

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

**Eighty-First Session
April 12, 2021**

The Committee on Ways and Means was called to order by Chair Maggie Carlton at 6:04 p.m. on Monday, April 12, 2021, Online and in Room 3137. 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:

None

STAFF MEMBERS PRESENT:

Sarah Coffman, Assembly Fiscal Analyst
Brody Leiser, Principal Deputy Fiscal Analyst
Mary O'Hair, Committee Manager
Janice Wright, Committee Secretary
Betnimra Torres Perez, Committee Assistant



OTHERS PRESENT:

Tara Hagan, Chief Deputy Treasurer, Office of the State Treasurer
Lori Hoover, Chief Deputy Controller, Office of the State Controller
Jeff Haag, Deputy Administrator, Administrative Services, Aging and Disabilities
Services Division, Department of Health and Human Services:
Kacey KC, State Forester Firewarden, Division of Forestry, State Department of
Conservation and Natural Resources
Sharath Chandra, Administrator, Real Estate Division, Department of Business and
Industry

Chair Carlton:

[Roll was called. Committee rules and protocols were explained.] Committee members, we have five bills before us this evening and a bill draft request (BDR) introduction. I will start with the BDR, and that way we can get it to the floor for tomorrow in order to get it back to the Committee. It would be the Chair's intent as we move through all of this, to add things to future agendas so we can keep everything rolling, which is typical for this time of year. The bill draft I have for introduction this evening is BDR S-1116.

BDR S-1116—Makes an appropriation to the Division of Museums and History of the Department of Tourism and Cultural Affairs to restore the school bus program to reimburse transportation costs for public school students to visit state museums. (Later introduced as Assembly Bill 460.)

I would accept a motion to introduce BDR S-1116.

ASSEMBLYWOMAN BENITEZ-THOMPSON MOVED FOR
COMMITTEE INTRODUCTION OF BDR S-1116.

ASSEMBLYWOMAN MONROE-MORENO SECONDED THE MOTION.

Are there questions or comments on the motion? [There were none.] This is a program that we have funded in the past. Please call a roll call vote.

THE MOTION PASSED. (ASSEMBLYMAN FRIERSON WAS ABSENT
FOR THE VOTE.)

Chair Carlton:

I will sign the BDR documents and get them submitted to the Front Desk for the appropriate referral. With that, Committee members, we have bills before us this evening. This is new to us; I will go over the ground rules. These are all appropriation bills. We are not going to get into policy, but if you need to understand exactly what is going on, that is perfectly appropriate. We will go through the bills in the order on the agenda this evening. We will not be moving any of these. We have to wait to do that until a later time. But by hearing them now, it makes it easier to move them when that time does come. This is our stacking

process. Then we send the bills to the Senate when that time comes. We will go ahead and open the hearing on the first bill this evening, which is Assembly Bill 453.

Assembly Bill 453: Makes an appropriation to the Account for Pensions for Silicosis, Diseases Related to Asbestos and Other Disabilities. (BDR S-1112)

Tara Hagan, Chief Deputy Treasurer, Office of the State Treasurer:

It is a pleasure to be here this afternoon to present Assembly Bill 453. In accordance with *Nevada Revised Statutes* (NRS) 617.1675, the State Treasurer is responsible for administering the Silicosis and Disabled Pension Fund [Account for Pensions for Silicosis, Diseases Related to Asbestos and Other Disabilities]. The Fund provides silicosis and disabled pension fund benefits for diagnosed employees, their dependents, widows, widowers, surviving children, or surviving parents pursuant to statute. Silicosis is a form of occupational lung disease caused by the inhalation of crystalline silica dust and is marked by inflammation and scarring in the form of lesions in the lungs. The money in the account can only be used to pay benefits for the beneficiaries, and neither the Office of the State Treasurer nor the insurance company responsible for administering the payments is eligible to receive money from the Fund.

The Fund has required a series of State General Fund one-shot appropriations since money was swept in the 2008 Special Session (25th Special Session) to increase General Fund reserves. The last legislatively approved one-shot appropriation was approved in the 2017 Session (79th Session) in Assembly Bill 502, with an \$80,000 appropriation. The Office of the State Treasurer also requested approval of a work program on October 22, 2020, from the Interim Finance Committee for funds totaling \$16,949 to continue the payments through fiscal year 2021. We estimate the annual payments for this fiscal year to total approximately \$19,400. Assembly Bill 453 is requesting an amount not to exceed \$34,000 for the biennium to continue payments in accordance with NRS 617.168. Over the past five fiscal years, the annual payments have averaged \$28,213 with a year over year decrease of approximately 9 percent. As of September 2020, the Fund was paying approximately 23 unique beneficiaries. I am happy to take any questions.

Chair Carlton:

You answered all my questions because I was going to ask how the Fund was going and how many beneficiaries we had. You gave me all my answers before I had the opportunity to ask the questions. With that, Committee members are there any questions from anyone at this time?

Assemblywoman Benitez-Thompson:

I have a general question because I believe this is the first time I am seeing this. How many individuals are in this pension? I am imagining it is a static pool, but were there more people in previous years than now?

Tara Hagan:

It is actually. As time goes on, we have had participants who become deceased and are no longer eligible. The beneficiaries are like an inverted pyramid. Back in 1999, it was approximately \$186,000 of expenditures, and now we are down to approximately 23 unique beneficiaries, and we are at approximately \$19,400 of expenditures. It is going to continue to decline as the beneficiaries pass away.

Chair Carlton:

Are there other questions from Committee members at this time?

Assemblyman Leavitt:

The appropriation does not have any remaining balance language in it. Is there never a remaining balance when we are talking about this particular appropriation because it is a one-shot appropriation? How does that work?

Tara Hagan:

If there are funds remaining, they balance forward to the next fiscal year, and interest is earned on the money as well. That just helps reduce that one-shot appropriation.

Chair Carlton:

This is our portion to ensure the Fund is funded at a level that it can take care of those 23 beneficiaries. Two years from now, depending on whether we only have 20 beneficiaries, it may be a different amount with interest. We just need to put in our portion to make sure that those beneficiaries are taken care of.

Assemblyman Leavitt:

For my clarification, we do not need any remaining balance appropriation language in there to allow them to carry that money over.

Tara Hagan:

I think generally there is, but on this we defer to legislative staff.

Sarah Coffman, Assembly Fiscal Analyst:

That is correct. This is a balance forward of funds. There may be a small piece of it from the prior year that gets balanced forward, and this just replenished it to the level that is needed for the upcoming biennium.

Chair Carlton:

Are there any other questions from any of the Committee members at this time? [There were none.] This is a bill hearing; therefore, we will hear all the appropriate support, opposition, and neutral testimony. Is there any testimony from those in support of A.B. 543? [There was none.] There is no one in support. Technically, we have to go through each option, so we will go ahead and do that. Is there any testimony in opposition? [There was none.] Is there any testimony in neutral? [There was none.] Ms. Hagan, do you have any closing comments?

Tara Hagan:

No, I do not.

Chair Carlton:

We will go ahead and close the hearing on A.B. 453. The next bill we have before us is Assembly Bill 455. I will open the hearing on Assembly Bill 455.

Assembly Bill 455: Makes an appropriation to the Office of the State Controller for the replacement of printers. (BDR S-1114)

Lori Hoover, Chief Deputy Controller, Office of the State Controller:

Thank you for allowing us to testify on Assembly Bill 455, which makes an appropriation to the Office of the State Controller (Controller's Office) for the replacement of printers. The Controller's Office is requesting funding for two MICR [magnetic ink character recognition] secure printers to replace the two aging MICR secure printers, which are currently in use and working beyond their useful lives. [A MICR printer is a printing device which provides the ability to print a magnetically charged set of characters on the bottom of a check, also known as MICR fonts.] Per *Nevada Revised Statutes* (NRS) 227.170, the Controller's Office prints the state's accounts payables. In addition, payroll checks and the Division of Welfare and Supportive Services, Department of Health and Human Services child support checks are also printed by the Controller's Office. Between 6,000 and 8,000 checks are printed monthly. The current printers are over nine years old.

While the Controller's Office makes every attempt to follow NRS 227.185, which requires all accounts payable to be paid electronically, there will always be a need for some check printing. In addition to normal check printing, the Controller's Office has received unexpected requests from other agencies unrelated to the COVID-19 pandemic to print potentially thousands of checks for special projects in the upcoming biennium. These agencies will need to fund additional printers for the Controller's Office, but we will still be using our regular printers to print those checks also. These projects will most likely burn out the current printers. Examples of some of the agencies that have asked for assistance are the Department of Motor Vehicles and the Department of Taxation. I would be happy to answer any questions at this time.

Chair Carlton:

I think my first question is why was this not included in your budget under other items or the technical items that we do in every budget?

Lori Hoover:

I am new at this process, and this was a decision of the Governor's Finance Office and our budget staff. I will have to go back to my budget officer to answer that question.

Chair Carlton:

That is fine. I was just curious. It may have been something that was overlooked, and this is the way you are addressing it rather than through a budget amendment. Ms. Coffman, are

you aware of the reason why it is here and not actually in the budget? Do you have any information?

Sarah Coffman, Assembly Fiscal Analyst:

The one-time appropriation was requested by the Governor's Finance Office to be funded in fiscal year (FY) 2021 as that funding was available in FY 2021 as opposed to FY 2022 or FY 2023. That is what the Governor's Finance Office's direction was to the state agencies.

Chair Carlton:

As we move forward, I imagine we are going to see a lot of these sorts of requests because rather than put it in a future budget where the money is tighter, we would like to get these expenses taken care of in this particular fiscal year when there are still some dollars available. Am I correct?

Sarah Coffman:

That is correct.

Chair Carlton:

Okay, I just wanted to make sure we got that on the record. With that, Assemblywoman Peters did you have a question?

Assemblywoman Peters:

I was curious about the decision to purchase printers, which is what I assume this is requesting rather than leasing printers? And then, what additional maintenance costs would we be incurring if we purchased these printers? Is that included in your base budget or in another place since this is a one-time allocation?

Lori Hoover:

I will have to verify why we have not looked at leasing in the past. Most of these printers are specific to printing checks, and I do not believe that a lot of these are leased. The printers are usually purchased. We included in this appropriation amount the annual warranty for these two printers, and that will cover a majority of the maintenance. We also need to purchase maintenance kits periodically, and those have always been in our base budget for the current printers and will stay for the new printers.

Assemblywoman Gorelow:

Assemblywoman Peters covered my question about why it was not being leased. Did I hear you correctly that this is for two printers?

Lori Hoover:

Yes, that is correct.

Assemblywoman Gorelow:

What does this printer look like? I am picturing my little desktop printer. For one printer costing \$9,000, I am curious what that kind of a printer looks like?

Lori Hoover:

It actually looks very similar. The reason why it is so expensive is it is called a MICR secure printer because it prints the MICR font on your checks. When you receive your check and you have your bank account and routing number printed on the bottom of those checks, it is actually printed in a specific ink. That way it can be run through the banking system quickly, and the system reads it automatically, and there are some securities behind it. The printer itself looks like one you would have on your desk, but the pieces and what it is doing are much more secure, and so there is a cost that comes with it.

Assemblywoman Gorelow:

That might also explain why it cannot be leased and has to be purchased. That would be my guess.

Chair Carlton:

Are there questions from other Committee members?

Assemblywoman Monroe-Moreno:

Where exactly will the two printers be located?

Lori Hoover:

They will be located in the basement of the Capitol Building, which is where we perform any nondisaster printing for the state.

Chair Carlton:

Are there other questions from other Committee members at this time? [There were none.] Because this is a bill hearing, we will open the hearing for testimony on A.B. 455 in support, opposition, or neutral. I will ask for testimony in support of the bill. [There was none.] I will ask for testimony in opposition to the bill. [There was none.] I will ask for testimony in the neutral position on the bill. [There was none.] I know it seems a little odd, but we need to verify that for the record. Do you have any final comments on the bill?

Lori Hoover:

No.

Chair Carlton:

I will close the hearing on Assembly Bill 455 and open the hearing on Assembly Bill 456.

Assembly Bill 456: Makes an appropriation to the Aging and Disability Services Division of the Department of Health and Human Services for pavement maintenance at the Jones campus of the Desert Regional Center. (BDR S-1120)

Jeff Haag, Deputy Administrator, Administrative Services, Aging and Disabilities Services Division, Department of Health and Human Services:

Assembly Bill 456 requests an appropriation of \$85,750 for an asphalt maintenance repair and striping project at the Desert Regional Center in Las Vegas. It is also important to note

that this is the primary parking lot for the Desert Regional Center as well as our 24-hour care facility that services individuals with disabilities, many of whom are mobility challenged. This asphalt repair will help address those problems as well.

Chair Carlton:

Committee members, we know the purpose of why the bill is here. It is an appropriation within this particular fiscal year. Do you have any questions on parking lots? We do not get to talk about parking lots much outside of the CIP [Capital Improvement Program]. Does anyone have any questions? Approximately how large is this parking lot?

Jeff Haag:

I do not know specifically as far as the number of spaces; it has several dozen parking spaces right there at the corner of Jones when you turn in at 1391 South Jones Boulevard, Las Vegas. Again, it is the primary parking lot for the facility. I will get the exact number of parking spaces for you and follow up with your staff.

Chair Carlton:

I can picture it, and I am familiar with the property, and I know exactly where you are talking about. Committee members, are there any questions on this particular item?

Assemblywoman Titus:

Just a question along the same lines as the previous questions that have been asked about why this is here and not in the appropriations for the general budget as opposed to in a separate bill, maybe just for clarity. Did this come up after the budget was submitted, or is it similar to the previous question in that it was not able to be recommended for the 2021-2023 biennium, and now it is being brought forward to be approved in fiscal year (FY) 2021?

Chair Carlton:

Ms. Coffman, would you go ahead and address that again. I know you went over it with the first bill but go ahead and put it on the record again.

Sarah Coffman, Assembly Fiscal Analyst:

Yes, that is my understanding. I believe that the Governor's Finance Office has what is called a two-times rule. When agencies are building their budgets, anything that is above and beyond two times the amount of State General Fund appropriations that are for what we call the work program year, is something that they provide for special consideration. When the Governor's Finance Office and the Governor were building their budget, it was my understanding that they built it with this initial set of funding. Then they were able to determine what revenues they had in FY 2021 that they could utilize for one-time funding. That was my understanding of how many of these one-time appropriations were placed into FY 2021 to be funded at this point in time because they were trying to determine where best to fund them.

Assemblywoman Titus:

I will not ask this question for all the rest of these bills. The Governor's Finance Office determined that we have this money in our General Fund. As we total all of these up, these monies are available, or as mentioned in the past, will they be put into a parking lot to make sure we have these funds, just for some clarity there?

Sarah Coffman:

The process of how money bills are actually approved and moved out of the Assembly Committee on Ways and Means is the K-12 [kindergarten through grade 12] funding bill has to be approved first by both houses. You will see that one house can appropriate and can approve certain bills and then bills get passed to the other house. The Assembly Committee on Ways and Means can hear these bills. Once we get closer to the end of session, the Committee can start passing these bills. The other house has to wait until they approve the K-12 funding bill before they can pass these bills.

Assemblywoman Titus:

I think it is the first time we are hearing all these bills for appropriations, and there are several of them tonight, and thank you for the clarity.

Chair Carlton:

With that, Committee members, are there any questions in relationship to A.B. 456? [There were none.] We will go to testimony. Because this is a bill hearing, we will open the hearing for testimony on the bill in support, opposition, or neutral. I will ask for testimony in support of the bill. [There was none.] I will ask for testimony in opposition to the bill. [There was none.] I will ask for testimony in the neutral position on the bill. [There was none.] Do you have any closing comments on the bill?

Jeff Haag:

No, just thank you for the opportunity to present this bill and for your consideration and the Committee's consideration.

Chair Carlton:

We appreciate the bill presentation and we look at the passage of this bill as creating jobs. You are going to put some people to work fixing your parking lot. We will close the hearing on A.B. 456 and open the hearing on Assembly Bill 457.

Assembly Bill 457: Makes an appropriation to the Division of Forestry of the State Department of Conservation and Natural Resources for deferred maintenance projects. (BDR S-1133)

Kacey KC, State Forester Firewarden, Division of Forestry, State Department of Conservation and Natural Resources:

Thank you for having me here today to provide testimony on Assembly Bill 457. This bill requests an appropriation from the State General Fund to the Division of Forestry, State Department of Conservation and Natural Resources in the amount of \$666,590 for deferred

maintenance projects. This request would fund the 50 highest priority deferred maintenance projects that deal with life safety and/or ADA [Americans with Disabilities Act] compliance in the Division's three regional headquarter facilities, two interagency dispatch centers, helicopter hangar, and maintenance shops. The agency has a backlog of deferred maintenance beyond this request of 102 additional projects costing over \$1.9 million. Due to the aging condition of most of our facilities, prioritized projects are often replaced with immediate need emergency repairs further delaying our deferred maintenance need. I wanted to put on the record that if the Capital Improvement Project CO1 for the Division of Forestry's Elko mechanics shop is approved, there are six duplicated projects on this list that will drop off for a total of \$28,700, making the request for A.B. 457 total \$637,890. I would be happy to take any questions.

Chair Carlton:

Could you repeat the CIP [Capital Improvement Program] project number again so I can make a note of that?

Kacey KC:

Yes, if CO1 is approved it is \$28,700.

Chair Carlton:

Committee members, are there any questions for our State Forester?

Assemblyman Roberts:

This is a fairly high dollar amount. I know we asked why it would not be in the normal budget, but why would it not be in the CIP. You can bond that. We are taking State General Fund dollars here. Just curious why we are doing it this way?

Kacey KC:

We were instructed to put it in as deferred maintenance in our budgets. I think historically, it has gone through a one-shot appropriation for us.

Chair Carlton:

Typically, we would not bond on maintenance-type issues. They do not have the longevity for a bond. You do not repair your air conditioner on your mortgage, so you do your deferred maintenance in a different way. You do not want to use up bonding capacity on just the fixes that you need to do. That is the general philosophy, but it does not hold true every single time, so do not hold us to it because there will be variations on that as we move forward.

Assemblyman Roberts:

I just saw a CIP project upgrading air conditioning and chilling units and things like that. Maybe I am just confused.

Chair Carlton:

There are some of those this particular year because they are needed, but it just depends on how high on the priority list they go as far as the CIP budget.

Committee members, are there any other questions? [There were none.] Because this is a bill hearing, we will open the hearing for testimony on the bill in support, opposition, or neutral. I will ask for testimony in support of the bill. [There was none.] I will ask for testimony in opposition to the bill. [There was none.] I will ask for testimony in the neutral position on the bill. [There was none.] Do you have any closing comments on the bill?

Kacey KC:

No.

Chair Carlton:

With that, I will close the hearing on A.B. 457 and open the hearing on Assembly Bill 458.

Assembly Bill 458: Makes appropriations to the Real Estate Division of the Department of Business and Industry for an upgrade of its licensing software system and the replacement of computer hardware and software. (BDR S-1134)

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

We are here for Assembly Bill 458 that appropriates funds for the Real Estate Division, Department of Business and Industry for an upgrade of its licensing software system and the replacement of computer hardware and software. I have a very short presentation because most of the members of this Committee are very familiar with real estate, but it is just a quick overview, so with your indulgence I will just go through the slides very quickly. [[Exhibit C](#) is a copy of a PowerPoint presentation titled "Nevada Real Estate Division" presented by Sharath Chandra, Administrator, Real Estate Division, Department of Business and Industry.] The first slide [page 1, [Exhibit C](#)] shows the Division from its licensing section, the real estate licensees, builders/developers, timeshares, appraisers, and energy auditors. That is the segment of individuals that we oversee. On the right side of the slide, you will see the total number of 41,318 of licensees, permit holders, and individuals who registered. There is also a snippet on the complaints received, cases opened, walk-ins, and calls that the Division receives. This is just real estate we have highlighted, and we can add on all the other segments there, but this just gives you an overview. At the bottom on the slide you will see the Real Estate Commission, which is a five-member body that is responsible for discipline, regulation, and education. We also have a Commission for Real Estate Appraisers, and it is another five-member body.

The next slide [page 2] is an overview of the Office of the Ombudsman for Owners in Common-Interest Communities and Condominium Hotels. We have 26,549 new units added on the chart, and on the left side you will see the number of HOAs [Homeowners Associations]. It has been climbing steadily and right now we have approximately 3,400 HOAs and the number of units go up with those. We are looking at approximately

570,000 units. On the right side are the areas on which the ombudsman's office focuses. We have a seven-member commission that regulates the office and does discipline, regulation, and serves in an advisory capacity.

The next slide [page 3] is really the meat of why we are here, and this is the technology piece. Our database for the licensing infrastructure focuses on compliance, licensing, education, discipline, payment processing, accounting, and administrative functions. The left side of the slide summarizes our current situation. The database is 14 plus years old and it is based on an older, outdated technology. There have been a lot of mergers and acquisitions in that area, and our vendors have been sold and merged a couple of times over. What we really want to focus on is the vision for the future and some of the guiding principles for us of how we want our software to be. The philosophy is it is infrastructure and needs updates, maintenance, and a continuity of funding. That is a quick overview of the technology challenges.

The last slide [page 4] is to give the Committee an idea of our staffing levels. We started off in 2005 with 36 FTEs [full-time-equivalent] positions, and currently have 26.6 FTE positions. The Carson City office does not have a licensing center. Everything is done in southern Nevada. We have a half-time position in Carson City for investigations for licensing. That encapsulates our staffing levels and what we do at the Real Estate Division. That is my quick presentation, and hopefully I captured some of the questions the members may have. If not, we are available.

Chair Carlton:

How old is the current system that you have?

Sharath Chandra:

I believe it was appropriated in 2003 or 2005, so with another year or two for implementation, it would be close to 14 years old.

Chair Carlton:

I do not remember this request being made in the last session. Was it?

Sharath Chandra:

I think we wanted to do it. I believe originally, we were envisioning something that we could do with another Department of Business and Industry agency to partner with them because they were doing licensing. Somewhere in the mix, things got shuffled around and we never actually put in a TIN [Technology Investment Notification] specifically for the Real Estate Division. This time we decided to put a TIN in and follow the process, and that is why we are here.

Chair Carlton:

It is my understanding that the Real Estate Division is funded with fees, so if you were to spread this across your fee base, was that a consideration? I want to understand why we are not doing this because when other boards and other commissions need upgrades, they have to

come talk to us and ask to increase their fees so they can pay for their own upgrades. Here we are asking for the state to pay for this upgrade. How are you different as far as a fee-based agency and how you operate? I just want to make sure that you get that on the record.

Sharath Chandra:

The Real Estate Division is one of those few agencies that is still funded with State General Funds. We are dependent on the General Fund for an appropriation to operate though we generate twice as much as what we budgeted for our expenditures. That is a unique feature of the Real Estate Division.

Chair Carlton:

How much have you generated?

Sharath Chandra:

I have records going back to 2005.

Chair Carlton:

We just need to consider this biennium, and we do not need to go back a decade.

Sharath Chandra:

I believe close to \$7 million in revenues and then \$3.8 million in expenditures, but again very specifically I would have to look at a spreadsheet.

Chair Carlton:

Is this an enterprise fund?

Sharath Chandra:

No, the Real Estate Division is just a straight General Fund agency.

Chair Carlton:

Thank you for putting this on the record so everyone understands. I want to make sure we get all the information out there for those who are new to this process. It is good to have all these questions asked and answered on the record. Do I have questions from Committee members?

Assemblywoman Peters:

I am wondering whether you have selected a vendor or a group of vendors to whom you anticipate sending an RFP [request for proposal]. It sounds like you have since you have gone through this TIN process. Can you talk a little about that, and if that is the case, and you have some vendors in mind, how does our state compare in size? The reason I am asking is sometimes we are not large enough to be competitive in our needs as are other entities who use these services. I am curious how you are considering that?

Sharath Chandra:

To answer the first part of your question, right now the TIN is just a process for IT to vet the project and ensure that we have explored the entire scope of work. The RFP process is something that we would have to go through to actually get quotes from vendors. Typically, this industry will probably have four vendors at the most that actively participate in this licensing software. We anticipate seeing three to four vendors put in bids including the current vendor that we use. But nothing has been done yet. This is just our "guesstimate" for lack of a better word done two years ago prior to the COVID-19 pandemic. We are hoping to do an RFP, but we would still have to go out and see what is out there.

The second question is we are relatively small, but the licensing functionality is similar to most states. I think that vendors that put in bids already have an infrastructure, and for them it makes it easier when they have more volume because they are already doing all the work and the framework is already there.

Assemblywoman Peters:

I will be curious to see how this fleshes out. Does this also cover your Division's costs for developing the RFP and going through the purchasing process or is this just allocated for the purchase of this software?

Sharath Chandra:

This is just for what we estimated it will cost us to procure something like this. It does not include all the work. That is something that we have to do internally. Ideally, we would assign a project manager, but we have to look internally to my staff. Maybe the Department of Business and Industry has an IT professional who can help us along the way. This is purely to procure the front-end. The important piece of this is this is a one-shot appropriation but for us, we have got to maintain this. We have to probably pay for hosting, cloud storage, and those are all going to be part of an ongoing cost. I think this request factors that in for the two-year biennium. Then my understanding is we may have to fund the maintenance of this project on a biennial basis. To answer your question, this is just the cost and is only what it is going to cost us to get the upgrade.

Chair Carlton:

Committee members, are there any other questions at this time?

Assemblyman Roberts:

I am curious if you do not get this appropriation, what does it do to your operations in the next couple of years?

Sharath Chandra:

The COVID-19 pandemic has exposed some of our deficiencies, and technology is one of the biggest things. I think not being able to offer these services digitally is pretty bad if you think about how licensing works and you do not have a Carson City office, and you have a Las Vegas office where the doors are open and individuals come in, but everything else comes through the mail. Seeing the challenges that USPS [United States Postal Service] had,

that has been challenging, and there is always a delay, and things get lost in the mail. Also, when the building closed, we had to physically send staff in here in the middle of the COVID-19 pandemic and stack the mail, and then come in and work on the mail because everything comes in through the mail. It has been challenging. I do not see it getting any better. It is something that needs to get done. It just seems like this is a good time to do it.

Chair Carlton:

Any other questions from any of the Committee members at this time? [There were none.] The conversation evolved around contributing to the General Fund but only pulling a certain amount down, and that happens to a number of industries. That is why money goes to the General Fund, and then we have a budget and a legislatively approved budget and decide how we are going to distribute those General Fund dollars. If everyone just got back the money that they put in, there would not be a whole lot of decisions for us to make, and we could probably do it in about 30 days. That is why we evaluate budgets to make sure that the different agencies get the resources that they need. That is why we ask the questions so that we can make sure that we understand the full picture of what is going on within the agency. Thank you for providing us with the numbers and what the Division has been doing through the COVID-19 pandemic.

We will go to testimony. Because this is a bill hearing, we will open the hearing for testimony on the bill in support, opposition, or neutral. I will ask for testimony in support of the bill. [There was none.] I will ask for testimony in opposition to the bill. [There was none.] I will ask for testimony in the neutral position on the bill. [There was none.] Do you have any closing comments on the bill?

Sharath Chandra:

No.

Chair Carlton:

We want to make sure we get all of our questions answered now, because when it comes time to take action on any of these bills, we are not going to have time to dig deep. We want to get all the information that we need right now. We will close the hearing on A.B 458. That takes care of the bills that we had scheduled. We will open public comment and that is the last thing on our agenda. [There was none.] There being no further business before the Committee, the meeting is adjourned [at 6:57 p.m.].

RESPECTFULLY SUBMITTED:

Janice Wright
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 copy of a PowerPoint presentation titled "Nevada Real Estate Division" presented by Sharath Chandra, Administrator, Real Estate Division, Department of Business and Industry.