

**MINUTES OF THE
SENATE COMMITTEE ON FINANCE**

**Eighty-first Session
April 28, 2021**

The Senate Committee on Finance was called to order by Chair Chris Brooks at 6:30 p.m. on Wednesday, April 28, 2021, Online and in Room 1214 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Chris Brooks, Chair
Senator Moises Denis, Vice Chair
Senator Nicole J. Cannizzaro
Senator Marilyn Dondero Loop
Senator Ben Kieckhefer
Senator Pete Goicoechea
Senator Scott Hammond
Senator Heidi Seevers Gansert

COMMITTEE MEMBERS ABSENT:

Senator Julia Ratti (Excused)

GUEST LEGISLATORS PRESENT:

Senator Dallas Harris, Senatorial District No. 11
Senator Roberta Lange, Senatorial District No. 7
Senator James Ohrenschall, Senatorial District No. 21
Senator James Settelmeyer, Senatorial District No. 17

STAFF MEMBERS PRESENT:

Wayne Thorley, Senate Fiscal Analyst
Alex Haartz, Principal Deputy Fiscal Analyst
Joko Cailles, Committee Secretary

OTHERS PRESENT:

Doug Farris, Administrator, Animal Industry Division, State Department of Agriculture
Matthew Tuma, Deputy Director, Department of Administration
Shannon Chambers, Labor Commissioner, Office of Labor Commissioner, Department of Business and Industry
Mindy McKay, Administrator, Records, Communications and Compliance Division, Department of Public Safety
Will Adler, Sierra Cannabis Coalition
Joy Grimmer, Administrative Services Officer 4, Department of Taxation
Gary Landry, Executive Director, State Board of Cosmetology
Mandi Davis, Deputy Administrator, Administrative Services, Division of Child and Family Services, Department of Health and Human Services

CHAIR BROOKS:

We will hear bills. We begin with Senate Bill (S.B.) 34.

SENATE BILL 34 (1st Reprint): Makes various changes relating to agriculture. (BDR 50-330)

WAYNE THORLEY (Senate Fiscal Analyst):

Section 16 of S.B. 34 adds agricultural enforcement officers from the State Department of Agriculture (NDA) to the definition of "police officer" under *Nevada Revised Statutes* (NRS) 617.135. The Department of Administration, Risk Management Division (RMD) submitted a fiscal note indicating this change would make agricultural police officers eligible for Heart and Lung program benefits under NRS 615.455 and NRS 617.457. The RMD projects costs of \$3,651 in FY 2021-2022, \$3,966 in FY 2022-2023 and \$115,345 in future biennia to add 6 agricultural police officers to this benefit pool.

DOUG FARRIS (Administrator, Animal Industry Division, State Department of Agriculture):

The purpose of S.B. 34 is to update the titles for sworn law enforcement officers at the NDA. We have six agricultural law enforcement officer positions, including my position. Senate Bill 34 will update the titles of agricultural enforcement officers to agricultural police officers. The Peace Officers' Standards and Training Commission (POST) certifies peace officers. The intention is to have NDA Category II officers be classified as POST-certified

Category I peace officers. All six NDA enforcement officers are POST-certified Category I peace officers. Senate Bill 34 would not affect the employment status of any NDA staff.

Section 3 of S.B. 34 amends NRS 565.010 such that brand inspections require visual examination. The fiscal note reflects occupational health coverage that would be given to agricultural police officers.

SENATOR KIECKHEFER:

Are the NRS sections creating the Heart and Lung program being amended? Are the NRS sections establishing NDA officers being modified to expand the Heart and Lung program's benefits?

MR. FARRIS:

Senate Bill 34 classifies NDA officers as Category I peace officers. It also qualifies NDA officers for Heart and Lung program benefits.

SENATOR KIECKHEFER:

Are NDA officers currently part of the collective bargaining group for Nevada peace officers?

MR. FARRIS:

Yes, as Category II peace officers.

MATTHEW TUMA (Deputy Director, Department of Administration):

Senate Bill 34 allows NDA police officers to receive Heart and Lung program benefits administered by the RMD. The fiscal note is based on annual costs of full-time equivalent (FTE) positions in that pool.

The RMD spent just under \$1.8 million on the Heart and Lung program in fiscal year (FY) 2019-2020. The expenditure was for an eligible FTE count of 3,143 positions. Under S.B. 34, the RMD projects costs of \$3,651 in FY 2021-2022 and \$3,966 in FY 2022-2023 based on estimated annual claim expenses. Projections are based on actual paid costs for the Heart and Lung program from calendar year 2015 to the present. There were 19 claims started, paid out and adjudicated. Data from the American Heart Association indicates a quarter of Americans develops heart disease. There are 6 NDA officers impacted by S.B. 34. It is projected that 1.5 claims will be filed for NDA police officers

that develop heart or lung disease. As \$76,897 is the average claim cost, the RMD projects the effect on future biennia for S.B. 34 will be \$115,345.

SENATOR GOICOECHEA:

The NDA's officers have the ability to pull over cars on the highway. They should probably be classified as Category I peace officers. That would make them eligible for Heart and Lung program benefits.

CHAIR BROOKS:

I close the hearing on S.B. 34. We move to S.B. 55.

SENATE BILL 55 (1st Reprint): Revises provisions governing the licensing and regulation of employee leasing companies. (BDR 53-317)

MR. THORLEY:

Senate Bill 55 is a budget implementation bill. The Executive Budget includes a recommendation to transfer oversight of employee leasing companies from the Department of Business and Industry (B&I), Division of Industrial Relations to the B&I Office of Labor Commissioner (OLC). Your Subcommittees on General Government approved this recommendation on April 20, 2021. Senate Bill 55, as amended, would make the statutory changes to reciprocate the recommendation from your Subcommittees on General Government. The OLC indicated there would be no additional costs to the Agency to take on employee leasing company oversight.

SHANNON CHAMBERS (Labor Commissioner, Office of Labor Commissioner, Department of Business and Industry):

I submitted written testimony on the legislative history of S.B. 55 ([Exhibit B](#)).

Senate Bill 55 transfers the regulation of employee leasing companies to the OLC. These entities will be renamed "professional employer organizations." The employee leasing industry has used that term for over 20 years. The OLC would take over the licensure of "professional employer organizations." Fees are not being increased or modified. No new positions are requested. There would be a transfer of the revenue from the Division of Industrial Relations for the existing fees for employee leasing companies to the OLC.

SENATOR KIECKHEFER:

Does S.B. 55 change the registration process to a licensure process?

MS. CHAMBERS:

Senate Bill 55 changes the registration process for employee leasing companies to a licensure process. This is a change in terminology that reflects industry standards. There are no regulatory differences. The fees assessed to employee leasing companies would not be increased or modified. This issue was discussed by the Senate Committee on Commerce and Labor and Legislative Counsel Bureau Legal Division staff.

CHAIR BROOKS:

I close the hearing on S.B. 55. We move to S.B. 147.

SENATE BILL 147 (1st Reprint): Establishes provisions relating to conditions of release that prohibit the contact or attempted contact of certain persons.
(BDR 14-377)

MR. THORLEY:

Senate Bill 147 authorizes crime victims to request that a court issue an order imposing on defendants a condition of pretrial release that prohibits contact or attempted contact with the victim. If such an order is issued, section 1 of S.B. 147, as amended by Amendment No. 463, requires the court to transmit a copy of the order to the Central Repository for Nevada Records of Criminal History. A fiscal note from the Department of Public Safety (DPS), Records, Communications and Compliance Division has not yet been added to S.B. 147, as the requirement to transmit orders to the Repository was added through an amendment.

SENATOR DALLAS HARRIS (Senatorial District No. 11):

Senate Bill 147 was recommended by the Committee to Conduct an Interim Study of Issues Relating to Pretrial Release of Defendants in Criminal Cases. Pretrial release is another term for bail. As amended, S.B. 147 would allow no-contact orders to be transmitted to the Repository.

Police officers know if a temporary restraining order (TPO) is issued because it is transmitted to a system, law enforcement can look up TPOs to protect people who seek those protections. This is in contrast to no-contact orders. A no-contact order issued as a condition for pretrial release is often just reflected in court minutes. Victims told legislators on the Pretrial Release Interim Committee about their experiences. They called law enforcement to report defendants who broke no-contact orders. Police officers were unable to arrest

defendants as there was no official crime they could be charged with. Victims are often left without police-facilitated recourse.

Victims traditionally reach out to prosecutors assisting with their cases to let them know there has been a violation. The defendant is then brought back into court for an assessment of whether they violated the no-contact mandate. If he or she has, he or she is found to be in contempt of court. The defendant is subject to punishments deemed necessary by the judge, including the revocation of bail. This process has not been sufficient to protect all victims. Senate Bill 147 aims to centralize no-contact orders in a similar fashion to TPOs. Police officers would be able to access no-contact records. Senate Bill 147 ties violations of no-contact orders to trespassing. The aim is to immediately protect people from others who are not supposed to be contacting them.

SENATOR HAMMOND:

Does the amendment to S.B. 147 change its fiscal note?

SENATOR HARRIS:

Amendment No. 463 will put a fiscal note on S.B. 147. No-contact orders would be put in a centralized location similar to TPOs. The module used by the Repository would be expanded to accommodate no-contact orders, which courts would be able to immediately transmit.

MINDY MCKAY (Administrator, Records, Communications and Compliance Division, Department of Public Safety):

No-contact orders will be placed in the Repository with information concerning orders for protection. The orders will be available for query through the Nevada Criminal Justice Information System (NCJIS). The Repository and NCJIS will require information technology programming to accept and maintain no-contact orders for access by criminal justice agencies. Information technology costs are roughly estimated because the DPS will not know the full cost until the project process begins. This is complex and lengthy. The DPS was awaiting amendments from Senator Harris which state no-contact orders will explicitly be in protection order databases. The rough estimate should be around \$45,000.

CHAIR BROOKS:

Is that \$45,000 just for the setup of the module that Senator Harris described? Is it an ongoing cost?

Senate Committee on Finance
April 28, 2021
Page 7

Ms. MCKAY:
It is for initial setup.

CHAIR BROOKS:
I close the hearing on S.B. 147. We move to S.B. 278.

SENATE BILL 278 (1st Reprint): Revises provisions relating to taxation of cannabis. (BDR 32-660)

MR. THORLEY:
The Department of Taxation submitted a fiscal note on S.B. 278 as introduced, estimating the measure would reduce wholesale marijuana tax revenue by approximately \$1.3 million in each year of the 2021-2023 biennium. The Department of Taxation submitted an unsolicited fiscal note for S.B. 278 as amended by Amendment No. 233. The Department of Taxation determined S.B. 278 would no longer have a fiscal impact due to the revised definition of "wholesale sale" to exclude the transfer of cannabis by a cannabis cultivation facility to another cannabis cultivation facility when both facilities have identical ownership.

SENATOR JAMES SETTELMAYER (Senatorial District No. 17):
Amendment No. 233 removes the fiscal note. Senate Bill 278 clarifies ambiguous language from Question 2 in 2016. It makes clear that the 15 percent wholesale tax is only to be charged once.

WILL ADLER (Sierra Cannabis Coalition):
The Sierra Cannabis Coalition supports S.B. 278. The bill clarifies ambiguous language from the ballot initiative passed in 2016. You cannot change ballot initiatives for about two years. Senate Bill 278 clarifies that the wholesale tax is to be charged after products leave cultivation from one group.

JOY GRIMMER (Administrative Services Officer 4, Department of Taxation):
Based upon Amendment No. 233, the Department of Taxation no longer feels it is necessary to have this fiscal note on the bill.

CHAIR BROOKS:
I close the hearing on S.B. 278. We move to S.B. 291.

SENATE BILL 291 (1st Reprint): Authorizes the State Board of Cosmetology to adopt regulations to provide for classifications of licensing as an esthetician. (BDR 54-997)

MR. THORLEY:

As introduced, S.B. 291 provided for the licensure and regulation of master estheticians and instructors. The State Board of Cosmetology submitted a fiscal note on S.B. 291 as introduced. Amendment No. 411 significantly altered S.B. 291, which now authorizes the Board to adopt regulations to provide for classifications of esthetician licensing. An updated fiscal note on S.B. 291 as amended has not been submitted by the Board as of April 28, 2021.

SENATOR ROBERTA LANGE (Senatorial District No. 7):

The State Board of Cosmetology has come up with regulations for S.B. 291 that will go to the Senate Floor for approval.

SENATOR KIECKHEFER:

Will regulations proposed by the Board be proposed for addition to S.B. 291? Will S.B. 291 be passed in its current form with updated regulations already completed?

SENATOR LANGE:

My understanding is the Board created regulations that would be part of S.B. 291. We are creating a more advanced level of estheticians. They will deal with more advanced tools.

GARY LANDRY (Executive Director, State Board of Cosmetology):

The Board will propose changes to S.B. 291. The changes are necessary for the Board to implement advanced esthetician licensing. There is a positive fiscal impact on the State Board of Cosmetology. The fiscal impact covers esthetician testing, licensing and inspections. We estimate costs of \$190 per licensee for 15 licensees in the first year, totaling \$9,500. Revenues from testing and licensing will generate \$200 per licensee, generating \$10,000. The Board will keep \$500.

CHAIR BROOKS:

I close the hearing on S.B. 291. We move to S.B. 385.

SENATE BILL 385 (1st Reprint): Requires the Division of Child and Family Services of the Department of Health and Human Services to conduct a study during the 2021-2022 legislative interim concerning investments in juvenile justice prevention activities in this State. (BDR S-506)

MR. THORLEY:

The Department of Health and Human Services, Division of Child and Family Services (DCFS) submitted a fiscal note on S.B. 385 as introduced, indicating an estimated impact of \$30,000 in FY 2022-2023. Amendment No. 215 significantly changed S.B. 385. The measure now requires the DCFS to conduct a study during the 2021-2023 interim concerning investments in juvenile justice prevention activities in Nevada. The DCFS indicated through an unsolicited fiscal note that S.B. 385 as amended will not have a fiscal impact.

SENATOR JAMES OHRENSCHALL (Senatorial District No. 21):

Senate Bill 385 is one of ten recommendations from the Interim Committee on Child Welfare and Juvenile Justice. Amendment No. 215 asks the DCFS to study what is being done to avoid State commitments for kids. These include commitments to the Caliente Youth Center, Nevada Youth Training Center and Summit View Youth Training Center. The DCFS staff continually tries to keep kids out of State commitment by diverting them to alternative programs. The DCFS wants to help kids committed to the State see successful outcomes. The less kids are committed to State institutions, the better. Children have a better chance of success in their home communities. California is adopting this type of model. I believe California will be closing down their State institutions for minors over the next several years.

MANDI DAVIS (Deputy Administrator, Administrative Services, Division of Child and Family Services, Department of Health and Human Services):

As introduced, S.B. 385 would have allowed the DCFS to balance forward savings realized due to fewer kids being directed to State detention facilities. Monies balanced forward would have been reinvested in prevention programs to try to divert kids from State commitment. We want children to be served in their home communities or other areas where they can experience better outcomes.

As amended, S.B. 385 would allow us to study reinvesting funds in prevention programs over the 2021-2023 biennium. The DCFS hopes to return to a future session with a formal proposal. Senate Bill 385 will allow the DCFS to study

success measures, best practices and different funding mechanisms. Senate Bill 385 has no fiscal impact as amended. The DCFS submitted an unsolicited fiscal note formalizing the removal of the fiscal impact.

CHAIR BROOKS:

I close the hearing on S.B. 385.

I request a motion to introduce Bill Draft Request (BDR) S-1053, BDR 18-1071, BDR 32-1078, BDR 18-1081, BDR 40-1107, BDR S-1115, BDR S-1123, BDR S-1129 and BDR S-1146.

BILL DRAFT REQUEST S-1053: Makes a supplemental appropriation to the Division of Internal Audits of the Office of Finance in the Office of the Governor for an unanticipated shortfall related to payroll. (Later introduced as [Senate Bill 425](#).)

BILL DRAFT REQUEST 18-1071: Revises provisions governing the Office of Science, Innovation and Technology. (Later introduced as [Senate Bill 421](#).)

BILL DRAFT REQUEST 32-1078: Revises provisions governing centrally assessed property. (Later introduced as [Senate Bill 423](#).)

BILL DRAFT REQUEST 18-1081: Revises provisions relating to state governmental administration. (Later introduced as [Senate Bill 422](#).)

BILL DRAFT REQUEST 40-1107: Makes various changes related to public health. (Later introduced as [Senate Bill 424](#).)

BILL DRAFT REQUEST S-1115: Makes an appropriation from the State General Fund to the Division of Enterprise Information Technology Services of the Department of Administration as a loan for the replacement of the context management and portal platform. (Later introduced as [Senate Bill 426](#).)

BILL DRAFT REQUEST S-1123: Makes appropriations from the State General Fund to the Division of Child and Family Services of the Department of Health and Human Services for deferred maintenance projects at certain facilities. (Later introduced as [Senate Bill 427](#).)

BILL DRAFT REQUEST S-1129: Makes appropriations from the State Highway Fund to the Nevada Highway Patrol Division of the Department of Public Safety for the replacement of vehicles and motorcycles and certain equipment. (Later introduced as [Senate Bill 428](#).)

BILL DRAFT REQUEST S-1146: Makes a supplemental appropriation to the Office of the Attorney General for a projected shortfall related to extradition costs. (Later introduced as [Senate Bill 429](#).)

SENATOR CANNIZZARO MOVED TO INTRODUCE BDR S-1053, BDR 18-1071, BDR 32-1078, BDR 18-1081, BDR 40-1107, BDR S-1115, BDR S-1123, BDR S-1129 and BDR S-1146

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Remainder of page intentionally left blank; signature page to follow.

Senate Committee on Finance
April 28, 2021
Page 12

CHAIR BROOKS:
I adjourn this meeting at 7:16 p.m.

RESPECTFULLY SUBMITTED:

Joko Cailles,
Committee Secretary

APPROVED BY:

Senator Chris Brooks, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit Letter	Begins on Page	Witness / Entity	Description
	A	1		Agenda
S.B. 55	B	1	Shannon Chambers / Office of Labor Commissioner	Testimony in Support