers who can see our inmates in a timely fashion. We have not had the authority to shop or acquire pricing yet. That is still in negotiation at this time.

Assemblywoman Titus:

During our Subcommittee hearing on hepatitis C treatment, the Department of Corrections identified how many people you are actually going to treat. Will this \$15 million treat all identified cases and all inmates who are projected to need treatment?

Russell Alfano:

Yes, this will be in perpetuity going forward. The \$15 million allocation will get us through fiscal year 2023 with the costs we have identified in the estimate. It will treat all the patients.

Chair Carlton:

Are there any other questions? [There were none.] This is the hearing on A.B. 466, and I will open it up. Is there anyone wishing to be recognized in support?

Tonja Brown, Private Citizen, Carson City, Nevada:

I am an advocate for inmates and the innocent, and I am in strong support of this bill. It is a long time coming. I want to touch on something personal, having had a loved one who was incarcerated with hepatitis C. Back in 2005, he was to start treatment for his hepatitis C, however, he was transferred to another institution which delayed his interferon treatment for two years. He was sent back to Northern Nevada Correctional Center (NNCC) to begin the treatment. During the process, they had to stop—it was actually too late. He had come into the prison system in 1989 and had been wrongfully convicted. Just prior to his death, all the exculpatory evidence was found hiding in the Washoe County District Attorney's file on him. Judge Brent Adams ordered the District Attorney, Dick Gammick, to turn over the file. When he did, all of the evidence was discovered. As his attorneys were getting ready to file motions for a new trial and bail, my brother, Nolan Klein, died for lack of medical care and lack of treatment for hepatitis C. I do not want another family to go through what we have. If he had received the proper treatment and gotten the interferon when he was supposed to instead of having it delayed, he would be alive today. It is a long process, and I still continue to exonerate his name. We are in strong support of this bill.

Chair Carlton:

We will go now to those in opposition. [There were none.] Is there anyone to speak in neutral? [There were none.] I will close the hearing on A.B. 466 and open the hearing on Assembly Bill 467.

Assembly Bill 467: Makes appropriations to the Department of Transportation for the replacement of the Nevada Shared Radio System. (BDR S-1131)

Sarah Coffman, Assembly Fiscal Analyst:

Assembly Bill 467 makes an appropriation of \$2.6 million from the State General Fund and an appropriation of \$19.4 million from the State Highway Fund to the Department of Transportation for the replacement of the Nevada Shared Radio System.

Chair Carlton:

We have someone from the Department of Transportation (NDOT) available. If you could, please give us a brief overview of the Nevada Shared Radio System so the Committee is familiar with it.

Kristina L. Swallow, Director, Department of Transportation:

The Nevada Shared Radio System is a public-private partnership with two other infrastructure owners—NV Energy, which maintains the system in Clark County as well as other sites throughout the state, and Washoe County which maintains the system in urban Washoe County. The Nevada Department of Transportation (NDOT) also maintains sites throughout the state focusing on roadways. Combined, this system has 113 sites and supports approximately 12,000 users including state, federal, and local government agencies who use this system for emergency services and in support of their daily operations. The system also often provides coverage when and where cellular coverage is unavailable and supports other NDOT devices such as dynamic message signs, road and weather information systems, roadside emergency callboxes, and chain control signs.

The current radio system uses technology first implemented in the early 1990s and is no longer supported by the manufacturer. It is approaching the maximum number of users and data devices that can be supported, even though the number of users continues to increase. The new system will meet all standards for digital radio communications for use by federal, state, and local public safety organizations in North America. These standards enable interoperability communication between agencies and mutual aid response teams in emergencies. We appreciate your past support of this project and program. I am happy to answer any questions you may have, and I have other experts here with me.

Chair Carlton:

Is this the second round of funding or the third round towards completing this project?

Felicia Denney, Assistant Director, Administration Services Division, Department of Transportation:

We started this project in 2019 via the Interim Finance Committee (IFC). We also requested funding in the last biennium for 2021. The project is expected to continue through 2024.

Chair Carlton:

I just want to make sure I had the correct time frame. Are there any questions from the Committee members?

Assemblyman Roberts:

How do you determine how much comes out of the State Highway Fund and how much comes out of State General Fund?

Felicia Denney:

When we started this project, we were asked by the Legislature to meet with the Legislative Counsel Bureau and the Governor's Finance Office to come up with a methodology to ensure we are fairly supporting this with the correct funding. The formula we came up with is based primarily upon usage for the infrastructure portion. The usage figures for the State Highway Fund, when we started, were around 90:10. We also based the subscriber equipment upon actual cost.

Assemblyman Roberts:

That makes sense.

Chair Carlton:

Some agencies are funded by the State General Fund, while for others, the funding would need to come from another direction, including the Nevada Highway Patrol which is based in the State Highway Fund. Are there any other questions from Committee members at this time? [There were none.] This is the hearing on A.B. 467. We will open it up to anyone wishing to testify in support. [There were none.] Is there anyone to testify in opposition? [There were none.] Is there anyone speaking as neutral? [There were none.] We will close the hearing on A.B. 467 and open the hearing on Assembly Bill 468.

Assembly Bill 468: Makes appropriations to various divisions of the Department of Motor Vehicles for the replacement of computer hardware and software and certain other equipment. (BDR S-1135)

Sarah Coffman, Assembly Fiscal Analyst:

Assembly Bill 468 makes various appropriations to the divisions within the Department of Motor Vehicles (DMV). These are State Highway Fund appropriations. The Division of Information Technology is requesting a State Highway Fund appropriation of \$23,677 for the replacement of the DUO Digipass security application and a UPS battery backup unit. The Division of Information Technology is also requesting a State Highway Fund appropriation of \$645,078 for the replacement of computer hardware, software, and associated equipment. The Motor Carrier Division is seeking a State Highway Fund appropriation of \$38,916 for the replacement of computer hardware and software. The Division of Field Services is requesting a State Highway Fund appropriation of \$561,647 for the replacement of credit card readers, scanners, shredders, facsimile machines, and a stylus marking system. The Division of Field Services is also requesting a State Highway Fund appropriation of \$61,614 for the replacement of barcode scanners, as well as \$745,632 for the replacement of computer hardware and software. The Division of Compliance Enforcement is seeking a State Highway Fund appropriation of \$51,874 for the replacement of computer hardware and software. The Office of the Director is seeking a State Highway Fund appropriation of \$42,408 for the replacement of computer hardware and software, and the Administrative

Services Division is seeking a State Highway Fund appropriation of \$46,888 for the replacement of computer hardware and software.

Chair Carlton:

Are there any questions at this time? [There were none.] We will hear from Sean Sever.

**Sean Sever, Administrator, Division of Management Services and Programs,
Department of Motor Vehicles:**

This bill allows us to replace equipment that is at the end of its useful life and out of warranty. This can affect our efficiency and ultimately affect our customer service. We can answer any questions.

Assemblywoman Peters:

Are these costs only for the hardware and software, or do these include costs related to Information Technology (IT) efforts to get the hardware and software set up and the users up to speed?

Sean Sever:

No, it does not include that part. It is not a part of our transformation effort. This is just normal maintenance.

Assemblywoman Peters:

Do you have enough IT staff and allocations to be able to get this new hardware and software set up and implemented?

Sean Sever:

Yes.

Chair Carlton:

Are there any other questions from Committee members? [There were none.] This is the hearing on A.B. 468, and I will open it up to testimony. Is there anyone to speak in support? [There were none.] Is there anyone to testify in opposition? [There were none.] Is there anyone to testify as neutral? [There were none.] I will close the hearing on A.B. 468 and open the hearing on Assembly Bill 469.

Assembly Bill 469: Makes a supplemental appropriation to the Office of the Secretary of State for a projected shortfall related to credit card processing fees. (BDR S-1145)

Sarah Coffman, Assembly Fiscal Analyst:

Assembly Bill 469 provides a State General Fund appropriation of \$549,998, which is a supplemental appropriation, to the Office of the Secretary of State for projected shortfalls related to credit card processing fees.

Chair Carlton:

We have the Secretary of State and her team with us. It came up a little short this time around. Please give us a high-level overview, and we will go from there.

Barbara Cegavske, Secretary of State, Office of the Secretary of State:

Joining me from Carson City are Scott Anderson, Chief Deputy Secretary of State; Kimberley Perondi, Deputy Secretary for Commercial Recordings; Mark Wlaschin, Deputy Secretary of State for Elections; Debbie Bowman, Deputy Secretary of State for Operations; and Sheri Hudder, Administrative Service Officer 3. We are here to present A.B. 469, which makes an appropriation to the Office of the Secretary of State for a projected shortfall related to credit card processing fees. Madam Chair, as you and many of the Committee members are well aware, credit card processing fees have been an issue since the state began accepting credit cards for payment for state services. This year is no different, except that instead of using salary and other budget savings to cover the shortfall as in years past, it is necessary for us to request this appropriation due to the pandemic-related State of Emergency, the increased usage of online services due to office closures, and the increased availability of online services in the Office.

The estimation of credit card discount fees as we prepare this budget has always been difficult, and we have done our best to account for the increased usage. This year's usage has been greater than we could have ever imagined, and regardless of our estimates, we are only allowed the base year allocations in our budget. We need to ask for your help with this shortfall as credit card usage increases and the vendor fees also increase. We have come before you to request your approval of A.B. 469 which makes an appropriation to fund to the credit card processing fees—a necessary cost of providing the filing services in our Office. My staff remain available to answer any questions you may have.

Chair Carlton:

Credit card fees have been an elusive animal in this system for a while. I am not sure the public realizes there is a cost to the convenience, and it is hard to peg it. We go through trying to figure this out every couple of years. Are there any questions on this item? [There were none.] This is the hearing on A.B. 469. Do we have anyone to testify in support? [There were none.] Do we have anyone in opposition of A.B. 469? [There were none.] Is there anyone to speak as neutral? [There were none.] Madam Secretary, thank you for being here. I had hoped that you and I, in the years we have spent in this building, could have gotten this thing straightened out, but we are going to have to leave it for the next generation to fix. With that, we will close the hearing on A.B. 469 and open the hearing on Assembly Bill 470.

Assembly Bill 470: Makes a supplemental appropriation to the Real Estate Division of the Department of Business and Industry for a projected shortfall relating to time share filing fees. (BDR S-1147)

Sarah Coffman, Assembly Fiscal Analyst:

Assembly Bill 470 makes a supplemental State General Fund appropriation of \$481,920 to the Real Estate Division of the Department of Business and Industry. This is for a projected shortfall relating to timeshare filing fees.

Chair Carlton:

I will go to the Real Estate Division for a brief explanation of the shortfall, though I think I can make a pretty good guess as to the reason.

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

This appropriation will address a \$481,920 projected revenue shortfall. We have provided a high-level exhibit for the Committee to review which gives an idea of why we are here [[Exhibit D](#)]. Budget account 101-3823 [Real Estate Administration] is where the shortfall is, and it relies heavily on timeshare licenses and timeshare filing fees. The shutdown in the Las Vegas market, which the timeshares rely heavily on, has had a big impact on our fee collection. We also have a quick revenue comparison of the year-over-year that shows the gap we suffered [page 2, [Exhibit D](#)]. Essentially, we are here to make sure that we get the appropriation to fill the gap. We anticipate a robust recovery with everything opening back up.

Chair Carlton:

Committee members, are there any questions? [There were none.] This is the hearing for A.B. 470. We will open it up. Is there anyone wishing to testify in support? [There were none.] Is there anyone in opposition? [There were none.] Is there anyone to testify as neutral? [There were none.] I do not think there is anything else we need on this bill. Thank you to the Division. We will close the hearing on A.B. 470 and open the hearing on Assembly Bill 473.

Assembly Bill 473: Makes a supplemental appropriation to the Department of Corrections for an unanticipated shortfall related to inmate-driven and food costs. (BDR S-1055)

Sarah Coffman, Assembly Fiscal Analyst:

Assembly Bill 473 provides a State General Fund supplemental appropriation of \$500,000 to the Department of Corrections for an unanticipated shortfall related to inmate-driven and food costs.

Chair Carlton:

The Department of Corrections came up short. Can we get a high-level overview of the bill, please?

James Jones, Acting Deputy Director, Support Services, Department of Corrections:

The Nevada Department of Corrections is working with the Governor's Finance Office on finalizing the supplemental funding number, and they should have a final number by the end of the week. Depending on the calculations, it will be adjusted up or down. This is due to some updated numbers through the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the most fiscally prudent way of addressing this shortfall.

Chair Carlton:

When we come up with a nice round number like this, I always tend to ask a few questions. If you had thrown "11 cents" in there, you would have had me hook, line, and sinker. When will we have a final number?

James Jones:

I have been told we will have that number by the end of this week.

Chair Carlton:

As soon as that it is available, be sure to get it to our staff so that when the appropriate time comes, we have the most current number available. If the number goes down, that is fine.

James Jones:

Yes, I will get you that answer.

Chair Carlton:

Are there any questions from Committee members?

Assemblywoman Tolles:

When I first read this, I read it as "inmate-driven food costs," which may be the case, but I have heard some concerns raised about various dietary needs. Could you elaborate more on what is inmate-driven and what the food costs are that we are looking at?

James Jones:

Food prices have recently gone up significantly, which caused the shortfall. As far as other items included, I do not have them in front of me.

Chair Carlton:

We will get those and make sure everyone has the answer to that. Mr. Jones, if you have not already sent it to staff, please do, and we will take it from there. We need to have a complete record. Believe me, I understand the food cost issue. Are there any other questions? [There were none.] This is the hearing for A.B. 473, and I will open it up. Is there anyone to testify in support? [There were none.] Is there anyone in opposition? [There were none.] Is there anyone to speak as neutral? [There were none.] I do not think we need any closing remarks. We have information coming to us to finalize the numbers, and the Committee will take it up then. I will close the hearing on A.B. 473 and open the hearing on Assembly Bill 474.

Assembly Bill 474: Makes an appropriation to and authorizes the expenditure of money by the Division of Welfare and Supportive Services of the Department of Health and Human Services for the continuation of the technology modernization project for the child support enforcement program. (BDR S-1122)

Sarah Coffman, Assembly Fiscal Analyst:

Assembly Bill 474 provides a State General Fund appropriation of \$17.47 million for continuation of the technology modernization project for the Child Support Enforcement Program. It also authorizes \$34.3 million in nongeneral fund revenues for the support of the Child Support Enforcement Program.

Chair Carlton:

Good evening, Mr. Fisher and team. Could you give us a high-level overview and a bit of history on what you have done and where you are going with this?

Steve H. Fisher, Administrator, Division of Welfare and Supportive Services, Department of Health and Human Services:

The funding in this bill will be used to continue the replacement of our old, antiquated Child Support Enforcement system that was built on 1980s technology [[Exhibit E](#)]. It is very difficult to maintain and use. The program currently supports about 81,000 cases and over 120,000 children. This project was approved during the 2017 Legislative Session and is a 6.5-year long project. We have completed all phases of the project through the development phase. This upcoming Monday, we will begin the user acceptance testing phase. That will run through the month of October. In November, we will roll the system environment out into production. That is in six months. We are excited about that. I am also happy to report this project is on time, within scope, and we are certainly within budget. With that, I am open to questions.

Chair Carlton:

It is nice to have some good news. Committee members, are there any questions? [There were none.] This was started in 2017, and it looks like we are rounding the curve on it. This is the hearing on A.B. 474. Is there anyone wishing to testify in support?

Karen S. Cliffe, Director, Family Support Division, Office of the Clark County District Attorney:

On behalf of the Family Support Division, Clark County District Attorney's Office, I am here in support of A.B. 474. Our Division manages over 45,000 cases. We are currently in the testing phase, and I can testify with certainty that this upgrade will positively impact child support collections and lead to improved customer service.

Chair Carlton:

Is there anyone else in support? [There were none.] We will go to those in opposition. [There were none.] Is there anyone to testify in neutral? [There were none.] I do not believe there are any closing comments. We will close the hearing on A.B. 474. That takes care of

the administrative bills, and we will now start working on some of the other bills that were referred to the Committee. I will open the hearing on Assembly Bill 192 (1st Reprint).

Assembly Bill 192 (1st Reprint): Revises provisions governing the testing of pregnant women for certain sexually transmitted infections. (BDR 40-453)

Assemblywoman Lesley E. Cohen, Assembly District No. 29:

Assembly Bill 192 (1st Reprint) came out of the Interim Legislative Committee on Health Care. With us to answer questions are Julia Peek, Deputy Administrator, and Elizabeth Kessler, Sexually Transmitted Disease (STD) Program Manager, both of the Division of Public and Behavioral Health, Department of Health and Human Services (DHHS). According to the Centers for Disease Control and Prevention (CDC), STDs can cause pregnancy complications and result in serious consequences for both mothers and developing babies. In 2019, the CDC identified newborn deaths due to syphilis as "the most alarming threat" and emphasized the need to test all pregnant women for syphilis in line with CDC recommendations. This is especially important in Nevada because in 2018, we had the highest rates of primary and secondary syphilis in the nation. We also had the second highest rates of congenital syphilis—that is when a mother with syphilis passes it along to the baby during pregnancy.

The trends have not been getting better for us over the last few years. According to the CDC, Nevada saw a 289 percent increase in congenital syphilis between 2015 and 2018. It is not just affecting us as far the children being ill; it is impacting us financially. From 2015 to 2019, University Medical Center of Southern Nevada (UMC) accounted for half of the congenital syphilis births in Clark County. They provided the subsequent treatment and oversight for the children who were born and their mothers. If a child has physical deformities as a result of that condition, they also require substantial treatment. At UMC, that often means we are covering that expense. An article from the publication *Infectious Diseases in Children* found that compared with hospitalizations for other conditions, infants hospitalized with congenital syphilis had longer average lengths of stay. Also, the total charges related to hospitalization for children with congenital syphilis more than doubled during that study. The costs are extreme when we are treating children with this disease. It can substantially affect a baby's health and can cause miscarriages, stillborn births, prematurity, low birth weight, or death. Up to 40 percent of babies born to women with untreated syphilis may be stillborn or die from the infection as newborns. Congenital syphilis can also result in deformed bones, an enlarged liver and spleen, brain and nerve problems, and a host of other medical issues.

The good news is that both syphilis and congenital syphilis are preventable. Syphilis can be cured with antibiotics and congenital syphilis can be treated. The key to treatment and prevention is ensuring that mothers are tested for syphilis and receive prenatal care when pregnant. That is where A.B. 192 (R1) comes in. It aims to align Nevada's STD testing requirements with CDC recommendations.

I did accept a conceptual amendment from the Nevada Chapter of the American College of Emergency Physicians. In section 3, subsection 1, it adds the word "willfully" before "violating," so the bill would read, "Any person or entity willfully violating any of the provisions of NRS 442.010, or sections 1.6 or 1.8 of this act, may be assessed a civil penalty of not more than \$500." I did not have the opportunity to get the amendment ready, and I can address that later as the bill proceeds, but I did want to make sure that it was on the record that I had agreed to that with the Nevada Chapter of the American College of Emergency Physicians.

Chair Carlton:

Doing amendments this way is a little out of our world, but we know it does happen. Could you please repeat the change so that we have a clear record?

Assemblywoman Cohen:

In section 3, subsection 1, the amendment adds the word "willfully" in the first line between "entity" and "violating." Certainly, if it is the Committee's preference, I can work on that amendment as the bill proceeds.

Chair Carlton:

We will discuss that with staff and figure out the best path forward. We want to make it as clean as possible. Since you are here, we can continue to have that conversation, but we are truly here to talk about the dollars in the bill. I believe we received an email from the Nevada Public Employees' Benefits Program (PEBP) indicating that the bill would not have a fiscal impact, so we would like PEBP on the record if it is possible and they are available. We would like to know from Medicaid whether there is a fiscal impact on the Medicaid budget. Is someone from PEBP available? [No one from PEBP was present.] We will make sure to reach out and verify that email because we want to have a clean record on that. Do we have anyone from Medicaid available?

**Erin Lynch, Social Services Chief 3, Division of Health Care Financing and Policy,
Department of Health and Human Services:**

We have a zero-dollar fiscal impact from A.B. 192 (R1). If you have any questions about that, I can answer them.

Chair Carlton:

Have you submitted that in writing yet?

Erin Lynch:

It is in the fiscal notes.

Chair Carlton:

So, it is zero dollars?

Erin Lynch:

Zero dollars.

Chair Carlton:

We are just confirming because it was amended. We know about the original fiscal note, but once something is amended, we always want to verify that you are still in the same position.

Erin Lynch:

Even with the amendment, we still have a zero-dollar fiscal impact.

Chair Carlton:

Committee members, do you have any questions of Assemblywoman Cohen or the representative from Medicaid at this time? [There were none.] Is there anyone to testify in support of A.B. 192 (R1)?

Bradley Mayer, representing Southern Nevada Health District:

This bill is extremely important because, most of the time, Nevada ranks either first or second in syphilis and congenital syphilis cases. This bill came out of a visit from the CDC and their recommendations on what we can do to combat syphilis in Nevada. We urge your support of A.B. 192 (R1).

Chair Carlton:

Is there anyone else in support? [There were none.] Is there anyone in opposition? [There were none.] Is there anyone to testify as neutral?

Joanna Jacob, representing Clark County, Nevada:

There is a fiscal note filed by Clark County for the University Medical Center of Southern Nevada (UMC) on the costs of the tests. It does take into account that we can bill Medicaid for the costs. This is a very important public health issue. We understand the importance of this issue, and as stated in the testimony by Assemblywoman Cohen, UMC does see a lot of these cases. We are especially impacted because 90 percent of our perinatal patients are Medicaid patients. We will work with the state on this, Madam Chair. We will bill private insurance for these costs where we can and try to work with the state on the mitigation of the cost to UMC. I wanted to put that on the record here today. We understand the important public health issue at hand.

Assemblywoman Tolles:

In the fiscal note, you listed the antibody tests at \$25.55 for each. I notice that no other counties have noted that cost. Have you conferred with the other counties as to how they get their costs covered versus Clark County? You mentioned different options you would pursue, but it strikes me that there is only a fiscal note from your county and no others listing the cost for each of the tests.

Joanna Jacob:

I have not conferred with the other counties. Clark County is the one who filed the fiscal note because we are the only county that funds the public hospital, UMC, in the state. UMC did a very detailed analysis of the costs of the tests. As was said in the hearing, there are impacts to the state with the costs of a baby in the neonatal intensive care unit (NICU).

I have not conferred with the other counties, but that is why you see a fiscal impact from Clark County. We will find ways to build this into the budget for UMC, but that is why Clark County has filed the fiscal note.

Chair Carlton:

Are there any other questions from Committee members at this time? [There were none.] Is there anyone else to speak in neutral? [There were none.] I do not believe we have any closing statements, so we will close the hearing on A.B. 192 (R1) and open the hearing on Assembly Bill 315 (R1). Assemblyman O'Neill, will you please give us a high-level overview?

Assembly Bill 315 (1st Reprint): Revises provisions relating to certain public employees. (BDR 23-647)

Assemblyman Philip "P.K." O'Neill, Assembly District No. 40:

I am here to discuss Assembly Bill 315 (1st Reprint). In short, this bill requires employing agencies of first responders—law enforcement, firefighters, and correctional officers—to do two things. First, at their places of employment, they must provide first responders information dealing with mental health, post-traumatic stress disorder (PTSD), suicide prevention, and alcoholism. Second, within three months of retirement, they must provide time with a mental health professional to recognize, discuss, and deal with those same issues so that retiring first responders can hopefully enjoy their retirement in a better manner. I have no one else here in support, but I am here to answer questions in more detail. I also have a proposed amendment for clarification purposes.

Chair Carlton:

Let us talk about the fiscal note first, and then go to the amendment. I see that in regards to one of the fiscal notes provided by the Nevada System of Higher Education (NSHE), an email was sent to staff confirming that the fiscal impact has been removed in the amended version of the bill. Is that your understanding also?

Assemblyman O'Neill:

Yes, it is.

Chair Carlton:

The other fiscal notes that stand for the localities are all still current. Have you been talking with them to see if there is a way for them to lower their fiscal notes? Even though they do not impact the State General Fund, we still like to do our due diligence in working with the entities that are impacted by bills.

Assemblyman O'Neill:

I have spoken with the Department of Public Safety, and they should have withdrawn their note. Do you have that on the record?

Chair Carlton:

I do not believe I do. We may need them to send us something. I do have that the Department of Public Safety cannot adequately determine the fiscal impact of the bill to the agency. The agency does not have sufficient evidence indicating how many retiring officers it would likely have to service from this bill. We will have to do a little more work on that, but if there is something from them, can you make sure staff gets it? They can attach it to the bill, so we have that information.

Assemblyman O'Neill:

I will do that. I got an email from them, but I will also include that for you.

Chair Carlton:

Please send it to us, and we will be sure to deal with it. If you have any issues, reach out to me, and I will walk you through the system. You had another amendment, Assemblyman?

Assemblyman O'Neill:

Yes, I am working with Clark County dealing with section 1, subsection 1(b). It authorizes the employer to make available to the police officer, firefighter, or correctional officer a peer support program that could be used to satisfy the two hours of mental health professional assistance as set forth in the bill. Additionally, I want to better define "police officer" in section 1, subsection 2(c) as only applying to Category 1 peace officers, those frontline officers who deal with the issues in day-to-day situations.

Chair Carlton:

I will not get into a policy debate with you, but we know technically in some areas, Category 1 is not much different than Category 2. At times, they are riding in the same car with each other. I will just leave it at that for the moment, but please do continue to work, and let us know which direction you would like to proceed when we get to that juncture. Please make sure you also send the other documents to us.

Committee members, does anyone have any questions for Assemblyman O'Neill at this time on A.B. 315 (R1)? [There were none.] This is the hearing on A.B. 315 (R1), so I will open it up. Do we have anyone to speak in support?

Tom Dunn, representing Professional Firefighters of Nevada:

Assembly Bill 492 of the 80th Session clarified under statute that PTSD is an occupational health and safety issue for public safety professionals. It is important to ensure that those same professionals are made aware of the signs and services to address PTSD prior to their retirement. Since the last legislative session, there have been no less than five firefighter and law enforcement officers in Nevada who have committed suicide. The fiscal cost of this bill is miniscule compared to the cost that is incurred by the families, friends, and coworkers of public safety professionals who remain behind. We hope you will support A.B. 315 (R1).

**Andrew LePeilbet, Chairman, United Veterans Legislative Council, Nevada
Department of Veterans Services:**

I am representing the combat-wounded veterans in the state of Nevada, military members with the Purple Heart, and the 65,000 disabled American veterans in Nevada. As Chairman of the United Veterans Legislative Council, I am representing 250,000 veterans and 500,000 Nevadans, when you consider their families. We are in support of A.B. 315 (R1) and look forward to its improvement to the health and well-being of our firefighters, police, and prison guards. We think this is an essential element, an addition that is long overdue, when we put these individuals in such difficult situations throughout their service to our communities. We support A.B. 315 (R1).

Chair Carlton:

Is there anyone else in support? [There were none.] Is there anyone in opposition? [There were none.] Is there anyone to speak in neutral?

Joanna Jacob, representing Clark County, Nevada:

I wanted to acknowledge the efforts of Assemblyman O'Neill. He has been working with Clark County as we wrap our heads around the cost of providing these services. We fund a share of the Las Vegas Metropolitan Police Department's costs. We also fund the Clark County Detention Center and the Clark County Fire Department. With the amendment to extend the scope of the bill to detention officers, which is the Assemblyman's intent, we are revising our fiscal note because the bill will cover the correctional officers at Clark County Detention Center. Our original fiscal note was \$9,000 in each year of the biennium for the Clark County Fire Department. We have revised that to \$46,839 in each year of the biennium. I will get that formally documented for the purposes of the Committee. We are still working with Assemblyman O'Neill on how to address these costs for the County. It is an important issue. We are in support of behavioral health services for our first responders, so we will continue to work with him.

Chair Carlton:

I want to make sure I understand you correctly. The original fiscal note for Clark County was \$9,000, knowing full well that you fund correctional officers and firefighters, and a portion of the Las Vegas Metropolitan Police. Am I to understand that by combining all those different components, you are coming up with \$46,839 in each year of the biennium? Is that correct?

Joanna Jacob:

That is based on our current estimates of rate of retirement and everything that we are trying to guesstimate. We are compiling these fiscal notes to the best of our ability. We will continue to refine that as we continue to work with Assemblyman O'Neill through the amendment process, but yes, that is correct. That is what was given to me by our fiscal analysts.

Chair Carlton:

As you continue to look into that, I view this as something that could be built into the health insurance plan on the behavioral health side. You are self-insured, so this is something that I would look to address in that direction. We have heard from other entities that they are rolling theirs back or eliminating them. They have figured out a way, so I am sure Clark County is smart enough to figure out a way to handle it too. We look forward to getting future numbers from you. With that, are there any questions from Committee members? [There were none.] Do we have anyone else to speak in neutral? [There were none.] That was the hearing on A.B. 315 (R1). Assemblyman O'Neill, please continue to work on it, and I look forward to conversations on some of the issues in the bill that need to be addressed. That closes the hearing on A.B. 315 (R1). We will open the hearing on Assembly Bill 349 (R1) with Assemblyman Watts.

Assembly Bill 349 (1st Reprint): Revises provisions governing motor vehicles. (BDR 43-58)

Assemblyman Howard Watts, Assembly District No. 15:

Assembly Bill 349 (1st Reprint) makes several changes relating to vehicle emissions in our emissions programs. First, it changes some of the requirements for certain types of classic vehicle license plates in order to close loopholes. Owners of vehicles which are not hobbyist or special event vehicles have gained these plates to avoid compliance with smog checks. This bill creates a requirement for a specific classic vehicle insurance policy and clarifies the statute that these vehicles cannot be used for general transportation or commercial purposes.

Next, A.B. 349 (R1) makes changes related to emissions technicians who currently must pay an additional fee for every location that they wish to work at. This bill eliminates that—they will be licensed once and then have the ability to work at other locations without having to pay additional fees.

Assembly Bill 349 (1st Reprint) also allows the Department of Motor Vehicles (DMV) to undertake a regulatory process to allow for a remote sensing option for vehicle emissions as an alternative to the current emissions check station. A company would set up cameras that are capable of detecting emissions, reading license plates, and conducting the emissions process without the vehicle needing to come into a smog check station. In addition, it changes the current exemption from two years to three years before a new vehicle has to receive a smog check, since the failure rates of new vehicles for emissions checks are very low.

Finally, A.B. 349 (R1) makes some adjustments to the fees related to the emissions check program, one of which has not been updated since it was first established in 1973. The other has not been updated since 2003.

Some changes to the classic plate program may come with additional compliance changes from the Department, but they are also expected to bring in additional revenue from smog related fees. Upwards of 20,000 vehicles have been avoiding smog checks and will be

brought back into the system. Other components listed in the bill may have some additional costs as well, but those can be offset by the fee adjustment. The DMV is here to speak more in-depth on the individual aspects of the fiscal note, and I am happy to answer any questions you have.

Chair Carlton:

I am looking at the different fiscal notes, and it is nice to see them when they go to the positive side. We have a couple of those this year. If I am looking at this correctly, it appears as though there are estimated totals of additional generated revenues of \$2.3 million in 2022, and possibly \$4.8 million in 2023. The expenses involved would be \$5,816 in 2022 and \$34,686 in 2023 to deal with regulations and adding a new position to verify the classic vehicle insurance endorsements. Could you go over what the insurance endorsements are?

Assemblyman Watts:

There are specific classic vehicle insurance policies that require things like an appraisal to set a mutually agreed upon value of the vehicle, storage requirements, and higher enforcement of mileage standards. Essentially, for true hobby vehicles which are rarely driven, the benefit of these policies is the assurance that if anything happens when that vehicle is out, it can get the coverage that it needs. Sometimes the premiums are less because they know the vehicle is being driven less and only taken out for exhibitions or other occasions. For most vehicles, the DMV just checks to make sure there is proof of general coverage. Under the provisions of this bill, in order to get one of the three specific subtypes of classic license plates, the owner would need to demonstrate that they have a policy which falls under this classic vehicle insurance category. The DMV would need to do some additional work to make sure that they have a policy that would be considered as classic. If you would like additional clarity, I will turn it over to the DMV.

Chair Carlton:

I wanted to understand the general definition and purpose behind that. Committee members, are there questions at this time? [There were none.] Assemblyman Watts, do you have anyone to present with you?

Assemblyman Watts:

I do not have anyone presenting with me. We do have Mr. Decker from the DMV who can provide additional clarity on the fiscal note, and we do have people to offer testimony in support.

Chair Carlton:

I have a question for Mr. Decker. You have piqued my curiosity regarding emissions in a county over 100,000 people and using a remote sensing system to test the emissions from a motor vehicle being operated on a highway. I know we are getting away from the fiscal side, but if we are going to do something like this, I am sure there is some equipment that is going to be needed. Is there a cost involved in this? What is the actual goal behind it? Will this system lead to citations or to people getting registered the appropriate way?

**Joseph "J.D." Decker, Administrator, Division of Compliance Enforcement,
Department of Motor Vehicles:**

There are a couple vendors who offer the remote sensing system. They own and operate the equipment. Currently, the idea is that they would set up their own equipment. Often it is mobile and portable, but it can be permanently placed. They set up the equipment, and the equipment automatically reads the emissions of vehicles. The current idea in this bill is to enable the remote sensing system to augment or replace the current emissions testing that is done at an emissions station. If you live in Washoe or Clark Counties, every year you have to go to an emissions station and receive a smog check. The remote sensing can read a vehicle as it passes by the equipment on the freeway. The company, theoretically, would make a return on their investment. First, they would notify the DMV that a specific vehicle's plate and emissions were read. That information would be sent to the Department, and then, the operator or registered owner of the vehicle would pay a fee to the vendor to use that data in lieu of the smog check.

Chair Carlton:

I have many more questions, but they do not deal with the fiscal impact, so I will not take the Committee's time on them. I will have continued conversations with Assemblyman Watts and the proponents, but we are talking about working with a company, so this will not be a state function. We will be subcontracting this out to another company to do random smog tests. Is there a dollar amount involved in contracting with this company? Is it out to a request for proposals (RFP)? Where are we at in that system?

Joseph "J.D." Decker:

There would be no cost to the state. There will be no contract with the state other than enabling the DMV to receive the data collected by the company. Any monetary transaction would be between the vendor operating the equipment and the registered owner of the vehicle who may or may not choose to accept that remotely sensed smog check data.

Chair Carlton:

The last time I heard that line, it was about red light cameras. You might want to change your phrasing a little bit. I am giving you fair warning.

Assemblyman Watts:

To add clarification, the bill, as it is currently written, is permissive. It would allow the DMV to go through a regulatory process to outline the framework of exactly how this program would work and what costs, including potential convenience fees, might be associated with launching the program. The intent is that it would be an alternative, not a replacement, to the current emissions check system. It would go through a process within the Department to determine if this is something they would like to move forward with, and if so, how it would be structured. As Mr. Decker noted, the proponents have indicated that they would be providing the equipment, so there would not be additional upfront costs to the state in terms of infrastructure. The process would entail first, figuring out if they want to move in this direction and what it would look like, and then, administering the program in compliance moving forward.

Chair Carlton:

Thank you, and as I said, I have so many questions, but they are on the policy side. I will not take the Committee's time right now to dive into them. We are here to deal with the fiscal notes. Are there any other questions? [There were none.] We will go to those speaking in support.

Peter Krueger, representing Nevada Emissions Testers Council:

I am representing the men and women in the brick and mortar stations who perform the emissions tests that we all love, and that we in Clark and Washoe Counties are subject to. We are in support, especially of two provisions that we can really get behind. Assemblyman Watts has found an excellent way to help solve the problem of the classic car loophole. Regarding the fees in section 10, as he testified, we are in support of increasing them because they are outdated and no longer represent the industry or the cost. As a parting shot, we would love to talk about remote sensing because our industry thinks replacing brick and mortar stations with whizz-bang machinery, where the wind can blow the dust, is not accurate in that sense. We will duke that out with those who want to offer that in regulation in the appropriate place, but we are in support of the bill.

Andrew Mackay, representing Nevada Franchised Auto Dealers Association:

First, I want to thank Assemblyman Watts for the work he has put into this bill. To say the changes are overdue is an understatement. With respect to the fees—I think that is most appropriate to talk about since this is the money committee—as Mr. Krueger stated, this is truing up the fees for something that is decades old. As Assemblyman Watts said, one of them has not been changed for over 40 years. If anyone has any questions, I will avail myself to answer them. I want everyone to know we fully support A.B. 349 (R1) and thank the Assemblyman for all the hard work that he has done putting this together.

Inas Santiago, representing Chispa Nevada, Las Vegas, Nevada:

I am here to urge you to support A.B. 349 (R1) to reduce smog pollution from vehicles [[Exhibit F](#)]. I am worried about how air pollution is affecting our communities, and how we are living with unhealthy air. I am especially worried about the impacts it has on our health, from asthma, allergies, and lung cancer, to cardiovascular diseases. Just recently, Clark County received an "F" from the American Lung Association for our ozone pollution and was named the 17th most polluted place to live in the country. This is bad for our older Nevadans, the children whose lungs are still developing, and especially for the 54,484 children and 227,585 adults who have asthma in Nevada. The report also found people of color are three times more likely to breathe the most polluted air than white people. Assembly Bill 349 (1st Reprint) is an important solution that would address the older, more polluting vehicles on our roads by closing the classic car loophole, and would provide a pathway for low-income communities, the most harmed by unhealthy air, to access cleaner forms of transportation, either by repairing or replacing their vehicles with assistance from county programs. This latter component is critical to make sure we do not leave low-income Nevadans without transportation, while making sure cars on our roads can pass smog checks. The funding for these programs would come from the modest increase to smog check fees to catch up with inflation, since they have not been changed in many years. This bill has broad

support from a range of groups, from public health organizations, businesses, and environmental groups, to county air quality and health departments. We hope you will join thousands of Nevadans who are asking for cleaner air to breathe by supporting A.B. 349 (R1).

Joelle Gutman Dodson, representing Washoe County Health District:

I am representing the Air Quality Division of the Washoe County Health District in particular tonight. We are in support of this bill and want to thank Assemblyman Watts for bringing this forward. We have been looking forward to a classic vehicle loophole revision bill for quite some time. We appreciate the work he has done on this bill. We urge your support.

Chair Carlton:

Is there anyone in opposition? [There was no one.] Is there anyone in neutral? [There was no one.] I do not believe we need any closing comments. We will close the hearing on A.B. 349 (R1) and open the hearing on Assembly Bill 357. We have Jessica Adair from the Office of the Attorney General and former Speaker, Barbara Buckley, here. The bill does have Speaker Frierson's name on it, but I do not believe he will be involved. He was merely the vehicle to get this bill to us. We will begin with a high-level overview and then some questions that we would like to address.

Assembly Bill 357: Revises provisions relating to consumer protection. (BDR 18-887)

Jessica Adair, Chief of Staff, Office of the Attorney General:

Nearly ten years ago, the Office of the Attorney General reached several settlements with perpetrators of the mortgage fraud crisis in 2008. Catherine Cortez Masto, the Attorney General at that time, directed a small portion of that funding to be used in two ways—one, for the creation of positions in the Attorney General's Office to investigate and prosecute consumer fraud, and two, for a grant program to legal aid organizations that provide consumer protection legal assistance to low-income Nevadans. We all knew that there would be a time when this funding would be depleted, and that day is here; it could not have come at a worse time for our state. If a new mechanism is not created to fund these positions, our office could lose 26 full-time positions dedicated to consumer protection efforts including attorneys in the Bureau of Consumer Protection, investigators and prosecutors who are restricted to financial fraud, as well as constituent services staff. Legal aid organizations will lose millions of dollars in annual grant funding. Assembly Bill 357 is our attempt to think outside of the box, and to perpetuate this program causing the least impact possible to the State General Fund.

I want to thank the Legislative Counsel Bureau (LCB) fiscal staff for working with us on some technical changes to the bill. We did submit a conceptual amendment to LCB last week [[Exhibit G](#)]. Should this bill be passed, settlement funds received by the Attorney General's Office would be placed in a consumer protection administrative account. There would be some exceptions, such as restitution to victims and other recoveries. That consumer protection administrative account replaces the account already in existence for those purposes. The bulk of the funding, and funds not used for administrative purposes,

would then be transferred from the consumer protection administrative account to the consumer protection legal account. The legal account funds would then be divided into two equal amounts. Half would go to the Attorney General's Office staff who work on consumer protection efforts and other consumer protection activities led by our Office, such as public education. The other half would go to fund consumer protection efforts by the three legal aid nonprofit organizations specified in the bill, another technical change that we submitted with the amendment. Those organizations are the Legal Aid Center of Southern Nevada, Nevada Legal Services, and Washoe Legal Services. The distribution in the bill reflects the current distribution of the Home Again, Nevada Homeowner Relief Program, funding.

Simply put, this bill allows us to continue doing our jobs to serve Nevadans. No one else in this state investigates and prosecutes financial fraud or violations of our consumer protection laws like the Attorney General's Office does. These lawsuits are what bring settlement funding to the state in the first place, and this bill preserves our ability to do our jobs and pay for those jobs. No one else in this state provides legal assistance to low-income Nevadans on consumer protection issues like the legal aid organizations. I want to thank former Speaker Barbara Buckley for her assistance on this bill. I am happy to answer any questions.

**Barbara E. Buckley, Executive Director, Legal Aid Center of Southern Nevada,
Las Vegas, Nevada:**

The Legal Aid Center of Southern Nevada is the state's largest legal aid organization providing free legal assistance to those who cannot afford an attorney in civil cases. One of our largest programs at the Legal Aid Center of Southern Nevada is our consumer protection unit. In our system of law, the Attorney General's Office can prosecute cases and file actions against wrongdoers on behalf of the state, but it cannot represent individuals who are defrauded. If you cannot afford to hire an attorney, especially when you have just been defrauded, that is where legal aid comes in. Without it, someone can lose their life savings, their home, their property, and their shot at the American dream. A good example of this is guardianship fraud. Most of the Committee members recall that a few years ago we had predatory guardians stripping homes and life savings away from people in need. The Attorney General ultimately prosecuted a number of cases. Legal aid steps in to actually remove the predatory guardian and help the protected person. As mentioned, the Attorney General's Office and the Legal Aid Center of Southern Nevada, Washoe Legal Services, and Nevada Legal Services have had a strong partnership over the last ten years. We have been funded by the national mortgage settlement dollars, which have run out. It is our hope that the Legislature looks at this innovative proposal, and funds it, to ensure that consumer protection funding is not stripped from the state at a time when it is needed the most. I am happy to answer any questions.

Chair Carlton:

We do have a couple questions and appreciate the amendments. One concern the Committee has is the access to the Interim Finance Committee (IFC) Contingency Account for unforeseen expenditures. I believe the conversation is that if there is not money for staff, Ms. Adair wants to come to the IFC for staff funding. That is something we typically do not do with settlement funds. When the funds are no longer there, then the staff tends to go

away, but we also know there is a rolling account for funds. I am not seeing that being addressed in your amendment. Could you expand on that, please?

Jessica Adair:

This is a unique proposal, unlike any other way that we fund staff in the state. Typically, we do not use settlement funds for staff at all, except in rare circumstances, so it is important that we are able to come to the IFC if we experience an unexpected emergency shortfall. The service that is provided by these positions is never going to go away. There will always be a need from the Bureau of Consumer Protection to continue investigating and bringing lawsuits for violations of consumer protection acts in order to get the settlement funds. There will always be a need to investigate and prosecute financial crimes—the local law enforcement agencies do not perform this function. Because of that, we believe this should be treated differently.

I understand the Committee's hesitation to allow the Attorney General's Office to ask for a bailout, for lack of a better term, from the IFC because of the potential impact on the State General Fund. The impact from just using the State General Fund to fund these positions would be significantly greater, but the main problem is that settlement funds are sporadic. We do not know when we will get them, and we do not know how much they will be.

We are going to do our best to ensure that we do not have a shortfall, and you do not have to just take my word for it. We put two provisions into the conceptual amendment. First, there is a requirement that the Attorney General's Office fund the staff before spending settlement funds on any other purpose. Second, if the Attorney General's Office wants to spend settlement funds for any other purpose beyond staff, it must have 120 days of operating expenses in reserve. The other thing we did in the bill is ensure that those funds carry forward and do not revert to the State General Fund at the end of the year. The reason is so we can keep building up that account and make sure we do not have to go to the IFC in the future.

In ten or fifteen years from now, if we have done a great job as a state and do not have settlement funds because all the companies have done a great job of protecting consumers by not violating consumer protection laws, we still want to be able to have some assurance for our staff that there is an option for us to continue to fund the positions. Their necessity will never end. That being said, we know there is always the potential that we can be turned down. If the Attorney General's Office does not manage its money correctly or the IFC does not have the money in the Contingency Account, even if we have done a good job, we know there is the possibility that the Legislature could choose not to fund staff. I know that is a long explanation, but this has been a hot topic. Frankly, we are agnostic as to how the bill is written to allow the Attorney General's Office access to make an IFC request, but we thought this was a good idea.

Assemblyman Frierson:

I realize this is somewhat different because the bill is in my name. I have made it clear that the Attorney General's Office and the legal aid community are doing the heavy lifting

because so much work has gone into this effort over previous sessions. I would like Ms. Adair to correct me if my understanding is incorrect. Madam Chair, I initially had the same question about the unusual mechanism, but it became apparent to me that while the positions are being paid for with the settlement funds, the positions are being used to advance causes of consumer protection across the state regardless of the settlement funds. There would be a hole if those positions went away. I have a two-part question. The first is whether I have this right because I had the same question as Madam Chair. Ms. Adair, if you could answer that first, I will go on to my next question.

Jessica Adair:

Yes, you are right. The specific positions we are talking about are constituent services people who answer calls and complaints about scams and fraud. Attorneys and legal support staff in our Bureau of Consumer Protection, as well as investigators and prosecutors who investigate and prosecute financial fraud, are currently restricted to only working in areas of fraud. They will be restricted in the future, so this would not be supporting other activities that are unrelated to fraud. Like you said, it is all for consumer protection efforts, not necessarily one specific settlement.

Assemblyman Frierson:

Ms. Adair, you addressed another point in that we can always say "no" as a Legislature. If, for whatever unexpected reason, the funds ran out, this would allow a little bit of transition time to seek funding in an alternative way to maintain these positions. As you stated with respect to settlements, they are sporadic, so if there was at least an option of buying some time, it would not be indefinite presumably because you would have to come back every time. At least this would allow a little bit of time to transition, to find alternate sources of funding, or to reorganize to maintain the efforts in consumer protection.

Jessica Adair:

Yes, you are absolutely right. What we did not want to do is put in a budget request for X amount of dollars in State General Fund appropriations, just in case. What if we did not use or need them? That would mean this Legislature would not have access to those dollars for other purposes. We thought this was a better use of General Funds—a "just in case" circumstance, rather than a biennial request in the Governor's recommended budget for General Funds.

Chair Carlton:

Are you talking about 26 positions that you might possibly come to the IFC to fund? What would the dollar amount be for that?

Jessica Adair:

I am going to pass that question to our Chief Financial Officer, Jessica Hoban, but I want to be clear that we would not be asking the IFC to fund all 26 positions at one time. We would ensure that we have enough money to cover those positions, and if we just cannot quite get there, ask the IFC to close the gap to buy us some time, like Speaker Frierson said. Maybe there will be another settlement on the horizon that we can access. In the conceptual

amendment, that is also why we changed the transfer from the administrative account to the legal account to be twice per year or as necessary at the discretion of the consumer advocate. This way, we would not have money just sitting in the administrative account that we could not use. Jessica Hoban can answer the question about the yearly or biennial cost of those positions.

Jessica Hoban, Chief Financial Officer, Office of the Attorney General:

Using fiscal year 2021 as a basis—which we are in right now—cumulatively, those 26 positions have approximately \$3 million per year in authority for the personnel costs in Category 1.

Chair Carlton:

Since the statement has been made that we feel these positions are important and the work would be ongoing, what was the conversation about building these positions into the base budget in the future?

Jessica Adair:

We did this with the intention of not having an impact on the State General Fund, and because we think it is the appropriate use of settlement funds for the foreseeable future. Every single time I go before IFC with a work program to spend settlement funds, the first question I get from Assemblywoman Benitez-Thompson is always the best one: "How does this relate to consumer protection?" This way, we know that all settlement funds in the future, with the exceptions listed in the bill, will go towards consumer protection. They will be appropriately used for the purpose of the settlements, regardless of the specific nature of that settlement. While it would be lovely to ask for State General Fund appropriations every year for these positions, and never have to worry about this settlement fund shortfall, we thought this was the best use of settlement funds.

Chair Carlton:

I appreciate that, but I also appreciate the fact that we do not come to the IFC to backfill positions. The account we are talking about is proposed to stay outside of the budget system. Would it stay outside of The Executive Budget account?

Jessica Adair:

The conceptual amendment we submitted would change that. It would stay in the state's accounting system.

Chair Carlton:

I will have to go back and read it again. It was my impression that the amendment did not thoroughly address it coming all the way back. It still stayed as an account in The Executive Budget, but outside the system. I will have to look into that and verify it, but is it your intent that it would be within the system?

Jessica Adair:

Yes, that is our intention. I am happy to work with you and the LCB to ensure that is reflected.

Chair Carlton:

We will have you work with staff on that. Committee members, are there any other questions? [There were none.] This is the hearing for A.B. 357. We will open it up to those in support.

Bailey Bortolin, representing Washoe Legal Services:

Washoe Legal Services supports this bill. The Executive Director, Deonne Contine, could not be here tonight. This is important funding for the work that we do at all the providers that we have set up around the state. The legal aid providers make sure that the needs are being met statewide for the people in need, and for the needs of the time. Right now, we are staffing up on foreclosures, bankruptcies, and things related to the pandemic, just as we did during the foreclosure crisis when this funding started. This is critical in order for us to help people in need, and we would appreciate your support.

Constance Akridge, Member, Nevada Access to Justice Commission, Supreme Court of Nevada:

I am a partner with Holland and Hart Law Firm and am appearing as a member of the Nevada Access to Justice Commission in support of A.B. 357. The bill has the unanimous support of the Access to Justice Commission, and its Cochairs, Chief Justice James Hardesty and Justice Kristina Pickering. The Access to Justice Commission, as part of its efforts to promote equal civil justice, supports the Interest on Lawyer Trust Accounts (IOLTA) program which is provided for under the Nevada Supreme Court Rule 217. The IOLTA program helps to fund Nevada pro bono legal service providers. As President of the Nevada Bar Foundation, the State Bar of Nevada affiliated organization which administers the granting of IOLTA dollars and other funds including the Mortgage Settlement Fund, I can tell you that there are still many unmet legal needs in our state including those of victims of consumer fraud. Assembly Bill 357 is an important measure in creating additional resources for assisting these consumer fraud victims. The Access to Justice Commission and its Cochairs wish to thank Speaker Frierson, this Committee, and Attorney General Aaron Ford for all of your efforts in moving this bill forward.

Chair Carlton:

Is there anyone else to speak in support? [There was no one.] Is there anyone in opposition? [There was no one.] Is there anyone to speak as neutral? [There was no one.] We still have a couple issues to address as far as access to the IFC Contingency Fund. The fund is for unforeseen expenditures, and we are looking at this as something to fund ongoing costs. When I read through the amendment, the purpose of the change is to keep the account in the state accounting system, but not as an account in The Executive Budget. That is the phrase Ms. Adair and staff are going to need to address to make sure that this account is in the correct accounting system and within The Executive Budget, so that it does have the appropriate oversight that we can follow. With that, we will ask the interested parties to

continue to work on this bill. If you can share any further information with staff and myself, it would be greatly appreciated. That was the hearing on A.B. 357. We will close the hearing on A.B. 357 and open the hearing on Assembly Bill 116.

**Assembly Bill 116 (1st Reprint): Revises provisions relating to traffic offenses.
(BDR 43-491)**

Assemblywoman Rochelle T. Nguyen, Assembly District No. 10:

It is my privilege to present Assembly Bill 116 (1st Reprint) for your consideration. For many of you, this might be your fifth time hearing a bill of this similar nature. This bill seeks to decriminalize minor traffic infractions. I would note for the record that many of the fiscal notes were prepared prior to Amendment 311 to A.B. 116 which came out of many working groups and discussions prior to the presentation of A.B. 116 in the Assembly Judiciary Committee and after that hearing. A lot of those fiscal notes are addressed by the amendments because they were made at the direction and suggestion of many local municipalities and county courts that had placed fiscal notes on the bill. Hopefully, they will be able to make those clarifying remarks. They have indicated to me in our conversations that they have not yet had time to get their county partners online to figure out what those impacts are.

I would note that some of the fiscal impacts rely on the assumption that if criminal penalties for nonpayment of traffic tickets are eliminated, people will stop paying their entire traffic ticket for some reason. I think that is flawed logic. Additionally, each city and county that assumes noncriminal enforcement would reduce compliance, and therefore revenue from fines and fees, fails to account for the amount they are currently spending on criminal enforcement. For example, the City of Las Vegas estimated a loss of around \$3 million in warrant fees alone without any consideration for how much money is spent issuing and enforcing those warrants, as well as incarcerating those people. That cost likely outweighs some of the collection of those warrant fees. I am open to any questions.

Assemblyman Frierson:

You gave an example of municipalities not taking into account the current cost of enforcement. Because I know you have experience in this area, is it your experience that many of these people, if they are arrested, end up getting credit for time served? My point is not only are we not getting the money, we actually pay money to house people for a weekend. Ultimately, we get nothing but that expense.

Assemblywoman Nguyen:

That is correct. None of these fiscal notes take this into consideration. If someone fails to pay their speeding ticket, it goes to a criminal bench warrant. When they are later pulled over with that bench warrant, for whatever reason, that person is taken into custody. The police officer then has to potentially impound their vehicle and wait for a tow truck to come. Then, they have to take that individual down to the jail and book them into the jail. On average, these people spend approximately 72 hours in custody. We have heard from various people, and I am sure you have in this Committee, how much it costs to incarcerate someone.

I have heard anywhere from \$150 to \$190 dollars per day. In some jurisdictions, people are just given credit for time served. In some jurisdictions, you will find people who are currently incarcerated on the public website, which says "serve or pay." They are unable to pay those fines, which can escalate and compound. When they are unable to pay, they are serving time in our jails on those fines.

Chair Carlton:

There is a jurisdiction in the state that is currently operating this way, and there has been a cost savings to them. Am I correct?

Assemblywoman Nguyen:

There is plenty of actual evidence to show that there are cost savings, and there is ability across the nation. I think we are one of 10 or 11 states that have not decriminalized traffic. We have plenty of other states to look at to see how they have accomplished this over the past 10 to 40 years, in some cases. One of the things that inspired me to bring this legislation up again is looking at what Carson City did. In October 2019, after the conclusion of the 80th Legislative Session, Carson City saw the writing on the wall and did their own pseudo-decriminalization by deciding not to arrest people on traffic warrants any longer. Instead, they send out a notice. When that notice comes in, they then send the case to a collections agency. Obviously, we have skewed data when it comes to how much impact that had. Because of COVID-19, there was already a decline in the number of tickets issued because there were fewer people driving as well as a priority for law enforcement to not pull people over unnecessarily for traffic citations. Even then, and not necessarily with their warrants, I believe they saw an increase of 8 to 8.5 percent in their collections. It was inspiring enough data that it encouraged me to bring up A.B. 116 (R1) during this session.

Chair Carlton:

We do have a couple fiscal notes. The first one that has some dollar amounts listed on it is from the Department of Public Safety (DPS). It appears as though, between 2022 and 2023, they are looking at \$310,000 and \$80,000 into the future. I am assuming that \$310,000 is to set up a new record management system to change their systems around, and then in the future it would be \$80,000. Have you had conversations with the Office of Traffic Safety in DPS about their fiscal note?

Assemblywoman Nguyen:

I have had conversations with them. If anything, theirs is probably the most realistic because it does not have anything to do with the ability to do their job. I know that they would potentially have to do new ticket forms. I learned that there are still a lot of officers using actual ticket books. In fact, I think 60 percent of the state jurisdictions still uses those carbon copy type of books. This might require the reprinting of new ticket books. There are provisions in this bill that make collection easier and save our court system some additional resources. For example, one of the amendments allows for an opt-in opportunity for people to receive their notification or reminder via text message or email. This would save money for the jurisdictions and has been shown to actually encourage people to pay their tickets.

Sometimes getting a text reminder is a more accurate way to remind people to pay their ticket, rather than receiving a certified letter to an address that may have changed.

Chair Carlton:

Committee members, are there any questions of Assemblywoman Nguyen at this time? [There were none.] Do you have anyone else whom you would like to present with you on this issue?

Assemblywoman Nguyen:

I do not have anyone to present, but I know there are several people here to testify in support.

Chair Carlton:

This is the hearing for A.B. 116 (R1). I will open it to those wishing to testify in support of A.B. 116 (R1).

John Piro, Chief Deputy Public Defender, Legislative Liaison, Clark County Public Defender's Office:

We are urging this Committee to support A.B. 116 (R1). As Assemblywoman Nguyen said, Nevada is one of the few states to continue to criminalize traffic offenses. We are building systems off of criminalizing traffic offenses that disproportionately affect our most marginalized citizens. The fiscal notes do not take into account the costs of incarcerating somebody in our Clark County Detention Center at \$190 per day. I believe that they came before this body earlier in the session to ask for \$200 per day in state reimbursement, so the cost is going up. If you get arrested on a Thursday in Municipal Court, you will not see a judge until Monday, so we pay that. As Speaker Frierson has said, that is 3 days at \$190 per day that the state eats. That is not included in the fiscal note calculation. They do not take into account Carson City's lived experience during this pandemic where they actually saw an increase in revenue and collections when they stopped arresting people for warrants for traffic tickets. They also do not take into account the ripple effect that I, as a public defender, have seen while representing people at bench warrant clinics. I have watched people, just from a simple warrant, get arrested on a Thursday and are not released until Monday, lose their house, lose their car, lose their job, and then struggle to get back on their feet. None of the fiscal notes take into account the economic impact that this has on the citizens of our state. Assembly Bill 116 (1st Reprint) is not only good public policy, but in the long run it will be good fiscal policy. I urge this Committee to pass this bill.

Kendra Bertschy, representing Washoe County Public Defender's Office:

I echo Mr. Piro's statements and urge this Committee to support this measure. I would note that there is absolutely an economic impact on our citizens because they are not losing their jobs by being picked up and kept in custody for several days. They are not losing their children being involved in the Child Protective Services system because of these tickets. In Washoe County, it costs from \$129 up to \$500 per day for someone to remain in custody. For those of you who do not serve on the Assembly Judiciary Committee, I would add that each misdemeanor is punishable by up to six months in the Washoe County jail, or the jail of that jurisdiction, and potentially a fine and being placed on probation. I have unfortunately

seen individuals who have been placed for the entire six months in the Washoe County jail for traffic tickets, so we do believe this is fiscally sound and urge your support.

Nicholas Shepack, Program and Policy Advocate, American Civil Liberties Union of Nevada:

None of the fiscal notes consider the savings from ending criminal enforcement. The fiscal notes assume criminal penalties are effective enforcement mechanisms but ignore the fact that the current process is not working—hence, the hundreds of thousands of cases of nonpayment. They cannot know how effective their enforcement mechanisms are without disclosing how much they are imposing, collecting, and failing to collect. The fiscal notes rely on the assumption that if criminal penalties for nonpayment of traffic tickets are eliminated, people will stop paying. There is ample evidence to indicate that people do not pay because they cannot afford to. With the exception of one person, everyone interviewed in the new ACLU report, submitted to the Committee [[Exhibit H](#)], failed to pay their fines and fees because they could not afford to pay them. Each city and county that assumes no criminal enforcement would reduce compliance, and therefore revenue from fines and fees, fails to account for the amount that they currently spend on criminal enforcement. As mentioned in the response from the City of Las Vegas, they estimate a loss of around \$3 million in warrant fees alone without any consideration for the amount of money spent issuing and enforcing warrants, which very likely outweighs the amount collected in warrant fees. We are deeply concerned by any government entity that argues for the need to wield the power of the criminal legal system in order to collect revenue when there is no legitimate public safety argument. Courts and law enforcement should not be shaking people down. This is taxation by citation, plain and simple.

Donald Gallimore Sr., Chair, Legislative Committee, National Association for the Advancement of Colored People, Reno-Sparks Branch No. 1112:

The Reno-Sparks branch of the National Association for the Advancement of Colored People (NAACP) is in full support of A.B. 116 (R1) to make traffic ticket stops civil penalties only, as opposed to misdemeanors for vehicle violations. It includes section 80, to discontinue prosecuting citizens who are "arrest and catch" cases. That will be rescinded after the law is passed. I would like everyone to understand that police officer, peace officer, and citizen lives can be saved with this passage because there will be much more comfort in traffic stops. Expenses for incarceration will drop because of the civil penalty fees. I request that the Committee please pass A.B. 116 (R1) to save peace officer and citizen lives.

Leisa Moseley, Nevada State Director, Fines and Fees Justice Center:

The Fines and Fees Justice Center is a national organization that works to eliminate fees associated with the criminal justice system and make fines more equitable and just [[Exhibit I](#)]. We are in support of this bill, and we want to thank Assemblywoman Nguyen for sponsoring this important piece of legislation. As has already been mentioned, Nevada is only one of 13 states that still treats minor traffic violations as criminal offenses rather than civil infractions. This is counterproductive for a few reasons. One reason is that we can point to our own city of Carson City. When they stopped issuing the warrants, their collection rate went up by 8.5 percent. What we did not hear about Carson City is that of the

cases they actually turned over to collections agencies, they saw an increase in collection rates of 50 percent in those cases. You have also heard about how much it costs to incarcerate someone and how much money can be credited to a person, which means actual revenue to the state is not being seen. Another issue is that the cost for a police officer to arrest someone, tow their car, transport and book them in jail, is anywhere from \$145 to \$164 per day. That information comes from the Las Vegas Metropolitan Police Department. That is money and an officer's time that could actually be used to get dangerous criminals off the street. We believe that this current policy is counterproductive. We urge the Committee to pass this legislation.

Marcos Lopez, representing Americans for Prosperity Nevada:

Americans for Prosperity Nevada is proud to support A.B. 116 (R1), and we thank the sponsor for bringing this forward. I do not want to take up too much of your time, but I am going to mainly say, "ditto." We should be looking at completely different ways of funding our courts, so we would go one step further. We think that the entire judicial system needs to be funded from the State General Fund, not on the backs of Nevadans.

Chair Carlton:

Is there anyone else to speak in support? [There was no one.] We will go to those in opposition.

Michael Cathcart, representing the City of Henderson:

I am in opposition specifically for the fiscal note that was filed by the City of Henderson. We are continuing to participate in the ongoing discussions with the sponsor to address the policy concerns. The City's fiscal note is purely based on financial concerns and is not meant to impact the ongoing policy discussions; however, the figures that were submitted are, in our view, the actual cost for the City if this legislation were to pass. The City's fiscal note is based on two issues, and one of those is not the collection issue. First, the implementation cost of the civil process would include personnel, technology updates—like the Department of Public Safety, we would need to upgrade our systems—as well as professional services, and training related to converting the court's handling of traffic citations from misdemeanors to civil infractions. We believe the first year would cost approximately \$700,000 in implementation costs related to the conversion, and that there would be some recurring costs in future fiscal years. Second, the warrant revenue that is currently collected would no longer be assessed, and that revenue is approximately \$250,000 per year starting in fiscal year 2023. The warrant revenue is an important part of this policy discussion, and if this legislation passes, the revenue simply will no longer be collected. Therefore, it is a financial impact that we felt must be documented when we were asked to provide fiscal information on this legislation. There may be some savings having to do with the warrants, as discussed by the Committee, but I do not have that number at this time.

John McCormick, Assistant Court Administrator, Administrative Office of the Courts, Supreme Court of Nevada:

With me is Todd Myler, Manager of Budgets, Administrative Office of the Courts, Supreme Court of Nevada. First, I would like to indicate that as far as the policy question, we are

neutral; however, as I think "neutral with concerns" has fallen out of favor, I did sign up in opposition. This is simply to point out that for the Supreme Court of Nevada and the current funding scheme, approximately one third of our operating budget is funded with administrative assessment revenue levied on misdemeanor violations. Traffic tickets account for 80 percent of those. As our fiscal note indicates, we do not have a way to necessarily predict the impact this measure could have on that funding, however, we feel that it would. Additionally, we have conducted some analysis of Carson City's administrative assessment revenue, as submitted to the state, over the past few months. While the sample size is probably not sufficient, we have not seen any substantive increase in their collections.

Calli Wilsey, representing the City of Reno:

We are here in opposition to A.B. 116 (R1) strictly because of the fiscal impact of the bill. We want to put on the record revisions to our fiscal note based on the reprinted version and conversations we have had with the bill sponsor thus far. Since its introduction, the bill has had several changes including allowing the fees from the civil citations to stay in the jurisdiction in which the infraction occurred. Additionally, provisions that the bill sponsor mentioned, such as allowing the collection of certain contact information and allowing for a text option, will provide additional tools that we believe will aid in the collection process. We believe it is important to keep certain enforcement tools in place to reduce the fiscal impact of the policy efforts. Based on these factors, we have revised our annual revenue losses that were represented in the original fiscal note downward to approximately \$80,000 to \$100,000. The initial cost to transition our system would still be estimated at approximately \$200,000 as a one-time cost. The changes to the bill have helped alleviate some fiscal concerns, but it continues to create an unfunded mandate on local governments. For that reason, we are in opposition. We want to thank Assemblywoman Nguyen for her efforts so far on this bill, and we appreciate the opportunity to continue to work with her on the implementation aspect of the policy effort.

Chair Carlton:

We may need to reach out to get that information. We will go to the next person in opposition.

Randy Robison, representing the City of Las Vegas:

I appreciate the comments from my colleagues in Henderson and Reno. We echo those, in terms of our opposition, as strictly related to the fiscal portion of this bill. We have been working with the sponsor on the policy side and support the policy of this bill. There will be costs incurred by us, not only through loss of revenue, but by changing our court management fee. Will there be cost savings? Absolutely. Do we think it will be a one-for-one wash? No, we do not.

What we have done, at the encouragement of the sponsor, is reach out to the City of Phoenix, Arizona which has been doing a similar program for over 25 years. We spent quite a bit of time with them to learn what they are doing, how they are doing it, the costs and cost savings they have experienced, the changes they have made over the past 25 years, and the changes they continue to make to refine the system. Have they seen an increase in collections

because of the way they handle this kind of program? Yes, they have. When we implement this system here, should the bill ultimately pass and we follow a Phoenix-type model, we anticipate that the collections will increase for us as well. Unfortunately, at this time we do not have a way to accurately estimate what the cost savings will be, what the costs will be, or what the loss of revenue will be. As the bill continues to change, we are doing our best to try to keep up and make those estimates so that we can provide a reasonable estimate to the Committee. The way I have understood a fiscal note is that the Legislature is interested in what costs may occur as a result of legislation. That is why we have submitted the fiscal notes the way they are. We had to respond to the original bill. Now that it has changed, we are trying to respond to those changes as well.

Alex Ortiz, representing Clark County:

Clark County opposes A.B. 116 (R1) as written and amended not due to the policy issues that have been discussed, but the fiscal impact to Clark County. We want to thank Assemblywoman Nguyen for working with us these past few months, listening to our concerns, and addressing most of them. I appreciate her efforts of assembling the stakeholder work groups and getting us to this point. The fiscal note was developed by our justice court and is based on the original bill, not the bill as amended in its first reprint. The sections of the bill that have a fiscal impact on the County are sections 30, 31, and 34. We will continue to work with the Assemblywoman to ensure that fiscal impacts to the County are mitigated, and if they are, we will gladly move to the neutral position. Additionally, it is important to us, and the Assemblywoman has confirmed, the acceptance of the latest amendments to section 27 from Carson City which removes the person's social security number from the civil infraction citation. Once again, I want to thank the Assemblywoman for meeting with us and keeping the conversation going on this important issue.

Dagny Stapleton, Executive Director, Nevada Association of Counties:

We want to provide information on the record for the counties outside of Clark County who submitted fiscal notes. We want to thank the sponsor for working with us on this bill, specifically the language in section 34 which ensures that the new civil penalties will accrue to the counties. This is a critical funding stream for our court system, as you have heard from others. I can confirm, as the Assemblywoman stated, that the rural counties with fiscal notes on the bill did put those in prior to the bill being amended, and they are in the process of adjusting them. They should be reduced, some substantially, however, we are not sure at this point whether the notes will be removed entirely. We will continue to work with the Assemblywoman on that and on any continuing fiscal impacts. Again, we thank her for all of her work on this bill and her willingness to coordinate and meet with us about it.

Chair Carlton:

Is there anyone else in opposition? [There was no one.] Do we have anyone to speak as neutral? [There was no one.] Are there any closing comments?

Assemblywoman Nguyen:

I will continue to work with them. I know that since the amendment came out a couple weeks ago, people have not had the ability to update their fiscal notes. I will follow up so they can make sure they get that information to the Committee.

Chair Carlton:

We would like to get that as soon as possible. We did wait awhile to have the hearing on this bill to give people time to analyze the amendment, this reprint, and where their fiscal notes might be. I would like to incentivize them all to get it finalized in the very near future so we can have that information as we move forward.

Assemblywoman Nguyen:

For the record, I did accept almost every single amendment from the municipalities and counties. I know there were some that slipped through in the amendment as it was drafted, but it is my intention, as this bill moves forward, to make those additional changes.

Chair Carlton:

Not seeing any other questions or comments, this was the hearing on A.B. 116 (R1), and I will close the hearing on A.B. 116 (R1). That is our last bill for the evening. There are a couple bills we could move, but we are missing some members. Committee members, when we get the chance to get back together, we will want to move some of the administration bills and get them to the floor. The last thing on our agenda this evening is public comment. [There were none.] This meeting is adjourned [at 9:07 p.m.].

RESPECTFULLY SUBMITTED:

Adam Cates
Committee Secretary

APPROVED BY:

Assemblywoman Maggie Carlton, Chair

DATE: _____

EXHIBITS

[Exhibit A](#) is the Agenda.

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

[Exhibit C](#) is a PowerPoint presentation titled "Assembly Bill 465," dated May 3, 2021, and submitted by the Division of Water Resources, Department of Conservation and Natural Resources.

[Exhibit D](#) is a PowerPoint presentation titled "Real Estate Division–Projected Shortfall," submitted by Sharath Chandra, Administrator, Real Estate Division, Department of Business and Industry.

[Exhibit E](#) is a PowerPoint presentation titled "Assembly Bill 474 Child Support Enforcement Replacement System," dated May 3, 2021, submitted by Steve H. Fisher, Administrator, Division of Welfare and Supportive Services, Department of Health and Human Services.

[Exhibit F](#) is a letter dated May 3, 2021, submitted by Inas Santiago, representing Chispa Nevada, Las Vegas, Nevada.

[Exhibit G](#) is a document titled "AB 357 Conceptual Amendment," submitted by the Office of the Attorney General.

[Exhibit H](#) is an article titled "Reckless Lawmaking: How Debt-based Driver's License Suspension Laws Impose Harm and Waste Resources," submitted by Nicholas Shepack, Program and Policy Advocate, American Civil Liberties Union of Nevada.

[Exhibit I](#) is an article titled "Tip of the Iceberg: How Much Criminal Justice Debt Does the U.S. Really Have?," submitted by Leisa Moseley, Nevada State Director, Fines and Fees Justice Center.