MINUTES OF THE
SENATE COMMITTEE ON GOVERNMENT AFFAIRS

Eighty-third Session
February 12, 2025

The Senate Committee on Government Affairs was called to order by Chair Edgar Flores at 3:32 p.m. on Wednesday, February 12, 2025, in Room 2149 of the Legislative Building, 401 South Carson Street, Carson City, Nevada, and Room 4 of the Nevada Legislature Hearing Rooms, 7120 Amigo Street, Las Vegas, Nevada. Exhibit A is the agenda. Exhibit B is the attendance roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Edgar Flores, Chair
Senator Dina Neal
Senator Skip Daly
Senator Lisa Krasner
Senator John Ellison
Senator Lori Rogich

COMMITTEE MEMBERS ABSENT:

Senator James Ohrenschall (Excused)

STAFF MEMBERS PRESENT:

Jann Stinnesbeck, Committee Policy Analyst
Heidi Chlarson, Committee Counsel
Diane Rea, Committee Secretary

OTHERS PRESENT:

Timothy D. Galluzi, State CIO, Office of the Governor
Nick Schneider, Vegas Chamber
Mike Dzyak, State Fire Marshal, Nevada Department of Public Safety
Ryan Shane, Deputy Administrator, Division of Forestry, State Department of Conservation and Natural Resources
Albert Ruiz, Bureau Chief, Fire Protection Engineering, State Fire Marshal Division
Will Adler, Green Thumb Industries Inc.

Dan Thielen, Administrator, Division of Museums and History, Nevada Department of Tourism and Cultural Affairs
David Pierson
Cora Johnson

CHAIR FLORES:
We will go through the three Senate bills in the order they appear followed by the presentation by the City of North Las Vegas. I would like to open the hearing on Senate Bill (S.B.) 12.

SENATE BILL 12: Revises provisions relating to the Office of the Chief Information Officer within the Office of the Governor. (BDR 19-280)

TIMOTHY D. GALLUZI (State CIO, Office of the Governor):
I will read my testimony (Exhibit C).

SENATOR DALY:
A couple of questions regarding the classified/unclassified. I know it is a deputy, and I do not know how many other deputies are classified versus nonclassified. I am sure there are some of each, but it says that person can stay classified until they vacate the position. What is your definition of vacate? They have a lot of rights they do not have being a classified employee versus unclassified.

MR. GALLUZI:
The designation of classified does provide unique protections in state service, in state employment. Currently, all deputies within our organization are unclassified. The position of information security leader in this organization does have wide-reaching authority for setting cybersecurity policy for the entirety of the State. It has operational authority of the entirety of the Office of Information Security. It was our belief the unclassified classification was appropriate in this matter.

As for the position remaining classified until the current incumbent vacates, that is in there to protect the current incumbent. If the individual gets promoted into another role somewhere in state government or retires, that is when the position could be converted into unclassified. The position would have to be vacated before that transition happens with the language in the bill.

HEIDI CHLARSON (Committee Counsel):
Section 7 of the bill is the terminology change that moves the position from classified to unclassified. Section 31 of the bill also clarifies that the person who is currently the incumbent in the position of deputy chief as of July 1, 2025, which is the effective date of this bill, must remain in the classified service until he or she vacates the position. Because that position is currently a classified position, that person has the due process rights that are currently afforded to any person in the classified service of the State. Whether or not that person in the position on July 1 can be terminated is subject to the other provisions of law that relate to the classified service.

SENATOR DALY:
I wanted to make sure I understood. I read your paper and glanced at it quickly while we were looking at that. What is the difference between the director of the department, which is the existing language, and the proposed change to chief of the office? Are there two positions or just one? Because I think in section 6, subsection 2, paragraph (a), where the chief is named as the head of the office, there are not two positions, there is just one. You are just changing the name. Is there a director and the chief or just the director, or no director but now a chief? It was a little hard to follow some of that breakdown on the titles and positions and the chairs on the deck.

MR. GALLUZI:
I understand the ambiguity there. When discussing the Director's Office in section 6, subsection 2, paragraph (a), we are talking about the office, the budget account, the actual grouping of individuals within that unit. We are talking about a unit, about a group of folks that is the Director's Office. The position of the director is also the Chief Information Officer of the State. That is where the distinction lands. The person who fills my seat within state government is the Chief Information Officer of the State as laid out in *Nevada Revised Statutes* (NRS). That individual is also the head of the Office of the Chief Information Officer envisioned as the Governor's Technology Office in this bill. One is the unit's name of the Director's Office and the Governor's Technology Office, and then one describes the position. That is where the designation is. I believe with the classification study, there might be a little bit of rank-versus-title type of situation as well.

SENATOR DALY:
There is still only one person with maybe two titles but one position.

MR. GALLUZI:
That's correct.

SENATOR ELLISON:
I see there is no fiscal note on here. Is there a reason—because you are going to be changing titles, doors, phones and all kinds of stuff. There is no fiscal note. That is my first question. The second question, has the Governor signed on to this, or can you answer them?

MR. GALLUZI:
We have a decision unit that we submitted in our Governor's recommended budget which has a small amount of funding for changing of business cards, letterhead, et cetera. It is nominal. I believe it is in the $1,600 range, but that is already included in our Governor's recommended budget. That has made it into a decision unit that will be heard when we get to the money committees. As far as this bill, this was already vetted through the Governor's Office and has made it through that approval process as well.

SENATOR NEAL:
Because I am on the Senate Committee on Finance, why are we trying to move to people who can be more easily fired? Because that is basically what you are doing.

MR. GALLUZI:
It is not about trying to move an individual to be easily fired. It is really for parity for the other deputies who are in the office as well as to have one individual of a different classification that is holding the position of a deputy versus the other individuals in the office who are also holding the position of a deputy which does create a bit of an imbalance and a parity issue in the office. This is a parity and fairness issue that we are also trying to resolve.

SENATOR NEAL:
Just for the record, how many deputy chiefs are unclassified now?

MR. GALLUZI:
This is the only deputy that is called out in statute. Right now in the office, I currently have two other deputies that are in the unclassified service.

SENATOR NEAL:
Their roles are what?

MR. GALLUZI:
One serves as my chief of operations, and one serves as my chief technology officer.

SENATOR NEAL:
You want the people who have the most knowledge on operations and information to be unclassified. If you lose individuals and training seems to be a huge conversation this session, how does this movement really benefit the agency long term?

MR. GALLUZI:
The unclassified service also provides us other opportunities to be able to pay at a higher level, attract other talent and hopefully increase the compensation for the additional duties and responsibilities that we're asking for statewide responsibility for policymaking and the authority that we are asking highly seasoned individuals with a vast scope of responsibility to take on. The unclassified versus classified conversation I am sure is a debate that will continue to happen on and on.

This is a position that has the level of responsibility and authority that is typically indicative of the unclassified service.

SENATOR DALY:
When you answered the question a second ago, you were talking about this level of parity within the office? Other than the title—they have the same titles or same deputies—what is the other disparity in the positions? Does the classified get paid more? Does the unclassified get paid more? The unclassified does not have scheduled raises versus the classified. What is the disparity besides the titles that are the same? What is the rest of the parity you are looking for?

MR. GALLUZI:
Typically, unclassified employees have greater flexibility in the pay rate. That is where we will see some parity issues.

SENATOR DALY:
Greater flexibility in the pay grade. Does the classified get paid more or not?

MR. GALLUZI:
Yes.

CHAIR FLORES:
I thought you were going to bring all your deputies, every single one just lined up.

NICK SCHNEIDER (Vegas Chamber):
We are in support of this change of nomenclature to better align with the Governor's Office of Finance and the information technology function oversight this department will cover.

MR. GALLUZI:
This committee and body have done so much work for information technology governance and being able to bring the conversation of technology in the Executive Branch from tactical to strategic. I appreciate that and want to build on moving forward, and I believe S.B. 12 helps us do that.

CHAIR FLORES:
We will close the presentation on S.B. 12 and open the hearing on S.B. 25.

SENATE BILL 25: Revises provisions relating to fire protection. (BDR 42-249)

MIKE DZYAK (State Fire Marshal, Nevada Department of Public Safety):
Senate Bill 25 is a cleanup bill for the State Fire Marshal Division. The first part is the removal of NRS 477.010 in [section 2, subsection 1] to allow the Division to organize itself internally so it may adapt to changes in both staffing and statutory requirements without the need for a bill draft request. The existing bureaus are structured similarly but with the additions of the state emergency response commission, fiscal and fire prevention sections. The current bureaus of the State Fire Marshal are fire investigation; engineering and inspections; training and certification; licensing; fiscal; prevention; data and statistics.

The addition, the cannabis cultivation and production facilities to NRS 477.030, [section 2, subsection 1], paragraph (c) allows the State Fire Marshal to perform plan reviews, conduct inspections, ensure hazardous material compliance and

enforce all fire life safety provisions in these facilities. The Division is aware that companies have begun to set up these facilities within the State Fire Marshal's jurisdiction. The Division, in conference with the Nevada Board of Fire Services, believes the Division has the resources and expertise in these areas to protect workers in the community as well as ensure the minimum safety standards are met or exceeded because these facilities tend to have significant volumes of hazardous materials. The Division is in the best position to fill this need.

The removal of [sub]section 3 from NRS 477.030 is requested as it is an obsolete requirement. The State Fire Marshal and the State [Forester] Firewarden cooperate in numerous ways in all areas related to the prevention of fire. The Division was given the responsibility to adopt, for the State, the International Wildland-Urban Interface Code (IWUIC). The IWUIC now dictates the way vegetation should be managed within the wildland-urban interface. The need for this specific provision is no longer required. The State Firewarden and I have consulted on this and agree. She has staff here to provide an amendment that would strike the same language from [NRS] 472.

RYAN SHANE (Deputy Administrator, Division of Forestry, State Department of Conservation and Natural Resources):
I am here to present the [proposed] amendment (Exhibit D) to the bill which is simply a conforming change to the changes Fire Marshal Dzyak has described with vegetation management and enforcement adoption of regulations and laws. Our State Forester [Firewarden] serves on the State Board of Fire Services governed by NRS 477.073. There is constant dialogue about necessary things to help manage fire from all partners included on that Board. We see this as a necessary change just to clean it up and get current with our statutes and practices.

MR. DZYAK:
The additional language to amend NRS 477.030, [section 2, subsection] 5, [paragraphs] (a) and (b) of "an injury … or financial loss greater than $2 million" bolsters the requirements of local fire and law enforcement officials within the State Fire Marshal's jurisdiction to request a State Fire Marshal/Investigator.

This language also allows fire and law enforcement officials in counties with a population greater than 100,000 people to request State Fire Marshal assistance in these cases. Those are the basic parts of the bill.

SENATOR ELLISON:
Looking back, there was a bill that went to the county commissioners, and it pertained to cannabis and agricultural areas, but it does not show it in this bill. My question is, some of these areas, these cannabis farms are out farther away from roads because they are in field areas. One of the questions brought to me was what kind of roads are they going to require to get these things? I mean, as a regular gravel road with spray on it or are they going to try asphalt?

MR. DZYAK:
That would be more of an agricultural area. That is not what this is about. This is about the extraction facilities. I have knowledge of companies going out into the rurals and setting these extraction facilities which, unlike the agricultural counterparts, have a lot of hazardous materials. The volunteer fire chiefs in those areas are not equipped to deal with this. It was not obviously something anyone thought about when they built [NRS] 477 with what they wanted the Fire Marshal to oversee as far as the fire life safety codes. This is simply putting us there. We believe it would be about 25 facilities statewide within our jurisdiction in areas where we do not have a current interlocal agreement with the local fire officials. It would also place it around where our regulations apply throughout the State. We are not talking agriculture. We are not talking dispensaries; we are talking about where they extract the product.

In Pahrump, we had facilities like this that are not permitted—no one knew what they were doing—that have blown up and injured people. It is likely to happen. We just want to get in ahead of it. I would like to also add that the State Fire Marshal is 100 percent fee-based. We do not anticipate a big expenditure of this anything past what we currently have. We would conduct most of these inspections in conjunction with other inspections while we are already out there doing state facilities, churches, places of assembly, all the things that we are required to go inspect. I believe that part of it will be minimal. I have driven on those roads. I do not want any fire trucks on those.

SENATOR ELLISON:
You are talking $1.5 million a mile for roadway? I appreciate that and this clarifies it.

SENATOR ROGICH:
My understanding is that the cannabis cultivation facilities and cannabis production facilities must hold privileged licenses which are issued by the

Cannabis Compliance Board (CCB). A company must be following the strict laws and regulations of the CCB. This also includes compliance with local requirements which include fire inspections, enforcement of fire safety measures and approvals. We have at least 128 cultivation licenses throughout the State and 100 production licenses. The letter (Exhibit E) that was submitted by your office relates to one cultivation license in the City of Caliente in Lincoln County. Why is it necessary to create additional fire safety regulations for cannabis facilities when these businesses are already heavily and strictly regulated by the CCB and local jurisdictions in which they operate? The second part of that question is: have you discussed this with the CCB and does the CCB agree with what you would like to do?

MR. DZYAK:
We have the list of the facilities. They took us on tours of those facilities. This is not enacting further regulations on the cannabis facilities. This is saying the regulations of the State Fire Marshal apply throughout the State. The minimum fire codes apply throughout the State. Any of these places that are built anywhere are supposed to meet those minimum requirements. What this is saying is that in a place like Caliente, the volunteer fire chief does not have the expertise to deal with the chemicals, secondary containment, extraction processes. If it is an age occupancy or a hazardous occupancy, that is really all we are doing. We are saying that if you look at the rest of NRS 477, it tells the State Fire Marshal exactly where I am supposed to be. I am supposed to be in schools, churches, places of assembly, eating and drinking establishments—over 50 in those rural counties. It does not mention anything about this because this was not a thing back then. All we are doing is saying that as the fire official and the authority having jurisdiction in those locations, we would be the ones to just ensure that they are meeting those basic standards. We are not adding specifics. There are already things within the International Fire Code that deal with these types of facilities.

SENATOR ROGICH:
What you are asking is for the businesses to submit and comply with a new regulation beyond what the CCB is requiring?

MR. DZYAK:
I do not believe so. Whatever they require would still have to be the minimum fire codes adopted by the State Fire Marshal. You cannot be less stringent than the State Fire Marshal codes. Local jurisdictions can enact codes that are more

stringent, and they often do; places like Clark County have their own fire code that is far more stringent than the base code adopted by the fire marshal. My codes are supposed to apply predominantly well across the State, but in the rural we stay at the base code. They would have to do all these things anyway. We would just be the ones who handle it for them instead of going to the fire chief of Caliente who does not have that level of expertise. We are there to say, answer the questions and ensure the compliance.

SENATOR ROGICH:
To receive a license, the organizations must now get your inspection approval to secure that license.

MR. DZYAK:
I do not know a whole lot about the cannabis system. I guess you would say this is something new to us. Through the State Board of Fire Services and discussions, someone must look at these and sign off. If that business wants to set up somewhere, there is a fire official somewhere who went in and did the inspection, ensured the minimum code standards and said they are good to go. That is separate from what a license would be for them to do no matter where in the State they would build this facility. What we are saying is that those communities, especially in the rurals which we believe there are about 25 of them, can be set up in places where there is not anyone that has the licensing, the [International Code Council] ICC certifications to perform an inspection and know whether they are under compliance with the adopted fire codes.

SENATOR ROGICH:
Have you spoken to the CCB?

MR. DZYAK:
Yes, we got the lists from them, and they took us on a tour. They took my assistant state fire marshal on a tour. They gave us lists of the facilities and that is kind of how we got here.

SENATOR ROGICH:
How does a small organization … [unintelligible] …

MR. DZYAK:
That would depend. If they are currently in business, we would have to go and perform the inspection and ensure that the base fire code is met. If it is not, we

would then work with them to gain compliance. If it was a new facility, then they would submit their plans for that facility to us; there would be a fee. We would then do the inspections, ensure the safety of the building. They are not in this to gain any kind of funding; this is a safety issue for us.

SENATOR ROGICH:
Will you be conducting any workshops in conjunction with the CCB to take into consideration the licensees and the feedback that they may have?

MR. DZYAK:
I had not planned on that, but I am more than happy to. This is something that needs to be addressed. If you build this building in Clark County, Washoe County or Carson City, they are going to have to comply with much stricter standards than the State Fire Marshal, regardless of whatever their licensing requirements are. We are not trying to get into the licensing requirement for cannabis facilities business. We are simply just trying to make sure that the workers who go in there and work all day are safe.

SENATOR ROGICH:
If they do not comply, they do not get a license?

MR. DZYAK:
Yes.

SENATOR ROGICH:
We have the City of North Las Vegas here. They have very strict regulations regarding fire measurements. Will you be overriding those?

MR. DZYAK:
The State Fire Marshal regulations apply throughout the State, except my ability to enforce them is limited to counties of the population of under 100,000. While those base codes would apply in North Las Vegas because it is in a county with population greater than 100,000, we would not do anything with that.

SENATOR NEAL:
I have a question that dovetails into Senator Rogich's. In NRS 477.031, the language says if you are going to go and look at an agency, you get a chance to set up fees for those services and activities. You had mentioned to

Senator Ellison that it is fee-based. What is your expectation to collect fees from the cannabis facilities who you will now be going in to look at? Technically, it would fall under your jurisdiction because you must adopt a regulation through NRS 477.030. It leads you right to the next one to adopt regulation for the new activity.

MR. DZYAK:
Not necessarily. The regulations are already in place and the ICC International Fire Code already addresses these types of facilities. The State Fire Marshal does not charge for the inspection unless it is in conjunction with a plan review. If you built a building and it had a plan review, there would be a fee for that. There would then be, built into it, a fee for the inspection. We do not charge churches, schools and other places to do the inspection. That is part of it. There are not many of them, and we are out there doing them already. We would be able to look for that. But the fees would really be only with a tenant improvement or some sort of change or building of a new facility. They are not going to get hit with a fee for the inspection-specific.

SENATOR NEAL:
What are your fees generated from?

MR. DZYAK:
The fees are generated normally where this is placed in the statute from plan reviews. If you did a tenant improvement, and you wanted to add an addition onto this and it is a hazard occupancy, we would then do the plan review to ensure that the fire systems are following that. There would be a fee with that. With the fee, you get an inspection. When you are ready, we inspect it. We say you are good to go, write you a certificate of compliance and we are on our way. The annual inspection of those facilities is already in the statute that we do not charge for. So those inspections will not cost the businesses any more.

SENATOR NEAL:
Can you break down what is the meaning in [S.B. 25, page 2], lines 33 and 34, where in this new language you are adding a public assembly. It is under the cannabis cultivation, cannabis production. On line 33 now we have a public assembly that is a gathering of more than 50 folks. Give us the real-life application of what the adding of this language means. What will you be doing around a public assembly?

MR. DZYAK:
I would like to bring up my Engineering Chief Albert Ruiz.

ALBERT RUIZ (Bureau Chief, Fire Protection Engineering, State Fire Marshal Division):
Could you repeat the question?

SENATOR NEAL:
The question is for line 33 on [page 2]. What is the application of this public assembly like? What will you be doing regarding your duties and powers which come under NRS 477.030 regarding a public assembly, which means a building or portion that is being used for someone who is gathering 50 or more persons. It sounds like it is any kind of entertainment or other things, but you are adding this language. What are you trying to get at?

MR. RUIZ:
The gist of this portion is if one of these facilities would like to have some kind of public assembly in place for training or any kind of purpose where there are 50 or more persons, that is when this would be brought into place.

SENATOR NEAL:
You mean a cannabis facility?

MR. RUIZ:
That is correct. There are already provisions for 50 persons in the public assembly in other areas such as churches, schools, those type of assemblies. What this is doing is including a public assembly portion into a cannabis facility occupancy.

WILL ADLER (Green Thumb Industries Inc.):
There is a lot to be unpacked with the testimony from the Fire Marshal. I do agree that there is a lot of danger with unlicensed cannabis production facilities. We have seen these crop up in things like U-Hauls. These are illicit businesses that are doing illegal extraction for the most part. Multiple fire districts, multiple fire marshals have had homes, small containers and other places that have these explosive events where people incorrectly extract cannabis products.

By and large, that is in no way the cannabis industry of Nevada. The licensed industry, as Senator Rogich did reference, is the most licensed in Nevada,

possibly. But to get one of these production licenses, you must go through a very extensive local government process with the fire marshals, with the teams there. Even in rural counties; I have put some of these together in Pahrump. I have done them in Lyon County and other places. There is a very extensive back and forth with your local government because it is not just the fire overview, it is the whole special use permit process. Even if it is not a big established county like Washoe or Clark County, there is a very in-depth process for every local government special use process. Each one of them took a fine-tooth-comb look at production facilities, especially because they are very new, very unknown at the time and did have a lot of unknown risks when it came to fire and explosive events.

We do have a lot of processes in place. I see sort of the logic and the language here, but it is more a problem I see outside of the licensed commercial cannabis business here in Nevada. Most of these establishments are sort of established at this point.

Having some penalties around or means to ensure access to the facility or additional exits—terms, maybe for the signers, that would be okay. We structurally changed some of these buildings. Most of them are already built at this point. Maybe some notion of grandfathering or something of that degree would need to be in here.

I do think the rest of the bill has some merit—the noncultivation and production portion of it. This is a problem mostly outside of the regulated market.

CHAIR FLORES:
We had lengthy discussions leading up to this hearing. I know the intent was for you to be able to go in and enforce the rules in place now and not necessarily expand beyond that scope. And in terms of fees, it was not the intent to come in and start adding additional fees. I think we will have an opportunity to work collectively along with Senator Rogich and some of the other members just to ensure that we are capturing the true intent of the bill. We already have an amendment that is being proposed, that is friendly. That opens the door for us to find some common ground.

MR. DZYAK:
Absolutely. I understand all the questions. My staff and I stand ready at any time for more questions-and-answers workshops. I have been doing this for

25 years. I have spent almost half my life—started as an inspector and worked my way up to the chief's position—and I understand the difference in the rural communities. I can tell you with all honesty, this was brought simply from a safety standpoint. This was not from a regulatory fee base or to get involved in the cannabis licenses. It is simply a let us make sure everybody is being safe. If it does not specifically say it in the statute and a company comes into one of those jurisdictional counties, I want you to understand there may not be anyone there with ICC certifications to ensure that those workers are provided a safe working environment to deal with the hazardous materials in place. That is the reasoning behind this.

CHAIR FLORES:
We will close out the hearing on S.B. 25, and we move to our final bill presentation which is S.B. 27.

SENATE BILL 27: Revises provisions relating to museums. (BDR 33-281)

DAN THIELEN (Administrator, Division of Museums and History, Nevada Department of Tourism and Cultural Affairs):
We are thrilled to be here because museums are a vital and dynamic part of state government providing unparalleled benefits to Nevada's communities. Our presentation (Exhibit F contains copyrighted material. Original is available upon request from the Research Library.) shows our museums are at the forefront of inspiring curiosity and lifelong learning for all generations and enriching lives by preserving and sharing our rich cultural heritage. The work we do is crucial, and the impact on Nevada communities is profound. We are proud of the significant role we play and the positive influence we have across the State.

The Division of Museums and History is comprised of seven important museums throughout the State. We save and share Nevada's heritage. We provide a welcoming space that inspires, informs and connects all who explore our shared history. We have a rich tradition of public service, inclusivity, collaboration, teamwork, stewardship and transparency. Our museums are pivotal, sharing and enhancing the cultural heritage and social life across Nevada. They tell captivating stories, preserve our rich heritage, interpret our past and explore our future. Museums enrich our lives daily, satisfying our thirst for knowledge and sparking our imaginations. They offer forums for learning, enjoyment and a well-deserved escape from everyday hustle. Museums preserve countless priceless objects, safeguarding these treasures for future generations.

Our impact on communities goes far beyond the numbers [shown in our presentation], and our museums in the broadest sense also provide welcoming spaces where communities come together. They can interact, understand and celebrate cultural heritage. The contributions of museums are invaluable, and they continue to make a profound difference in the lives of so many.

One of the primary ways museums play a vital role in saving history is through collecting, curating and protecting items for future generations. Arguably, the core of a museum is its collections, and these items have the unique ability to unlock the past in a way storytelling, conventional education and reading cannot match. It is an important undertaking that requires skilled professionals to ensure the materials are properly cared for and preserved. We share our history in countless ways. Many of which are unconventional.

If we had the time, I could share experiences when Nevada's collections have connected with people with disabilities. When the public encounter our artifacts and finally understand their meeting, a whole part of their brain lights up and you can see where that takes place. You become grateful for the people who preserved it because you were not there. Somebody thought about it 50, 60, 80 years ago, and they allow us to illuminate aspects of history that are often overlooked in traditional education.

This Division is the most remarkable division in the State. We assist other agencies in numerous ways, and I will mention two examples where I was personally involved. This just happened within a couple of months. They are kind of cool. We helped the University of Nevada, Reno (UNR) ROTC and Fort Churchill in the Division of State Parks. Both oddly have cannons they use for demonstrations, and they were having problems in both areas. For several years, I served in the army as an artilleryman as a gun chief. When it came up that they needed some assistance, and they asked one of the museums to assist, I inserted myself in the middle. We went out and did some research and helped them at UNR. We inspected and certified their pack howitzer, so that when the occasion arises that UNR scores a touchdown, they can blast that cannon with a pound of black powder, and it is cool. We got to do that on the day when the stadium was empty.

Fort Churchill has some cannons that were from 1863, the Civil War Era, brand-new out of the box. They almost never used them. They are in really good shape, but the trunnions and the wheels needed some assistance, and

they have reached out again to the Nevada State Railroad Museum. They are now in the process of being preserved. In this way we support other agencies. If you can add gunpowder, that is a lot more fun.

Finally, we assist in the curation, protection and consultation of the remains of Native Americans on behalf of State agencies and the federal government. While so many of our activities and services we provide are inspiring and fun, this work is sacred. We work hard with the tribes in Nevada to ensure their ancestors are returned to where they belong. In the interim, while we have them, we care for them in a way that we hope brings comfort to those who are connected to them. This difficult task is challenging, and it is fraught with nuance. When we get it right, it becomes clear why this activity is so important.

Senate Bill 27 will directly help us in this effort. The Board of Museums and History is a strong supporter. They aid with many activities to the museum. They began in 1939. The Board was started by overseeing the Nevada State Museum in Carson City, one singular museum and their activities and expenditures. Originally, the Board included the museum staff and some people from the community. They ensured the museums operated transparently and adhered to an ethical code. Over the past 86 years, the Board has evolved and expanded. It is responsible to oversee all seven museums with a particular focus on managing their trust fund.

Today, the Board's two primary duties are to govern the trust fund, oversee its expenditures and to support the SHPO [State Historic Preservation Office] in their duties. This includes reviewing recommendations for the State Register of Historic Places and the National Register as well and other significant activities.

Senate Bill 27 does three things. First, it renames the two state museums as the Nevada State Museum in Las Vegas and the Nevada State Museum in Carson City. This change removes any perceived distinctions from among our museums, emphasizing that our museums are equal, and none is above the other. The second change with S.B. 27 is to grant the Board of Museums and History the authority to establish fees and services provided to the public or to other agencies regarding curation and similar activities. This will allow us to receive funds for services, storage of materials and recover costs associated with this work which includes research. Finally, S.B. 27 will remove archaic language that confuses collections management authority.

We feel this naming convention will reflect that every citizen in Nevada has a claim on Nevada's museums. These museums belong to the people of Nevada. In the next 150 years, if our system grows and we add more museums throughout the State, we want to ensure that if there is a state museum in Nevada, it is the State's museum. If we add one in Elko, it is the State's museum and it belongs to the people of Nevada. While we have no current expectations of adding a museum in Elko or Mina, the future is as unpredictable as the past is mysterious. We want to ensure if the State is involved in historic preservation through its museums, they belong to the State, and that means they belong to you.

This proposed policy will enable our museums to charge reasonable and customary fees for a range of services provided to the public, state agencies, federal agencies and other museums. These services encompass storage, curation, repair and specialized study. The revenue generated from these fees will be pivotal in covering the cost of utilities, wages, essential materials which support our operations and allied activities. The policy allows us to establish specific fees for storage and curation services, ensuring that these funds contribute to both our general fund and trust fund activities. This financial support is crucial for maintaining and enhancing our capabilities. Our dedicated staff will meticulously develop policies on a pricing structure based on actual costs. These proposals will be presented to the Board for their thorough review and approval. This approach not only ensures transparency and accountability but also guarantees we can continue to provide exceptional service while maintaining financial sustainability.

The Board of Museums and History began it is journey in 1939. Initially, the Board included Nevada State Museum staff and other people in the public. Today, the Board combines the Boards of the State Museum in Carson City, the Nevada Historical Society and the responsibilities of the State Historic Preservation Office. We find the clause in NRS 381 “at the sole discretion of the Board” unnecessary now. It conflicts with language later in the NRS with respect to the administrators and the directors who have responsibilities.

In the Board's responsibilities, it specifically states that their role is advisory except for the financial part of it. But later, this clause pops up that says whenever you want to take something and show it inside or outside the State, you can do it at the sole discretion of the Board. It confuses responsibilities and our staff because it is in NRS 381.0063, [subsection 2, paragraph] (f). Every

time it comes up, they refer to it as the F clause for reasons that I can't understand, but it is a little problematic for them. It duplicates the responsibilities of the administrator and museum directors that they are mandated to carry out by the State.

In 1939, this clause was essential because no authority exhibited the State Museum's property in other locations without the Board's sole discretion. As our institutions have evolved and grown, the need for this clause has diminished. Our current administrative and curatorial teams possess the expertise and statutory authority to make decisions regarding the management and exhibition of our collections. This change reflects our commitment to streamlining processes and ensuring that our museums operate with the highest level of efficiency and professionalism. By updating our policies and removing outdated language, we are better equipped to serve the public and fulfill our mission of preserving and sharing Nevada's rich cultural heritage.

We are incredibly proud of the work we do in the Division, and we are excited about the bright future ahead together. We will continue to preserve and celebrate Nevada's rich cultural heritage, ensuring it inspires and educates generations to come. We will move forward with enthusiasm and commitment and knowing our efforts are making a lasting positive impact on our communities and their citizens.

SENATOR ELLISON:
I appreciate the presentation. The question I have is on Ely's train station. Can you give us an update where we are on the old train in Ely? I think that is important and very vital to that area. It is amazing what that thing does during programs like Christmas and everything else. That train runs on the Fourth of July. They blow fireworks off the top of the train as they are traveling. I would like to get an update where we are and how it is going and holding together.

MR. THIELEN:
There are two activities at the East Ely [Railroad] Depot [Museum] and the Nevada Northern Railway Foundation, and they are complementary. There is a tourist train out there and an amazing facility with 40 buildings. The State currently is the owner of the depot and the freight barn. The language in the transfer is strong and clear that the State owns those two buildings. There is some conflict with the Foundation on determining what that really means. We have some issues that have devolved into litigation. We will resolve it through

the courts, and there is currently a lawsuit. The concern is that the Foundation has some use of the depot within the language of the transfer of the deed. They have interpreted that they have unlimited access without having to pay for utilities, maintenance and repairs. It is costing the State a tremendous amount of money in doing that. Trying to resolve that through agreement, we had an agreement that unilaterally broke it, and [the Foundation] has not paid us anything since probably 2018 or 2019, the last time we have seen anything.

They contend they are correct. We contend that we are correct. We do not want that to be harmed. We think the activities are complementary. The State does a great program teaching history. They do a great program managing the tourist railroad, and the two are not in conflict. They are complementary, and we would love to be a great partner with them to enhance that program because the entire site together [between] the State and the Foundation is probably the best-preserved piece of history, industrial technology—from the thirties, forties and fifties—on the planet. It is amazing and exciting when you go out there. It is a tragedy that the agreement over usual and customary is causing this conflict. Did I answer your question?

SENATOR ELLISON:
Yeah, I have been involved with that since I think 2011. We could see the progress and the problems that have occurred during the time. But the big thing is we need to stay focused on what that does to the community, the train and the gift shops and stuff like this. A lot of people have never been on an old steam engine like the one we have here in Carson. It is kind of neat to let the people come through there and see that and enjoy it. Anything we can do to help if we want to. I just want to see that thing be preserved for years to come.

SENATOR DALY:
I think you primarily answered my questions on the deletion of the sole discretion language in the section F question. Just explain a little bit so I understand. You have the Board; how is the Board constituted? Who appoints them? Does the Board hire the administrator? Is there only one administrator? And then you have individual directors for each museum that the administrator gives direction to, and the director carries out. Is that correct? Or can you just give me a baseline of how the Board gets … what the hierarchy is?

MR. THIELEN:
It is a great question, and you nailed it. The administrator works for the Department of Tourism and Cultural Affairs, and it manages seven directors, one in each museum. The Board is advisory in its capacity. On the selection of the administrator, the Board advises the director of Tourism and Cultural Affairs on their selection for that person. Then their role primarily is to manage the trust funds of the State. *Nevada Revised Statutes* 381 has given tremendous responsibility to the Division of Museums and History and its Board to manage donated funds. Those funds do not come into the general fund. While they are very modest, there is not a lot of amounts in there. If somebody donates $50 and they could only afford $50, we have got a responsibility to ensure that those funds are used well and they go with the intent of the donor. Whether it is a $1 million donation or $5, we want to make sure those funds are cared for, and we marshal and spend them very carefully. The Board provides oversight on that expenditure.

SENATOR DALY:
Is the Board appointed by the Governor, but the administrator is hired by the Tourism Division with advice and consent, but the Board is appointed?

MR. THIELEN:
I agree with that. The administrator is an employee of the State in unclassified service working directly for the director of Tourism and Cultural Affairs. The Board is appointed by the Governor of the State, and they have a pretty big range of requirements. If you go into the statute and you read, we have to have historical collection—somebody with archaeology, somebody with historic buildings, representatives of the Native American community and other members of the public.

SENATOR DALY:
Based on what you explained to us and the role of the Board, advisory administering, making sure that the grants or anything they received is following the requirements of the donation, et cetera, then the whole section [3, subsection 2]—where we have the [paragraph] (f), where we are removing that potentially conflicting language—starts out it says "the Administrator may authorize or require a museum director to," and it goes through several things. I am just curious if there is a similar type of potential conflict in [paragraph (d)] where you would establish such a program in history, archaeology, anthropology, paleontology, mineralogy, a bunch of other "ologies" and "such

other programs as in the judgment of the Board and the Administrator may be proper and necessary to carry out the objects and purposes." Is it the administrator that has the authority, or is it the judgment of the Board and the administrator that have a similar conflict, or is it just a piece you skipped over?

MR. THIELEN:
This has never been a conflict. The other point has been a conflict. Can I do a little bit of research and get back to you on that?

SENATOR DALY:
I am not saying that if there is no conflict, you need to find a problem, but the way you explained it, the Board has a role and that could potentially be a conflict at some point if, in their judgment, they do not want to do it. If it is not their role, you might as well do it while you are here.

SENATOR ELLISON:
I would like to ask about—and I know that a lot of that is private fund money that goes in—the bookmobile that they have in Elko, that gives them a lot of areas. It is fantastic what they do and where they get to. Is that still going to be funded and keep going, or where are we with that?

MR. THIELEN:
That is not a function of the Division of Museums and History. I do not have an answer for that.

SENATOR ELLISON:
I knew it was with the museum. I knew it was private money.

MR. THIELEN:
If you would like, I will look into it …

SENATOR ELLISON:
I have friends who work there. It is an amazing program that they have, and it looks like most of it is raised by private funding or maybe the State.

DAVID PIERSON:
I will read my opposition statement (Exhibit G). Other institutions, University of Nevada, Las Vegas [UNLV] the University of Nevada, Reno [UNR] do not include

the word “in” within their names. I do not see them having a geographic problem being UNLV, UNR. I do not understand putting “in” in the bill.

If the committee is committed to geographic difference between the two museums, I think what I am seeing in the bill is they are going to take out the semicolon between the Nevada State Museum in Carson City and put “in” in there for the geographic location. I submit that, to do that, they could also just take the “Las Vegas” and add a semicolon in between “Nevada State Museum,” semicolon, “Las Vegas.” That would accomplish the same thing without changing what we have had in our record since 1941 here in Carson. The fiscal agency said there would not be any resources required. However, I do not know how it is been resolved. So that was my only other question.

CORA JOHNSON:
I am representing myself, and echo Mr. Pierson: eliminate "in." I also echo what Mr. Pierson said about taking out the word “in” except that I would put a comma between the two locations, primarily for me, because it does not roll off the tongue. It is like UNR, UNLV on the presentation that we just saw. The Nevada State Museum Las Vegas, which to me, implies there is no “in.” We should eliminate that. I would also recommend the word “in” be taken out of the two railroad museums, here in Carson City and Boulder City.

MR. THIELEN:
We are grateful to have had a few moments to spend with you here to discuss these things. We will take the comments in their intent, and we will consider those as well and perhaps come to a different conclusion.

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CHAIR FLORES:
We will close out the hearing on S.B. 27. We were originally going to have a presentation by the City of North Las Vegas. But as you all know, recently police officer Jason Roscow was killed in the line of duty. He is going to be honored in a procession that is going to be taking place tomorrow morning. Unfortunately, our mayor, who was here, needed to catch the last plane back to Las Vegas to make sure that she was honoring that fallen officer. We are going to go ahead and postpone that presentation for a later date.

Is there any public comment? Hearing none, we are adjourned at 5:01 p.m.

RESPECTFULLY SUBMITTED:

Diane Rea,
Committee Secretary

APPROVED BY:

Senator Edgar Flores, Chair

DATE:

EXHIBIT SUMMARY				
Bill	**Exhibit Letter**	**Introduced on Minute Report Page No.**	**Witness / Entity**	**Description**
	A	1		Agenda
	B	1		Attendance Roster
S.B. 12	C	2	Timothy Galluzi / Office of the Governor	Written Testimony
S.B. 25	D	7	Ryan Shane / Division of Forestry, State Department of Conservation and Natural Resources	Proposed Amendment
S.B. 25	E	9	George Rowe / Caliente Volunteer Fire Department	Letter
S.B. 27	F	15	Dan Thielen / Division of Museums and History / Nevada Department of Tourism and Cultural Affairs	Presentation
S.B. 27	G	22	David Pierson	Opposition Statement