Assembly called to order at 11:09 a.m.
Madam Speaker presiding.
Roll called.
All present except Assemblymen Duncan and Hogan, who were excused, and one vacant.

Prayer by Assemblyman Andy Eisen.
May it be Your will, O God, to bestow upon us blessing and kindness. We pray, especially on this difficult anniversary of a national tragedy, that all peoples of the world can find a path to peace.

May God guide this Assembly to come together in a spirit of cooperation and respect. May God grant us wisdom to legislate for the best interests of the citizens of Nevada.

Finally, may God protect us from all trouble and travail, and when our task here is done, may God guide us home safely to our families and friends.

Amen.

Pledge of allegiance to the Flag.

The Assembly observed a moment of silence in remembrance of 9/11 and concern for Assemblyman Duncan and his family.
Assemblyman Horne moved that further reading of the Journal be dispensed with and the Speaker and Chief Clerk be authorized to make necessary corrections and additions.

Motion carried.

MOTIONS, RESOLUTIONS AND NOTICES


Motion carried.

Assemblyman Horne moved that Assembly Bill No. 3 be taken from its place on General File and placed on the top of the General File.

Motion carried.

GENERAL FILE AND THIRD READING

Assembly Bill No. 3.

Bill read third time.

Remarks by Assemblywoman Carlton.

ASSEMBLYWOMAN CARLTON:

Assembly Bill 3, the body will recollect from yesterday, is a change through the Department of Taxation on the liability for the general tax on insurance premiums. It was put into statute in 1971. We received a lot of numbers on the dollars that had been exempted since 1998. It only applies to 1 percent of the businesses that are eligible in this state, and the Department of Taxation did an excellent job of breaking down the numbers for us yesterday. I would be happy to answer questions, but since it is so fresh in our memories, I don’t feel we need to go too deep into it.

Roll call on Assembly Bill No. 3:

YEAS—39.

NAYS—None.

EXCUSED—Duncan, Hogan—2.

VACANT—1.

Assembly Bill No. 3 having received a two-thirds constitutional majority, Madam Speaker declared it passed.

Bill ordered transmitted to the Senate.
Assembly Bill No. 1.
Bill read third time.
Remarks by Assemblymen Bobzien and Hansen.

ASSEMBLYMAN BOBZIEN:
Assembly Bill 1 deals with the Economic Development Electric Rate Rider Program that is already in existence. This bill requires the Office of Economic Development to determine that approval is in the best interest of the state before granting an application approval under the program. The bill also extends the required term of contracts under this program from five years to ten years and extends the term of the discounts applicable under the program from four years to eight years. The bill also extends the provisions relating to the program so that instead of terminating on June 30, 2018, the provisions continue until the termination of the last contract entered into.

ASSEMBLYMAN HANSEN:
I urge passage of this bill. I think this is really an historic precedent at this point, even though this the first one that we are going to address today.

I think we should take a minute and thank all the people that went before us to help lay the groundwork that encouraged a giant company like this to come here because of our very positive regulatory climate and the fact that we are a “get it done” state, as the owner of Tesla specifically mentioned. I thought that was a nice compliment to the legislative bodies and the regulatory bodies of this state. I especially wanted to take a minute to thank the Economic Development folks, the Governor’s Office, the leadership of this house, and even the Senate for having the fortitude to see this thing through.

This is a monumental change for the state of Nevada. This is arguably the biggest thing that has happened in Nevada since at least Hoover Dam, and we are part of that process. I think we should take just a minute to reflect a little bit on being part of something so monumental and historic for the state and thank all the people who have been providing the leadership. I would urge this body to pass this along with the rest of the packages as they come forth today.

ASSEMBLYMAN BOBZIEN:
Because my good friend from Sparks always inspires me to also make floor speeches, I also want to extend thanks to you, Madam Speaker, for your foresight in bringing this program and fighting for the specific Electric Rate Rider Program for many sessions and finally getting it done. This in place was a major part of attracting the big project.

Roll call on Assembly Bill No. 1:
YEAS—39.
NAYS—None.
EXCUSED—Duncan, Hogan—2.
VACANT—1.

Assembly Bill No. 1 having received a constitutional majority, Madam Speaker declared it passed.
Bill ordered transmitted to the Senate.

Assemblyman Horne moved that the Assembly recess until call of the Chair.
Motion carried.
Assembly in recess at 11:24 a.m.
At 6:20 p.m.
Madam Speaker presiding.
Quorum present.

GENERAL FILE AND THIRD READING

Assembly Bill No. 2.
Bill read third time.
The following amendment was proposed by the Speaker of the Assembly: Amendment No. 2.
AN ACT relating to commerce; exempting certain manufacturers of electric passenger cars from the requirements relating to franchises for the sale of motor vehicles and repairs or maintenance on motor vehicles owned by private persons; requiring the exempted manufacturers to be licensed and regulated as new vehicle dealers; and providing other matters properly relating thereto.

Legislative Counsel's Digest:
Existing law generally requires a manufacturer of new vehicles that wishes to sell its vehicles in this State to establish a franchise with a new vehicle dealer for the sale of those vehicles. (NRS 482.078, 482.36385) Existing law also restricts a manufacturer’s ownership or operation of a facility for the repair or maintenance of vehicles. (NRS 482.36387) Section 1 of this bill exempts a manufacturer of new vehicles from these franchise and repair provisions if the manufacturer: (1) only manufactures passenger cars that are powered solely by one or more electric motors; (2) only sells at retail new or new and used passenger cars that it manufactures; and (3) was selling such passenger cars at retail in this State on or before January 1, 2016. For the purposes of these provisions, the term “passenger car” is defined by existing law to mean a motor vehicle designed for carrying 10 persons or less, except a motorcycle or motor-driven cycle. (NRS 482.087)

Existing law provides for the licensure and regulation of “new vehicle dealers,” defined as a person who is licensed “as a new vehicle dealer who has a franchise from a manufacturer of vehicles to sell new vehicles and who acquires new or new and used vehicles for resale.” (NRS 482.078) Section 2 of this bill adds manufacturers who are exempt pursuant to section 1 from the franchise and repairs or maintenance provisions to the definition of “new vehicle dealer” so that such manufacturers are regulated and licensed in the same manner as other new vehicle dealers. Sections 3-7 of this bill make conforming changes.
THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 482 of NRS is hereby amended by adding thereto a
new section to read as follows:

A manufacturer is not subject to the provisions of NRS 482.36311 to
482.36425, inclusive, if the manufacturer:
1. Only manufactures passenger cars powered solely by one or more
electric motors;
2. Only sells at retail new or new and used [vehicles] passenger cars
that it manufactures; and
3. [Does not enter into a franchise for the sale of any passenger cars
manufactured by the manufacturer.] Was selling such passenger cars at
retail in this State on or before January 1, 2016.

Sec. 2. NRS 482.078 is hereby amended to read as follows:
482.078 “New vehicle dealer” means any [vehicle]:
1. Vehicle dealer licensed under the provisions of this chapter as a new
vehicle dealer who has a franchise from a manufacturer of vehicles to sell
new vehicles and who acquires new or new and used vehicles for resale [ ];
or
2. Manufacturer described in section 1 of this act that is licensed under
the provisions of this chapter as a new vehicle dealer.

Sec. 3. NRS 482.322 is hereby amended to read as follows:
482.322 1. Except as otherwise provided in subsection 2 and NRS
482.3225, a person shall not engage in the activities of a new vehicle dealer,
used vehicle dealer, manufacturer, distributor or rebuilder in this State until
the person has been issued:
(a) A new vehicle dealer’s, used vehicle dealer’s, manufacturer’s,
distributor’s, rebuilder’s or lessor’s license certificate or similar license or
permit by every city within whose corporate limits the person maintains an
established place of business and by every county in which the person
maintains an established place of business outside the corporate limits of a
city; and
(b) A license by the Department. The Department shall not issue a license
to the person until he or she has been issued all certificates, licenses and
permits required by paragraph (a).
2. [A] Except for a manufacturer described in subsection 2 of NRS
482.078, a person licensed as a dealer pursuant to this chapter shall not
engage in the activities of a new vehicle dealer until he or she has provided
the Department with satisfactory proof that the person is authorized by a
manufacturer to display and offer for sale vehicles produced or distributed by
that manufacturer.
3. A vehicle dealer’s, manufacturer’s or rebuilder’s license issued pursuant to this chapter does not permit a person to engage in the business of a new or used mobile home dealer, manufacturer or rebuilder.

4. The Department shall investigate any applicant for a dealer’s, manufacturer’s, distributor’s, rebuilder’s or lessor’s license certificate or license and complete an investigation report on a form provided by the Department.

5. A person who violates subsection 1 or 2 is guilty of:
   (a) For a first offense, a misdemeanor.
   (b) For a second offense, a gross misdemeanor.
   (c) For a third and any subsequent offense, a category D felony and shall be punished as provided in NRS 193.130.

Sec. 4. NRS 482.350 is hereby amended to read as follows:

482.350 1. Except for a manufacturer described in subsection 2 of NRS 482.078:
   (a) A new vehicle dealer’s license shall not be furnished to any dealer in new vehicles, trailers or semitrailers unless the dealer first furnishes the Department an instrument executed by or on behalf of the manufacturer certifying that the dealer is an authorized franchised dealer for the make or makes of vehicle concerned.
   (b) New vehicle dealers are authorized to sell at retail only those new vehicles for which they are certified as franchised dealers by the manufacturer.

2. In addition to selling used vehicles, a used vehicle dealer may:
   (a) Sell at wholesale a new vehicle taken in trade or acquired as a result of a sales contract to a new vehicle dealer who is licensed and authorized to sell that make of vehicle;
   (b) Sell at wholesale a new vehicle through a wholesale vehicle auction provided that the wholesale vehicle auctioneer:
      (1) Does not take an ownership interest in the vehicle; and
      (2) Auctions the vehicle to a vehicle dealer who is licensed and authorized to sell that make of vehicle or to an automobile wrecker who is licensed in this State or any other state; or
   (c) Sell a new vehicle on consignment from a person not licensed as a vehicle dealer, rebuilder or a long-term or short-term lessor.

Sec. 5. NRS 482.36311 is hereby amended to read as follows:

482.36311 As used in NRS 482.36311 to 482.36425, inclusive, and section 1 of this act, unless the context otherwise requires, the words and terms defined in NRS 482.36318 to 482.36348, inclusive, have the meanings ascribed to them in those sections.

Sec. 6. NRS 482.36423 is hereby amended to read as follows:
482.36423 1. Whenever it appears that a person has violated, is violating or is threatening to violate any provision of NRS 482.36311 to 482.36425, inclusive, \textit{and section 1 of this act}, any person aggrieved thereby may apply to the district court in the county where the defendant resides, or in the county where the violation or threat of violation occurs, for injunctive relief to restrain the person from continuing the violation or threat of violation.

2. In addition to any other judicial relief, any dealer or person who assumes the operation of a franchise pursuant to NRS 482.36396 to 482.36414, inclusive, who is injured in his or her business or property by reason of a violation of NRS 482.36311 to 482.36425, inclusive, \textit{and section 1 of this act} may bring an action in the district court in which the dealership is located, and may recover three times the pecuniary loss sustained by the dealer or person, and the cost of suit, including a reasonable attorney’s fee. The amount of pecuniary loss sustained by a dealer, pursuant to subsection 7 of NRS 482.3638, is the fair market value of the franchised dealership at the time of notification of termination, refusal to continue or unilateral modification of a franchise.

3. Any artificial person created and existing under the laws of any other state, territory, foreign government or the government of the United States, or any person residing outside the State, who grants a franchise to any dealer in this State may be served with any legal process in any action for injunctive relief or civil damages in the following manner:
   (a) By delivering a copy of the process to the Director; and
   (b) By mailing to the last known address of the manufacturer or distributor, by certified mail, return receipt requested, a copy of the summons and a copy of the complaint, together with copies of any petition or order for injunctive relief.

4. The defendant has 30 days, exclusive of the day of service, within which to answer or plead.

5. The method of service provided in this section is cumulative and may be utilized with, after or independently of all other methods of service.

\textbf{Sec. 7.} NRS 482.36425 is hereby amended to read as follows:

482.36425 1. Any manufacturer or distributor who willfully violates any provision of NRS 482.36311 to 482.36425, inclusive, \textit{and section 1 of this act} is subject to a civil penalty of not less than $50 nor more than $1,000 for each day of violation and for each act of violation. All civil penalties recovered must be paid to the State of Nevada.

2. Whenever it appears that a manufacturer or distributor has violated, is violating or is threatening to violate any provision of NRS 482.36311 to 482.36425, inclusive, \textit{and section 1 of this act}, the Attorney General may institute a civil suit in any district court of this State for injunctive relief to
restrain the violation or threat of violation or, if the violation or threat is willful, for the assessment and recovery of the civil penalty, or both.

**Sec. 8.** This act becomes effective upon passage and approval.

Assemblyman Frierson moved the adoption of the amendment.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Madam Speaker announced if there were no objections, the Assembly would recess subject to the call of the Chair.

Assembly in recess at 6:27 p.m.

**ASSEMBLY IN SESSION**

At 6:29 p.m.

Madam Speaker presiding.

Quorum present.

**GENERAL FILE AND THIRD READING**

Assembly Bill No. 2.

Bill read third time.

Remarks by Assemblyman Carrillo.

**ASSEMBLYMAN CARRILLO:**

Assembly Bill 2 permits a manufacturer of passenger cars powered solely by electric motors to sell its new or used passenger cars directly to the public provided it has not entered into a franchise agreement for the sale of its vehicles and was selling or distributing its cars in Nevada on or before January 1, 2016.

Roll call on Assembly Bill No. 2:

YEAS—39.

NAYS—None.

EXCUSED—Duncan, Hogan—2.

VACANT—1.

Assembly Bill No. 2 having received a constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

**MESSAGES FROM THE SENATE**

SENATE CHAMBER, Carson City, September 11, 2014

*To the Honorable the Assembly:*

It is my pleasure to inform your esteemed body that the Senate on this day passed, as amended, Senate Bill No. 1.
Also, it is my pleasure to inform your esteemed body that the Senate on this day passed Assembly Bills Nos. 1, 3.

TIMOTHY K. TAYCHER
Assistant Secretary of the Senate

INTRODUCTION, FIRST READING AND REFERENCE

Senate Bill No. 1.
Assemblyman Frierson moved that the bill be referred to the Committee of the Whole.
Motion carried.

MOTIONS, RESOLUTIONS AND NOTICES

Assemblyman Frierson moved that the Assembly resolve itself into a Committee of the Whole for the purpose of considering Senate Bill No. 1.
Motion carried.

IN COMMITTEE OF THE WHOLE

At 6:31 p.m.
Chair Kirkpatrick presiding.
Quorum present.
Senate Bill No. 1 considered.
[Remarks will appear in the final journal.]
Chair Kirkpatrick announced if there were no objections, the Committee would recess subject to the call of the Chair.
Committee of the Whole in recess at 8:49 p.m.

IN COMMITTEE OF THE WHOLE

At 8:59 p.m.
Chair Kirkpatrick presiding.
Quorum present.
[There was no public comment.]
On motion of Assemblyman Frierson, the Committee did rise and report back to the Assembly.

ASSEMBLY IN SESSION

At 9 p.m.
Madam Speaker presiding.
Quorum present.
REPORTS OF COMMITTEES

Madam Speaker:
Your Committee of the Whole, to which was referred Senate Bill No. 1 has had the same under consideration, and begs leave to report the same back with the recommendation:
Considered.

MARIYN K. KIRKPATRICK, Chair

GENERAL FILE AND THIRD READING

Senate Bill No. 1.
Bill read third time.
Remarks by Assemblymen Flores, Fiore, and Bobzien.

ASSEMBLYWOMAN FLORES:
I rise in support of Senate Bill 1. As you have already mentioned, this floor statement is rather long, so I ask you to bear with me. In the spirit of transparency, it is important to go through this thoroughly to ensure that those listening and those out in the public know exactly what we are voting on.

Senate Bill 1 authorizes the granting of transferable tax credits and abatements of certain taxes to certain participants of qualified projects. To qualify, the lead participant must make an application to the Governor’s Office on Economic Development, or GOED, and demonstrate, among other things, that the participants in the project will make a collective minimum investment of $3.5 billion within ten years of approval of the application and that at least 50 percent of the employees engaged in construction of the project and 50 percent of the persons employed at that project are Nevada residents. These requirements may be waived by GOED if there are insufficient qualified and available Nevada residents, but if that determination is made, the waiver must be made public and posted on GOED’s website. To be considered a Nevada resident, each project participant must document that the person has a Nevada driver’s license or ID, is employed full time for an average minimum of 30 hours per week, and is offered coverage under a health insurance plan.

The tax credits and abatements are as follows: $12,500 for each qualified employee up to a maximum of 6,000 employees; an amount equal to 5 percent of the first $1 billion of new capital investment; and an amount equal to 2.8 percent of the next $2.5 billion of new capital investment. The bill also provides that no more than $45 million in transferable tax credits may be issued in any of the first seven years and caps the total credit which may be approved at $195 million. Property taxes and the Modified Business Taxes may be abated for up to 10 years, and local sales and use taxes may be abated for up to 20 years.

It is important to note that transparency and accountability were always goals of this body. The bill requires public notice of action on the application, verification of eligibility, audits, and also notification of affected local governments. It also requires repayment of transferable tax credits and abatements if the lead participant or other participants fail to meet the criteria relating to, among other things, minimum investment or number of jobs or otherwise become ineligible.

At the local government level, local governments are also authorized to abate licensing or permitting fees for qualified projects and are empowered to create economic diversification districts, or EDDs. Any agreement between those local governments and the lead participant automatically terminates after 20 years.

In addition to the accountability and transparency requirements that I just mentioned, reports are also required to be submitted to the Governor and Legislature annually by GOED on the number of qualified projects submitted and approved; quarterly by GOED on the dollar amount of the abatements, number of qualified employees and their wages, and investment amounts; annually by a local government which has approved an abatement as to the number and amount of abatements and the number of persons employed within the jurisdiction by that qualified
project and their wages; and for an EDD, annually by the local government as to the status of the qualified project within the EDD and an assessment of the financial impact of the district on local government services within the EDD.

Finally, the bill also reduces the amount of transferable tax credits that may be granted to producers of qualified film productions from $80 million to $10 million. The transferable film tax credits expire June of 2023, and the rest of the provisions expire June of 2036.

As you can see, there were a lot of details. We spent a lot of time discussing this because this is something that is of historic nature and required us to spend the amount of time necessary going through every detail of this bill to ensure accountability and to ensure transparency. I urge the body to support S.B. 1.

ASSEMBLYWOMAN PIORE:
I stand in support of Senate Bill 1. I am amazed at what has been accomplished here. I appreciate that Governor Sandoval has taken the lead on this and worked with our legislative leaders and Nevada’s Economic Development team. To our Governor’s credit, he has placed Nevada in the number one spot. Nevada is showing the nation that this is the place to do business by being nimble and responsive to those who want to grow their industry.

This legislation makes an incredible step toward revitalizing manufacturing in America and bringing it to Nevada. When I think about Detroit or Chicago in their height, it was because of the jobs created by their thriving manufacturing industries. When it became cost-prohibitive to manufacture in the United States, those jobs and the innovation went overseas, and now Detroit is in bankruptcy. It is opportunities like this that will allow Nevada to continue to rebrand and grow our way out of this recession while creating opportunities that will benefit all Nevadans.

I believe business flourishes when taxes are low and predictable, and that is exactly the offer that is on the table for Tesla and any other company that qualifies. My one reservation about this legislation is that there are thousands of Nevada businesses that would also grow and expand and create jobs if they were given the same opportunities. I look forward to working on legislation to support our small businesses and all businesses when we return to these chambers in February. I look forward to continuing this discussion and building on this opportunity for a successful and diverse economy in Nevada.

ASSEMBLYMAN BORZIEN:
I rise in support of Senate Bill 1. Like my colleagues in both the Assembly and the Senate, I am excited about the path to the future we are forging tonight. I am excited about the possibility to put Nevada on the map as an innovator in the development of new technologies and new business models. Nevada will play a role in solving our planet’s climate crisis by moving us away from what Elon Musk has described as the “mine-and-burn hydrocarbon economy.”

I know this goal of a cleaner future was on the mind of Senator Reid every moment he worked on this effort, and I want to thank him and all of Nevada’s elected officials with the vision needed to see this through for their efforts.

Tonight we are legislating for the hopes and dreams of our children. This evening, there are thousands upon thousands of Nevada students working hard, doing homework—hopefully they are going to bed soon—to prepare themselves for the jobs of tomorrow. Our future electricians, engineers, accountants, and other professionals from all across the state will take the work we’re doing here tonight and run with it to build a better Nevada. Indeed, many of them will work at the factory we’re contemplating.

However, I am worried. For too long, this state has failed to live up to its obligation to fund the services foundational to prosperity. Health care, education, road infrastructure: Time and time again, Nevada comes up short when it comes to funding the needs of our state.

In Washoe County—my home and the future home of thousands of families that will hopefully work at the factory—we have failed to respond to the pressing needs of our schools. The $308 million—and climbing—in unmet capital needs for our aging classrooms don’t
magically go away with Tesla’s arrival. If anything, the projected increase of students in the years to come makes the situation more dire.

As we’ve heard from the Governor’s Office of Economic Development in testimony, what we do during this special session is not the end of the story; it is the beginning. As we heard from the Nevada Manufacturers Association, this is going to strain our systems. And yes, we need to talk solutions.

Shortly after the factory announcement, The Brookings Institution issued a three-part road map for how Nevada can make the most of this opportunity. Their suggestions: pile onto workforce training and education; build the ecosystem; commit to innovation. It is a succinct plan, but I’ll boil it down to one word: invest. Will Nevada step up to meet the unmet challenges facing our state that will only become more acute upon Tesla’s arrival? Will we invest in a world-class education system, both K-12 and our colleges and universities, to train the workers and entrepreneurs who can innovate in The Brookings-described ecosystem?

As I watched deliberations down the hall, I heard a colleague describe her concern regarding this very question as something that kept her up at night. Well, it keeps me up at night, too, and it should keep every elected official, economic development officer, business leader, parent, and citizen up at night, as well. Many of us here in these chambers will be back here in just a few short months. Let’s all commit to hitting the reset button on our most important issues and find a way to truly invest in our shared future.

Roll call on Senate Bill No. 1:

YEAS—39.
NAYS—None.
EXCUSED—Duncan, Hogan—2.
VACANT—1.

Senate Bill No. 1 having received a constitutional majority, Madam Speaker declared it passed.

Bill ordered transmitted to the Senate.

MOTIONS, RESOLUTIONS AND NOTICES

Madam Speaker appointed Assemblymen Frierson, Bustamante Adams, and Hickey as a committee to wait upon His Excellency, Governor Brian Sandoval, Governor of the State of Nevada, and inform him that the Assembly was ready to adjourn sine die.

Madam Speaker appointed Assemblymen Horne, Diaz, and Kirner as a committee to wait upon the Senate and inform that honorable body that the Assembly was ready to adjourn sine die.

A committee from the Senate consisting of Senators Jones, Gustavson, and Ford appeared before the bar of the Assembly and announced that the Senate was ready to adjourn sine die.

Assemblyman Horne reported that his committee had informed the Senate that the Assembly was ready to adjourn sine die.

Assemblyman Frierson reported that his committee had informed the Governor that the Assembly was ready to adjourn sine die.
There being no objections, the Speaker and Chief Clerk signed Assembly Resolutions Nos. 1, 2, 3 and Assembly Concurrent Resolution No. 1.

Assemblyman Horne moved that the 28th Special Session of the Assembly of the Legislature of the State of Nevada adjourn sine die.
Motion carried.

Assembly adjourned at 9:31 p.m.

Approved: MARIYLN K. KIRKPATRICK

Speaker of the Assembly

Attest: SUSAN FURLONG

Chief Clerk of the Assembly

UNION LABEL