

Minutes of the

LEGISLATIVE COMMISSION

Nevada Legislative Counsel Bureau (LCB)

Legislative Building, Room 4100

Carson City, Nevada

September 25, 1998

The fourth meeting in 1998 of the Legislative Commission, created pursuant to *Nevada Revised Statutes* (NRS) 218.660, was held on Friday, September 25, 1998, commencing at 10:10 a.m., in Room 4100 of the Legislative Building, Carson City, Nevada, with a simultaneous video conference conducted to Room 4412 of the

Grant Sawyer State Office Building, Las Vegas, Nevada.

COMMISSION MEMBERS PRESENT IN CARSON CITY:

Assemblyman Richard D. Perkins, Chair

Assemblyman Joseph E. Dini, Jr., Vice Chair

Senator Ernest E. Adler

Senator Mike McGinness

Senator Joseph M. Neal, Jr.

Senator Maurice Washington for Senator Randolph J. Townsend

Assemblywoman Joan A. Lambert

COMMISSION MEMBERS PRESENT IN LAS VEGAS:

Senator Kathy Augustine for Senator Mark A. James

Senator Dina Titus

Assemblywoman Deanna Braunlin

Assemblywoman Barbara E. Buckley

COMMISSION MEMBERS ABSENT:

Senator Mark A. James

Senator Randolph J. Townsend

Assemblyman Peter G. Ernaut

OTHER LEGISLATORS PRESENT:

Senator Lawrence E. Jacobsen, Carson City

LCB STAFF PRESENT IN CARSON CITY:

Lorne J. Malkiewich, Director
Gary Crews, Legislative Auditor
Brenda J. Erdoes, Legislative Counsel
Robert E. Erickson, Research Director
Daniel G. Miles, Senate Fiscal Analyst
Jacque Sneddon, Acting Chief Clerk of the Assembly
Janice L. Thomas, Secretary of the Senate
John McCloskey, Chief Accountant
Allan Smith, Manager of Information Systems
Stephen Wood, Chief Deputy Legislative Auditor
Eileen G. O'Grady, Principal Deputy Legislative Counsel
Risa B. Lang, Principal Deputy Legislative Counsel
Marilyn K. White, Executive Assistant

LCB STAFF IN LAS VEGAS:

Brian L. Davie, Legislative Services Officer

Attendance records of persons attending the meeting are attached as Exhibit A. Packets containing materials for the meeting were provided to commission members and available to the public in attendance. The packets for this meeting were composed of Volumes I through IV.

Item I--Approval of Minutes of Meeting Held June 26, 1998--Assemblyman Richard Perkins, Chair.

ASSEMBLYMAN DINI MOVED TO APPROVE THE MINUTES OF THE

JUNE 26, 1998, MEETING. MOTION SECONDED BY ASSEMBLYWOMAN LAMBERT AND CARRIED UNANIMOUSLY.

Item II--Legislative Auditor:

A. Summary of audit reports presented to Legislative Commission's Audit

Subcommittee (NRS 218.6823)--Gary Crews, Legislative Auditor.

Mr. Crews reviewed the letter dated September 4, 1998, in the packet from Speaker Dini, Chairman of the Audit Subcommittee.

The five audit reports reviewed by the Audit Subcommittee at its September 3, 1998, meeting were:

1. Department of Prisons - Inmate Medical Services;
2. Department of Conservation and Natural Resources, Division of Wildlife;

3. Department of Business and Industry, Division of Industrial Relations;
4. Department of Business and Industry, Nevada Attorney for Injured Workers; and
5. State Board of Parole Commissioners.

Chairman Perkins referred to the report on the Division of Wildlife and the unexplained variance of \$40,000 and inquired if the money is missing, unaccounted for or in some place where it does not belong. Mr. Crews said that auditors were unable to identify where it was--there was just a difference in the money that should have been there at that point in time--it was unaccounted for. The division has since indicated that it has been able to bring that amount down to around \$100. The auditors have not verified if that is correct.

Additionally, Chairman Perkins asked about the 300 game tags which were unaccounted for and the procedure involved. Mr. Crews explained that the division obtains blank game tag stock and issues them to the contractor. The contractor issues tags to successful applicants and are supposed to return tags that are unissued. While the

300 tags were unaccounted for at the time of review, the division has subsequently indicated that work has been done in this area and those game tags have been issued. Auditors have not verified this information. Mr. Crews said it was also an issue of timeliness because there was no reconciliation of that information until approximately

18 months after the tag year had been completed and it is important that the tags are accounted for.

Senator Neal commented that if this is an example of how outsourcing works, it behooves the Legislature to travel with caution in this particular area. He expressed concern about the amount of money being handled through such an arrangement and checks unaccounted for. He noted it might result in problems for the state in the future. He suggested recommending to the Legislature that it review the whole process to ensure that the state is not losing any revenue in terms of outsourcing by various agencies.

Mr. Crews stated that Senator Neal raises a key issue and one that was discussed in the Audit Subcommittee meeting. As the state outsources more functions, he said, it is imperative that the proper monitoring processes are put in place. Once a function is outsourced, it does not relieve an agency of proper accountability. Most private enterprises are in business to make money and they will take shortcuts and so on. It behooves all of state government to have proper controls in place and ensure that doesn't happen.

Senator Jacobsen addressed the commission. He noted that he has chaired the Audit Subcommittee in the past. He said that more attention should be paid to the 6-month reports. He thinks six months is no longer adequate. Accountability is being demanded in education and it should also be demanded in state government. The three agencies he recalls most vividly are the University of Nevada System, Division of Wildlife and High Level Waste. On a number of occasions, it was necessary to meet with legal counsel

and agency department heads before they would agree to conform with the recommendations. He no longer thinks that is adequate. He suggested that the commission should assume the responsibility to determine those audits that are critical and have the department heads report at every commission meeting to ensure they are current and addressing the issues. It became apparent at the last Interim Finance Committee where the High Level Waste Committee requested a full appropriation for its budget and it was not allowed because of some past inadequacies. The senator said that the Legislative Auditor and his staff do an excellent job. He recalled that during his time on the Audit Subcommittee there were three audits of the Division of Wildlife and all three were bad.

ASSEMBLYMAN DINI MOVED TO ACCEPT THE REPORT OF THE AUDIT SUBCOMMITTEE.
MOTION SECONDED BY SENATOR NEAL AND CARRIED UNANIMOUSLY.

B. Summary of 6-month status reports on the implementation of the audit

recommendations by the Legislative Auditor as submitted to the audit subcommittee--Gary Crews, Legislative Auditor.

Mr. Crews referred to the packet material containing a letter dated September 4, 1998, from Speaker Dini, Chairman of the Audit Subcommittee, which is a follow-up on audit reports previously presented to the subcommittee. The letter contains a status report on the implementation of the recommendations.

The following three 6-month implementation reports can be obtained from the Audit Division:

1. Department of Museums, Library and Arts, Nevada State Museum and Historical Society;
2. Department of Museums, Library and Arts, Lost City Museum; and
3. Administrative Office of the Courts.

He explained that there were 24 recommendations of which 18 have been fully implemented and six have been partially implemented. He noted that the four partially implemented recommendations to the Lost City Museum have been implemented between the time of the 6-month report and the September 3, 1998, meeting of the Audit Subcommittee.

The subcommittee recommends that the Legislative Commission accept and approve the three reports.

ASSEMBLYMAN DINI MOVED TO ACCEPT THE THREE REPORTS AS RECOMMENDED BY THE AUDIT SUBCOMMITTEE. MOTION SECONDED BY SENATOR ADLER AND CARRIED UNANIMOUSLY.

C. Request for approval of basic audit program (NRS 218.635 and

218.850--Gary Crews, Legislative Auditor.

Mr. Crews referred to his letter dated September 4, 1998, to the Legislative Commission requesting approval of the basic audit program. He noted that every two years he appears before the commission requesting approval of audits to accomplish over the next two years beginning January 1999. Schedule 1 indicates the audits in progress which may not all be completed prior to the legislative session. Approval is requested to continue the audits until completion. He noted that many of those may be presented at the December meeting. Schedule 2 identifies audits for the next two years. He has identified five cross-cutting issues that are significant and worthy of audit as well as

20 agencies and departments that he would also like to review in the coming biennium. He is requesting approval of the basic audit program.

Chairman Perkins asked if any of the Schedule 1 audits would continue for months into the next year or are they near completion. Mr. Crews responded that the Department of Human Resources audit has just started and will be a long-range one. The department is comprised of large divisions and there are significant issues. With regard to the Southern Nevada Water Authority, the Audit Division is required by statute to have the report to the taxation committees at the beginning of the legislative session.

Additionally, the Committee on Benefits audit should be presented to the Audit Subcommittee at its December meeting. It is a significant audit and there will be some issues that are important for the legislature to review prior to session. The remainder of audits should be complete by the December meeting or shortly thereafter.

ASSEMBLYMAN DINI MOVED TO ACCEPT THE REPORT AND APPROVE THE BASIC AUDIT PROGRAM. MOTION SECONDED BY SENATOR MCGINNESS AND CARRIED UNANIMOUSLY.

Item III--Interim Committee Reports and Requests:

A. Legislative Counsel Bureau's Biennial Budget Review Committee--

Lorne J. Malkiewich, Director.

Mr. Malkiewich referred to material in Volume II of the meeting packet containing the report of the Biennial Budget Review Committee. He noted that the committee met on September 16, 1998, and reviewed the following four items:

1. Session Hires for the 1999 Session;
2. Budget for the Legislative Counsel Bureau;
3. Budget for the Interim Nevada Legislature; and
4. "One Shot" Appropriations.

Mr. Malkiewich proceeded to review the items as outlined in the memorandum dated September 17, 1998. He noted that the item on session hires had not been sent to the budget committee in the past; however, there was some concern in the money committees last session that they should be reviewed prior to approval. The request is reducing last session's budget of 102 positions and \$1.6 million to about 78 positions and about \$1.1 million. He commented that the committee reviewed the item in detail.

Senator Neal inquired if additional people are being added to the Audit Division and

Mr. Malkiewich responded in the affirmative noting that those are included in the budget of the LCB, since the division does not hire people for session. He noted the division staffing has been static for some time, the workload keeps increasing and the number of special audits requested by the commission keeps increasing. The division proposes to hire two auditors.

ASSEMBLYMAN DINI MOVED TO ACCEPT THE REPORT OF THE BIENNIAL BUDGET REVIEW COMMITTEE. MOTION SECONDED BY SENATOR ADLER.

Under the chairman's call for questions, Senator Titus said that she supports the session hires but as a member of the biennial budget review committee, she voted against the other budgets and so she will vote against it today. Her reason is that "at a time when we are cutting back the cost of the session and we have a ballot question for the people to vote on saying we are only going to meet 120 days and one of the big arguments for that is that it saves money, I think we are letting the tail wag the dog if we spend more and more money to create a bureaucracy that is not accessible to the public." She indicated that she does not mind spending money on the session because the public is able to contact and see legislators and that is when time is spent to solve problems and make policy. To cut back on session costs and then increase the budget 9 percent over last time for a bureaucracy is the wrong direction in which to move, she concluded.

Senator Neal said the whole process needs to be reviewed. He said that his workload has increased in terms of making requests of the LCB for information--be it legal or research or otherwise--in terms of answering a lot of people's questions of him. Additionally, he said the budget suggests that the

legislature is moving towards a position that it might have to consider annual sessions. Until such time that annual sessions are considered, legislators need the staff to meet their needs. Senator Neal stated that his comments are made in defense of the proposal before the commission.

Mr. Malkiewich pointed out that everything other than the session hires would be transmitted to the Executive Branch for inclusion in the Executive Budget. At the time it is transmitted to the Legislature, the three items would be reviewed again in detail by the Senate Finance and Assembly Ways and Means committees. The biennial budget committee had already "knocked off" a little bit, dropped a couple of appropriations and made some recommendations on how it wanted it approached. He clarified that what is being asked is approval to submit the budgets to the Executive Branch and it does not indicate that the commission is in any way approving the individual items within it.

THE CHAIRMAN CALLED FOR A VOTE AND THE MOTION CARRIED WITH SENATOR TITUS VOTING NAY.

B. Interim Studies in accordance with Rules and Policies of the Legislative

Counsel Bureau, Rule No. 6, "Progress reports of studies; completion of studies and distribution of reports; approval required to carry over studies,"--Chairman Perkins.

Mr. Malkiewich noted that the reports for this agenda item are contained in Volume I of the packet materials. The reports are summary reports and the full reports will be submitted to the next session of the Legislature. He also referred to a copy of an editorial dated September 25, 1998, concerning the study on the System of Juvenile Justice in Nevada. The editorial has been provided as handout at the request of Assemblywoman Jan Evans, the chair of that study, and is attached as Exhibit B. Staff members responsible for the various studies are in attendance to answer any questions from the commission members.

Mr. Malkiewich stated that, "as with the budget, all the commission is doing is accepting these reports. They would be transmitted to the Legislature and at that time the recommendations and legislation that come from them would be considered by the next session."

ASSEMBLYWOMAN BUCKLEY MOVED TO ACCEPT THE REPORTS ON THE INTERIM STUDIES. MOTION SECONDED BY SENATOR AUGUSTINE.

Under the chairman's call for questions, Senator Neal inquired if the \$150,000 appropriation for a gaming addiction study is a part of those to come before the Legislative Commission. Chairman Perkins responded that it is not. Mr. Malkiewich explained that the action was taken by the Interim Finance Committee at its

September 23, 1998, meeting. It was a request by the Gaming Control Board and the Department of Human Resources. It is proposed to have the study ready for the legislative session to present to the Legislature but it is not a legislative subcommittee or a legislative staff study. It will be contracted to an outside source by the Gaming Control Board and the Department of Human Resources.

CHAIRMAN PERKINS CALLED FOR A VOTE. THE MOTION CARRIED UNANIMOUSLY.

Item IV--Legislative Commission Policy:

A. Review of administrative regulations--Brenda J. Erdoes, Legislative

Counsel.

Mrs. Erdoes stated that there are eight regulations before the Legislative Commission today. One from the State Board of Nursing, three from the Department of Motor Vehicles and Public Safety (DMV&PS), three from the Wildlife Division and one from the Commissioner of Insurance. A listing is included in

Volume I of the meeting packet. She said that R211-97 from the State Board of Nursing and R150-98 from the DMV&PS need to be considered separately. She suggested that the members consider the remainder first. The regulations are R077, R079, R083, R089, R137 and R140. She believes that the six regulations are within the statutory authority of the adopting agencies. With the concurrence of Mrs. Lambert, Mrs. Erdoes recommended that the commission not object to the six regulations.

ASSEMBLYWOMAN LAMBERT MOVED THAT THE COMMISSION NOT OBJECT TO THE SIX REGULATIONS OUTLINED BY MRS. ERDOES. MOTION SECONDED BY ASSEMBLYMAN DINI.

The chairman called for questions on the motion. Ms. Buckley inquired, with regard to the State Board of Nursing regulations, if the portions of the regulations which caused great concern to the nurses have been removed. Mrs. Erdoes advised that the regulation which Ms. Buckley inquired about is not within the six currently under consideration but one that will be considered separately and is the next item.

CHAIRMAN PERKINS CALLED FOR A VOTE AND THE MOTION CARRIED UNANIMOUSLY.

Mrs. Erdoes said that R211-97 is the regulation of the State Board of Nursing to which the commission previously objected. The State Board of Nursing believes that they have removed the objectionable portions of the regulations and have requested that it be brought before the members for approval today.

Kathy Apple, Executive Director, Nevada State Board of Nursing, said that she is present to answer any questions from the commission members. Senator Neal said that the question posed was whether the objectionable portion of the regulation has been removed from the proposal. Ms. Apple responded, "Yes sir, it has been."

Responding to a question by Ms. Buckley, Mrs. Erdoes said, "As the regulation is before you today, I believe they have taken out everything that conflicted with statutory authority. I believe what is in the regulation is what the commission did not object to in the former regulation and that this is in concert with their statutory authority."

ASSEMBLYWOMAN LAMBERT MOVED THAT THE COMMISSION NOT OBJECT TO LCB FILE NO. R211-97. MOTION SECONDED BY ASSEMBLYMAN DINI.

Under the chairman's call for questions, Senator Augustine questioned on page 2 under section 5. 3. (b) whether telenursing needs to be spelled out specifically for nursing as she said there is a provision in the NRS regarding telemedicine. Ms. Apple said that the trend is to make a clear distinction between telemedicine and telenursing. There is great expansion in the practice of nursing using the telecommunications technology, particularly in telephone triage and home health care. Amongst the nursing

community across the nation, there is a real distinction between telemedicine and telenursing. It was felt that it is important that it be clearly identified.

CHAIRMAN PERKINS CALLED FOR A VOTE AND THE MOTION CARRIED UNANIMOUSLY.

Mrs. Erdoes announced that the commission members should have a revised copy of R150-98 as a handout (copy attached as Exhibit C). The revision is highlighted on pages 21 and 22 and is different from the regulation contained in the meeting packet. The revised version is entitled, "REVISED ADOPTED REGULATION OF THE DEPARTMENT OF MOTOR VEHICLES AND PUBLIC SAFETY." She said that R150-98 is a regulation adopted by the DMV&PS pursuant to Assembly Bill 404 of the 1997 Legislative Session. It concerns the requirement that a person under the age of 18 must complete a class in automobile education before a driver's license may be issued. The requirement becomes effective on October 1, 1998. Subsection 4 of section 6 of the proposed regulation exempts a person under 18 from this educational requirement if the person obtains an instruction permit before October 1, 1998.

Mrs. Erdoes said that her office is concerned that this provision may conflict with the statute requiring the training. The bill contained a transitory provision which states "that the mandatory provisions of section 5 of this act do not apply to any person who has been issued a driver's license before the effective date of section 5 of this act."

Section 5 is the educational requirement. The DMV&PS contends that the term "driver's license" in this transitory provision was intended to include an instruction permit and that an instruction permit is actually a driver's license with a restriction on it. She said that the term "license" is defined in the chapter of NRS into which the requirement was added to include an instruction permit. However, the term "driver's license" is also defined for that chapter and it does not include an instruction permit. No legislative intent could be found on this issue in the record. Therefore, her office had to proceed with statutory rules of construction and opined that driver's licenses used in the transitory provision didn't include an instructional permit. She said, "This body could overcome that opinion by determining that the legislative intent of A.B. 404 was that persons who receive an instructional permit before October 1, 1998, not be required to comply with the driver's training requirement when they do get their driver's license." Mrs. Erdoes said that it was thought that it should be brought to the attention of the members.

In conclusion, Mrs. Erdoes said that representatives of the DMV&PS are in attendance to address any substance of the regulation. She indicated that Assemblywoman Cegavske, the sponsor of A.B. 404, is available to speak on the issue. [It was later determined that she was not.] Mrs. Erdoes said that Frank Daykin, a former legislative counsel, is representing a client who is interested in this regulation and would also like to speak.

Mrs. Lambert stated that she spent some time on this regulation and noted that the relevant portion is on the bottom of page 2 and the top of page 3. To determine legislative intent, she relied on her memory and spoke to the bill's sponsor and others who followed the regulation process. Those individuals say that the regulation does meet legislative intent. She said that, from a legislator's perspective, she thinks there will be a lot of angry children and parents who have their instruction permit and think they can go through the process and then find they have to "scramble around" and get a driving course. In the interest of smooth sailing on the law, she thinks legislative intent is what the regulation is, based upon her research.

Senator Adler said he has received a lot of comments on the law and people do feel it is putting an undue hardship on them. He suggested proceeding with the learner's permit meeting the intent of the law. He thinks the law puts a much heavier burden on families, especially poor families in the state, than was intended. He suggested revisiting the matter during the next legislative session because of that reason.

Chairman Perkins informed those present that he was contacted by Assemblywoman Cegavske who indicated that, from her perspective, the regulation meets the intent she was looking for during the last legislative session.

Senator Augustine mentioned that in one of the interim study reports on student discipline just approved, one of the recommendations was that summer school be offered in the future at no charge. She noted that a lot of students take the driver's instruction classes during the summer schedule.

Frank Daykin said that he agreed with the comments of Mrs. Erdoes. However, he wanted to address two smaller points within the regulation which, he believes, go beyond legislative intent. On page 10, subsection 3 requires an owner or operator of a driving school who does business in more than one county to identify for each county a separate place of business. As to instruction in the small counties, while there is a provision which makes driver's instruction not mandatory for certain small counties and certain small cities, people from those areas may wish to acquire driver's instruction and even between the two largest counties--Washoe and Clark--this requirement would add a burden to the operation of the schools without any perceptible benefit. He doubts it was the intent of the legislature to drive up the cost of driver's training.

Continuing, Mr. Daykin referred to page 4 of the regulation, noting that the statute requires the DMV&PS to set the number of hours of required training. Training includes both classroom work and practical instruction. But, in subsection 3 on page 4, the DMV&PS has addressed only the hours of classroom instruction and from that number of hours they have excluded behind-the-wheel training. He said that seems to miss the point of the statutory requirement since behind-the-wheel training is an important element of the training. Furthermore, in subsection 6, they limit the use of audio-visual aids, personal computers or simulators, presumably as a whole, must not exceed

six hours of the total 30 hours. He is informed that in Carson City, the driver training in public schools uses computers extensively because in that way each pupil can advance at his own pace. That facility should not be denied to the operators of the commercial driver training. He offered to answer any questions from the commission members.

Responding to questions from Senator Neal with regard to page 10, subsection 3 of the regulation, Mr. Daykin said that he is taking exception to the designation of a principal place of business in each county and the notion that someone from one county could not attend classes in another county. He suggested leaving the first sentence as it is and remove the second and third sentences.

Senator McGinness inquired if there were separate standards between what is offered in public schools versus what is offered in private classes. Mr. Daykin said that the courses offered in public schools are governed by a different set of regulations and are set by the State Department of Education. The hours of training were supposed to be comparable to those in the public schools but those vary widely from county to county. Further, Senator McGinness inquired, "So each county has the option of setting their own standards, is that what you're saying." Mr. Daykin replied, "That is pretty much how it works." Senator McGinness asked if the standards are generally more strict or less strict. Mr. Daykin said that they vary so widely that he thought what would need to be done to meet the objection of failure to designate hours of training would be simply to designate to the private schools a total number of hours of training, which would include classroom instruction and behind-the-wheel instruction and make that comparable to the average of what the public schools are doing.

Chairman Perkins informed the commission members that the commission can either object or not object but it cannot amend the regulation. If the commission objects to the regulation, it goes back to the agency to be amended and brought back, or it can be approved today.

Responding to the chairman, Mrs. Erdoes said she would draw a distinction between an objection based upon conflict with statutory authority and what Mr. Daykin sees as a conflict with legislative intent, which is something that her office does not look at. It only looks at statutory authority. Mr. Daykin said, "Brenda is entirely correct,

Mr. Chairman. There are two paragraphs in the statute, one is paragraph b. under

which she brought the other to your attention and the other is paragraph c. which is specifically legislative intent under which I am raising these points."

Bruce Glover, Deputy Director, DMV&PS, said that the intent of the bill was not to penalize the kids. He noted that an instruction permit can be obtained a year ahead of time. The DMV&PS specifically asked that the law become effective October 1, 1998, because it knew there would be a lot of time required to get all the regulations adopted for it. They did not want to put a time frame on it that was going to burden anybody. He said he worked very closely with Mrs. Cegavske and while he said he doesn't know that it was stated but the intent was discussed on many occasions. He thinks there was an oversight in the language. He emphasized that the DMV&PS has to start the bill on October 1, 1998, and anybody that comes forth from that point forward is required to get driver's education.

The chairman asked Mr. Glover to address the issues brought up by Mr. Daykin on

page 4 in section 7, subsections 3 and 6 of the regulation, and another objection in

section 12, subsection 3 on page 10. Mr. Glover said that he was not involved in the hearings and the author of the regulation was unavailable. Mr. Glover noted that

Mariah Sugden, Deputy Attorney General for the DMV&PS was with him at the witness table.

Ms. Buckley inquired of Mr. Glover, if the commission was to send the regulation back to address Mr. Daykin's concerns would it interfere with the statute's effective date and thus conceivably require those with permits to then take the instruction class.

Mr. Glover responded, "I think that would have a real effect on what we are trying to do here." He said that section 3 is defining classroom instruction and the hours, not the behind-the-wheel hours. Therefore, they have to have certified behind-the-wheel hours to get their driver's license. He acknowledged that he missed part of Mr. Daykin's testimony but he thinks the issue is defining the number and types of classroom hours that are to be done.

Ms. Buckley said that she is inclined to move that the regulation be accepted. When the issue was debated in the Legislature, she voted against the legislation because she was very concerned about whether the infrastructure was available to immediately offer the courses. She thinks it is a great idea that the kids have more training but the school district indicated that they were moving to eliminate driver's education classes. It then would put a burden on lower and middle class families to be able to afford it in the private sector. She indicated that as Mr. Glover correctly pointed out, to capture all the children who have learner's permits, or provisional licenses, would work an even greater hardship on those families who are operating under the assumption that they did not need that. She said she agreed with Senator Adler's earlier comments that an additional hardship should not be worked on those who have already been processed in the system.

Chairman Perkins reiterated that he had contact with Mrs. Cegavske who indicated to him that the only issue she thought would be brought forward was the definition of a license. From her perspective, the intent was to capture that. She wanted that brought to the commission. He said he would be inclined to support that. Additionally, the chairman said that there are two other issues--defining what is classroom instruction and operating in multiple counties--which need to be addressed in whether to object or not object.

Senator Neal referred to NRS 483.250 and section 1 and section 3. It seems to him that the regulation does raise the conflict relative to the behind-the-wheel driving. He suggested that it should be reviewed and corrected.

ASSEMBLYWOMAN LAMBERT MOVED THAT THE COMMISSION NOT OBJECT TO REGULATION R150-98. MOTION SECONDED BY ASSEMBLYWOMAN BRAUNLIN.

Under the chairman's call for questions, Senator Adler said that the only reason he is going to vote for the motion is that to not vote for it would impose a tremendous hardship upon the families but he does not want it to be an indicator that he at all supports the law or the whole idea. The issue needs to be revisited. It puts a huge burden on the school system and families. He concluded that the whole idea needs to be re-thought.

Senator McGinness said he wished to address Mr. Daykin's concern. In multiple counties, right now, most of the rural counties are exempted. He suggested that the DMV&PS could return with amended regulations to review the address problem. He does not see an immediate problem. He said that he echoes Senator Adler's concern that "if we don't do this we are in big trouble but that it still needs some work."

CHAIRMAN PERKINS CALLED FOR A VOTE. THE MOTION CARRIED WITH SENATOR NEAL VOTING NAY. SENATOR TITUS WAS ABSENT FOR THE VOTE.

B. Approval of bill draft requests for ratification bill, reviser's bill and

generic bill for Legislative Counsel Bureau--Lorne J. Malkiewich, Director.

Mr. Malkiewich said that this is a request for the commission to approve three different bill draft requests. The first two concern the functions of the legal division. The ratification bill is one that ratifies the changes made in codification of the statutes following the 1997 session. We have bills that conflict with each other and the ratification bill drafts what would have been the conflict resolution bills had they been passed last session. It allows the legislature to confirm that the changes we make in publishing the NRS are consistent with legislative intent.

The reviser's bill proposes substantive changes in addition to what was done. It is not just ratifying changes made last session. It proposes miscellaneous changes, cleanup items where there is a conflicting statute or an ambiguous statute. Also, the Legislative Counsel brings forth some changes and those are additional substantive changes considered by the Legislature, generally of a minor nature.

Continuing, Mr. Malkiewich said that the generic bill for the legislature has been done the last couple of sessions and it has worked very well. Rather than coming with a bill to change the amount of our petty cash or to allow us to open a gift shop or some small miscellaneous change, we just put in a bill draft relating to the LCB and include all the items. They are usually severable if not desired and can be pulled out of the bill. It has been an effective way to get changes needed by the LCB without creating a lot of legislative clutter by drafting more bills than necessary.

ASSEMBLYMAN DINI MOVED APPROVAL OF THE BILL DRAFT REQUESTS. MOTION
SECONDED BY SENATOR ADLER AND CARRIED UNANIMOUSLY.

C. Approval of bill drafts requested after deadline--Brenda J. Erdoes,

Legislative Counsel.

Mrs. Erdoes referred to items contained in Volume I of the meeting packet. Included is a copy of NRS 218.245 which provides that all requests from local governments and Executive Branch agencies including the constitutional officers have to be turned in to the Legislative Counsel before September 1st. There is a provision in subsection 5 which authorizes the Legislative Commission, if it finds that exceptional circumstances so warrant to authorize the drafting of legislation requested after that time. Requests have been received from the State Treasurer and the Lieutenant Governor to ask the commission to approve late submissions of bill draft requests. A.C.R. 56 of the 1997 session sets the number of bill draft requests allowed to each of these constitutional officers. The State Treasurer is entitled to ask for five and the Lieutenant Governor is entitled to ask for two. Neither officer asked for any within the deadline time but, as indicated in the materials, both have asked for the full complement of their bill draft requests after that date. She was told representatives would be present today to make the requests.

Robert L. Seale, State Treasurer, said that he was traveling out of town at the time of the deadline and therefore was late in getting the requests in. He said that there are three items his office is specifically interested in and have been working on the requests for some time.

Senator Neal requested an explanation of lease-purchase financing. Mr. Seale said, in the last two sessions of the Legislature, it authorized a couple of instances of lease purchases. One is a juvenile detention facility and the other is a women's prison in southern Nevada. The way the legislation was written failed to consider the financing arrangements to the beneficial good of the State of Nevada. It is hoped that legislation can be provided to include the Treasurer's Office on the "front end" rather than on the "back end" and allow that the financing arrangements for the lease facilities are better "thought through."

Further responding to Senator Neal's question on utilizing outside investment managers, Mr. Seale said that his office has appeared before the legislature during each session while he has been the State Treasurer to discuss certain investment environs. He is currently using outside managers under legislation that was authorized in the 1995 session to manage, through a mechanism called "securities lending," some \$500 million that is managed outside. The language in the statute is "fuzzy" and it would be a good time to clarify that and make it very clear as to what it is we are doing and how it is being done so that future treasurers would not stumble on some of the esoteric kinds of investment environs.

In addition, Mr. Seale addressed the third item, unclaimed property, at Senator Neal's request. He said that this is an area where he has been working for some time to move unclaimed property from the Department of Business and Industry into the Treasurer's Office as it is in 27 other states. Unclaimed property is essentially property that has not been claimed by its rightful owner for a significant period of time. Most of the unclaimed properties are money and they tend to reside in bank accounts. The State Treasurer manages the 150 bank accounts of the state and has a relationship with all of the banks and a strong tie to the banking and money community. He believes that because of the relationship that unclaimed property has in other state treasurer's offices in other entities, a significantly better job can be done in the Office of the State Treasurer than in the Department of Business and Industry which has a focus that is different than collecting and dealing with cash directly. He acknowledged that while they may not do it cheaper, they would do it better.

SENATOR MCGINNESS MOVED TO APPROVE STATE TREASURER SEALE'S BILL DRAFT REQUESTS. MOTION SECONDED BY ASSEMBLYWOMAN LAMBERT AND CARRIED. SENATORS TITUS AND WASHINGTON AND ASSEMBLYWOMAN BUCKLEY WERE ABSENT FOR THE VOTE.

Lieutenant Governor Lonnie L. Hammargren, M.D. said that he has been busy and traveling around Nevada. There are specific bills on suggestions for improvement in economic development, which he has outlined to the Commission on Economic Development. Some are on banking and looking at the way that North Dakota does banking and has a state bank that can let money out for purposes of developing the state. Also looking at off-shore banking services which just passed in the state of Montana, which potentially would make Nevada a financial center for foreign money to be invested. He says that he has another bill in which the role of Lieutenant Governor would be enhanced to have appointing powers of half of the people on the Commission on Economic Development and the Commission on Tourism so that there is some level of responsiveness. It is difficult to function with the commissions when the governor appoints everyone and there is no line authority for the chairman of the commissions over anyone in the staff to implement any suggestions of the chairman. He said some were made before and were rejected and he would like to resubmit the bill from the previous legislature or revise it moderately. He said he would also join in a campaign reform bill with Senator Neal because he feels that is needed. He said that some of the concepts he mentioned are new and information is just being obtained on them and how the other states are doing things.

Senator Neal commented that the state banking bill is not new and that he has introduced it about three times. He offered to request the state banking bill again and the lieutenant governor accepted the offer.

Speaker Dini recalled that in 1983 when the Commission on Economic Development and Commission on Tourism were created, it was a very hotly debated subject between the governor and lieutenant governor and the compromise that is in effect today has worked well. He said he is not sure that the governor can have the lieutenant governor tell him what to do and it is bad politics. He doesn't think the bill needs to be requested.

The Lieutenant Governor stated that there are many revisions of the Lieutenant Governor position which need to be made and are issues of importance within Nevada. To revisit those and bring them before the legislative body is the correct manner and let the Legislature decide. (Prior to the vote, Senator Titus was excused for the remainder of the meeting.)

SENATOR MCGINNESS MOVED TO ALLOW THE LIEUTENANT GOVERNOR ONE BILL DRAFT REQUEST NOT HAVING TO DO WITH STATE BANKS. MOTION SECONDED BY SENATOR AUGUSTINE AND CARRIED WITH ASSEMBLYMEN LAMBERT AND PERKINS VOTING NAY.

D. Approval of Legislative Commission Resolution for the 87th Anniversary

of the National Day of the Republic of China--Lorne J. Malkiewich, Director.

Mr. Malkiewich referred to the proposed resolution contained in Volume I of the meeting packet. He noted that Nevada has been in a sister state relationship with the Province of Taiwan for the last 13 years and October 10th is their national day and a resolution is usually done honoring that day.

SENATOR NEAL MOVED TO APPROVE THE PROPOSED RESOLUTION. MOTION SECONDED BY ASSEMBLYMAN DINI AND CARRIED.

Item V--Informational Items:

The Chairman noted that the following items are informational only. Material was included in the packet for review:

A. Legislators' Travel Reports.

B. Legislative Committee Reports.

C. Reports:

1) Quarterly Report that assesses the developments in the electric industry in the State of Nevada, Public Utilities Commission, pursuant to Section 53 of Chapter 482, 1997 Statutes of Nevada.

2) Quarterly Report by State of Nevada, Department of Business and Industry, Office for Hospital Patients.

3) Progress Report by State of Nevada, Department of Business and Industry, Division of Insurance, pursuant to Section 196 of Chapter 580, Statutes of Nevada 1995, at Page 2061.

4) Report by State of Nevada, Department of Motor Vehicles and Public Safety, pursuant to Senate Concurrent Resolution No. 21.

Item VI--Public Comment.

There being no public comment, the meeting was adjourned.

Respectfully
submitted,

Marilyn K. White

Executive
Assistant

Assemblyman Richard D. Perkins, Chair
of the Nevada Legislative Commission