



MINUTES OF THE  
LEGISLATIVE COMMISSION  
NEVADA LEGISLATIVE COUNSEL BUREAU  
*Nevada Revised Statutes (NRS) 218E.150*

The Legislative Commission held its sixth meeting in Calendar Year 2015 on Monday, December 21, 2015. The meeting began at 9:36 a.m. in Room 4401 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada, and was videoconferenced to Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada.

**COMMISSION MEMBERS PRESENT:**

Senator Michael Roberson, Chair  
Senator James A. Settelmeyer, Vice Chair  
Senator Kelvin D. Atkinson  
Senator Moises (Mo) Denis  
Senator Aaron D. Ford  
Senator Ben Kieckhefer  
Assemblyman Nelson Araujo  
Assemblywoman Teresa Benitez-Thompson  
Assemblywoman Irene Bustamante Adams  
Assemblyman John Hambrick  
Assemblyman Ira Hansen  
Assemblyman Lynn D. Stewart

**OTHER LEGISLATOR IN ATTENDANCE:**

Senator Pete Goicoechea, Senate District No. 19

**LEGISLATIVE COUNSEL BUREAU STAFF PRESENT:**

Rick Combs, Director  
Rocky J. Cooper, Acting Legislative Auditor, Audit Division  
Mark Krmpotic, Senate Fiscal Analyst, Fiscal Analysis Division  
Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division  
Brenda J. Erdoes, Legislative Counsel, Legal Division  
Risa B. Lang, Chief Deputy Legislative Counsel, Legal Division  
Susan E. Scholley, Research Director, Research Division  
Debbie Gleason, Secretary for Minutes, Research Division  
Sylvia A. Wiese, Executive Assistant, Administrative Division

Chair Roberson called the meeting to order. [Exhibit A](#) is the agenda, and the attendance sign-in sheets are [Exhibit B](#). All exhibits are filed in the Director's Office of the Legislative Counsel Bureau (LCB) and are on the Legislative Commission's webpage at <http://www.leg.state.nv.us/Interim/78th2015/Committee/Interim/LC/?ID=2>.

*Items taken out of sequence during the meeting have been placed in agenda order.*

## **PUBLIC COMMENT**

Chair Roberson called for public comment.

Mona Lisa Samuelson, resident of Las Vegas, Nevada, medical marijuana patient (MMP) advocate, requested the creation of a medical marijuana subcommittee or advisory group. She referred to a letter of support from Steve Sisolak, Clark County Commissioner ([Exhibit C](#)). Ms. Samuelson stated that legislation addresses recreational use and the business side of medical marijuana, but not the needs of the MMPs. She provided several examples where the laws place MMPs in legal peril.

Chair Roberson informed Ms. Samuelson that the Legislature has created a subcommittee on medical marijuana under the Advisory Commission on the Administration of Justice (NRS 176.0123).

Mr. Combs said he would ensure Ms. Samuelson's name is on the list to receive information regarding the subcommittee.

The following people provided brief testimony in support of Regulation 064-15:

- Amy Christensen, representing Paul Mitchell the School Reno;
- John Grieco, Chief Executive Officer, Academy of Hair Design, Beauty School of Las Vegas;
- Gwen Braimoh, Director, Expertise Cosmetology Institute, Las Vegas, Nevada;
- Lucille Suarez, private citizen, Nevada; and
- Mark De Cola, private citizen, Nevada.

Chair Roberson asked for additional public comment. Hearing none, he moved to the next agenda item.

**APPROVAL OF MINUTES OF THE OCTOBER 27, 2015, MEETING—**  
Senator Michael Roberson, Chair

ASSEMBLYMAN STEWART MOVED APPROVAL OF THE MINUTES OF THE OCTOBER 27, 2015, MEETING.

SENATOR ATKINSON SECONDED THE MOTION.

THE MOTION CARRIED.

**PROGRESS REPORT**—Litigation Currently in Progress—Brenda J. Erdoes, Legislative Counsel, Legal Division, LCB

Brenda J. Erdoes, previously identified, provided an update on cases in litigation:

1. The State case of *People's Legislature v. Miller* was remanded back to the district court. The first phase of the federal case has begun with discovery, which is scheduled to end on September 15, 2016. The reason for the long discovery period is that it will likely include depositions of all proponents and opponents of every proposed initiative or referendum filed with the Office of the Secretary of State from 2006 to 2014.
2. In the Consolidated Tax Distribution Formula case of *City of Fernley v. State, Dept. of Taxation*, the Supreme Court of Nevada (Supreme Court) has yet to assign the appeal to determine whether it will be the Nevada Court of Appeals or the Supreme Court who will hear the argument.
3. In the Catalyst Account case of *Little v. State of Nevada, First Judicial District Court (Carson City)*, the Supreme Court argument is set for January 5, 2016, at 10 a.m.
4. In the ethics case, the Nevada Commission on Ethics (NCE) filed a notice of appeal with the Supreme Court. On December 1, 2015, the Assembly member who is the subject of the case filed a notice with the Supreme Court alleging there was an open meeting law violation because there was no public meeting at which the NCE's decision to appeal was made.
5. The case of *We Decide Coalition v. Secretary of State, Eighth Judicial District Court (Las Vegas)*, was transferred to the First Judicial District Court (Carson City). Ms. Erdoes said they are waiting to hear what will happen in that case.
6. In the medical marijuana case, *Doe v. State, Eighth Judicial District Court*, hearing was conducted on December 8, 2015, and a decision is pending.
7. In the case of *Fink v. Nelson*, which was filed on December 10, 2015, Assemblyman Erven T. Nelson's ability to serve in the 29th Special Session was challenged. On December 15, the Clark County District Court held that a future

intention of running for another seat does not disqualify a candidate or change his or her residency, and, regardless, it is only the Assembly that has the authority to determine the qualifications of its members.

#### **LEGISLATIVE COMMISSION POLICY:**

- A. Review of Administrative Regulations—Brenda J. Erdoes, Legislative Counsel, Legal Division, LCB (A list of the regulations may be viewed here: [http://www.leg.state.nv.us/Register/IndexesRegsReviewed/LCMtg\\_List\\_2015\\_Dec21.pdf](http://www.leg.state.nv.us/Register/IndexesRegsReviewed/LCMtg_List_2015_Dec21.pdf)).

Chair Roberson stated that R009-15 had been pulled from the agenda.

Referring to the list of State agency regulations to be reviewed by the Commission ([Exhibit D](#)), members asked Chair Roberson to hold the following regulations for discussion: R142-14, R018-15, R044-15, R052-15, and R066-15.

VICE CHAIR SETTELMAYER MOVED APPROVAL OF R074-14, R094-14, R002-15, R003-15, R041-15, R042-15, R043-15, R053-15, R056-15, R057-15, R058-15, R064-15, R081-15, R083-15, R084-15, R087-15, R096-15, R102-15, R113-15, AND R118-15; R120-15 FOR EARLY REVIEW; AND R050-13 FOR CORRECTION.

ASSEMBLYMAN STEWART SECONDED THE MOTION.

THE MOTION CARRIED.

#### Regulation 142-14

- A REGULATION relating to controlled substances, revising the list of substances contained in schedule I; and providing other matters properly relating thereto ([Exhibit E](#)).

Referring to page 19 of R142-14 that lists Cannabis as one of the new substances, Assemblywoman Bustamante Adams asked whether the term “Cannabis” included medical marijuana.

S. Paul Edwards, General Counsel, State Board of Pharmacy, said medical marijuana was not included on the list. He stated that Cannabis is already on the list, and the regulation provides clarification of the definition of Cannabis at the request of the State crime labs. The current description of Cannabis requires different methods by which the northern and southern areas of Nevada can prosecute the illicit possession of marijuana. The new language ensures the north and south prosecute crimes in a similar manner and without ambiguities.

The regulation does not sidestep the medical marijuana statutes and regulations; it pertains only to the illegal possession of marijuana.

ASSEMBLYWOMAN BUSTAMANTE ADAMS MOVED  
APPROVAL OF R142-14.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED.

#### Regulation 018-15

A REGULATION relating to vehicle emissions; revising provisions relating to the testing of vehicle exhaust emissions; and providing other matters properly relating thereto ([Exhibit F](#)).

Vice Chair Settelmeyer asked why the waiver for individuals temporarily living on military installations was being eliminated.

Morgan Friend, Management Analyst, Emissions Control Program, Department of Motor Vehicles, stated it is cleanup language. Currently, the code is more stringent on government employees than on those in the private sector. Private individuals are not required to obtain an emissions certificate until 60 days after obtaining residency, as opposed to government employees who are required to obtain an emissions certificate within 60 days of arriving in the State.

VICE CHAIR SETTELMEYER MOVED APPROVAL OF R018-15.

ASSEMBLYMAN HAMBRICK SECONDED THE MOTION.

THE MOTION CARRIED.

#### Regulation 044-15

A REGULATION relating to state employees; revising provisions concerning certain screening tests to detect the presence of a controlled substance; revising provisions concerning certain screening tests to detect the presence of a controlled substance, alcohol or other drug; and providing other matters properly relating thereto ([Exhibit G](#)).

Assemblywoman Bustamante Adams asked for assurance that medical marijuana is not being treated as a controlled substance for dismissing employees.

Lee-Ann Easton, Administrator, Division of Human Resource Management (DHRM), Department of Administration, confirmed that medical marijuana is not being treated as a controlled substance, and the DHRM is in the process of developing regulations to address medical marijuana.

ASSEMBLYWOMAN BUSTAMANTE ADAMS MOVED  
APPROVAL OF R044-15.

ASSEMBLYMAN ARAUJO SECONDED THE MOTION.

THE MOTION CARRIED.

Regulation 052-15

A REGULATION relating to mining; revising provisions relating to a plan for reclamation; requiring an operator of a mining operation to perform certain types of reclamation; revising provisions relating to a surety for reclamation; revising the method for estimating the cost of a plan for reclamation in certain circumstances; and providing other matters properly relating thereto ([Exhibit H](#)).

Referring to subsection 18 of Section 2 of R052-15, Assemblyman Araujo asked why “or” is being used, as opposed to “and,” surmising it would be better to obtain the complete package with the report.

Greg Lovato, Deputy Administrator, Mining Regulation, Reclamation, Corrective Actions, and Federal Facilities, Division of Environmental Protection (DEP), State Department of Conservation and Natural Resources, confirmed that all of the elements of that section would be obtained by the DEP, if needed. He said there might be circumstances where portions are not needed depending on what discharge is being dealt with at a particular mine site.

Assemblyman Araujo and Mr. Lovato discussed the use of “and/or.”

Brenda J. Erdoes, previously identified, opined that the issue is the result of the Legal Division’s drafting rules. In regulations the use of the term “or” modified by the term “necessary” makes subsection 18 require a description of all named items that are necessary.

ASSEMBLYMAN ARAUJO MOVED APPROVAL OF R052-15.

SENATOR ATKINSON SECONDED THE MOTION.

THE MOTION CARRIED.

Regulation 066-15

A REGULATION relating to education; revising the program areas and the courses of study which the board of trustees of a school district may offer for a program of career and technical education; repealing the performance standards for a course of study in graphic communications and production; and providing other matters properly relating thereto ([Exhibit I](#)).

Referring to Section 2 of R066-15, Assemblyman Stewart asked why the regulation on the performance standards was repealed.

Alex Kyser, Education Programs Professional, Skilled and Technical Sciences, Office of Career Readiness, Adult Learning & Education Options, Nevada's Department of Education (NDE), stated that a couple of years prior, career and technical was removed from the listing of the State standards in the *Nevada Administrative Code* (NAC). At that time, 389.605 of NAC was unintentionally left in regulations. The NDE is repealing the regulation to follow current practices, and the graphic communications and production program has been discontinued in all high schools.

Senator Denis asked whether other programs replaced the graphic communications and production program.

Mr. Kyser stated the NDE updated the program name to graphic design, as indicated in subparagraph (5) of paragraph (e) of subsection 1 of Section 1 of R066-15.

ASSEMBLYMAN STEWART MOVED APPROVAL OF R066-15.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED.

B. Approval of Amendments to Regulation Concerning Lobbying—Rick Combs, Director, LCB

Rick Combs, previously identified, referred to a document titled "Regulation on Lobbying" ([Exhibit J](#)), which is normally presented to the Commission in October before each legislative session. He explained the regulation is being provided at this time because Senate Bill 307 (Chapter 320, *Statutes of Nevada 2015*) made some sweeping changes to lobbying laws, which become effective on January 1, 2016.

Mr. Combs summarized the changes. First, for the purposes of the provisions of the statute prohibiting gifts from lobbyists during the interim, pursuant to NRS 218H.930, the regulation clarifies that a registrant from the last regular session and any special sessions conducted since the last regular session will be considered a lobbyist until the first day of the next regular session. Mr. Combs stated another change eliminates the categories included in the expenditure reports. The only item to be reported during the legislative session is expenditures related to an event to which all legislators are invited or to a type of educational event for legislators. Having separate categories is unnecessary because there will only be two items requiring details on expenditures instead of categorizing them.

Finally, the transitory provision put into place for the 2015 Session no longer applies; therefore, it has been removed.

Mr. Combs reiterated that lobbyist items are typically taken up closer to the next session, but staff is willing to entertain any other changes to the regulation that members might have.

Chair Roberson stated he supports the changes to the regulations, and they are consistent with S.B. 307, which he sponsored during the 2015 Session.

Assemblyman Stewart asked when the last time the lobbyist fees were increased.

Mr. Combs said the last time the paid lobbyist fees were increased for a regular session was around the start of the recession. They were raised from \$200 to \$300 to help offset the costs of the special session as part of the Legislature's General Fund reduction measures for the Legislative Branch. The fees for a special session were not in regulation prior to October 2014. Prior to that, it was up to him to decide the charge for an individual during a special session. He concluded the decision was better left to the Commission rather than determining the fees at the time the special session is called.

In response to Assemblyman Stewart's question regarding the use of the fee revenues, Mr. Combs said they are credited as revenue and used to offset the costs of the regular or special session for which they have been paid.

SENATOR DENIS MOVED APPROVAL OF THE REGULATION  
ON LOBBYING.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED.

#### **LEGISLATIVE AUDITOR:**

A. Summary of Audit Reports Presented to Legislative Commission's Audit Subcommittee, NRS 218G.240—Rocky J. Cooper, Acting Legislative Auditor, Audit Division, LCB

Rocky J. Cooper, previously identified, referred to a letter dated November 19, 2015, from Senator Ben Kieckhefer, Chair, Audit Subcommittee of the Legislative Commission (NRS 218E.240), addressed to the Commission members ([Exhibit K](#)), indicating a meeting of the Audit Subcommittee was held on that date whereby six audit reports of the Audit Subcommittee were presented.



Mr. Cooper provided highlights of each report.

Office of the Attorney General (Office) ([Exhibit L](#))

The purpose of the audit was to evaluate the Office's process for collecting and disbursing restitution funds received from the litigation of deceptive trade practices and activities related thereto from Fiscal Year (FY) 2011 through FY 2014. The Office pursued and obtained over \$164 million in settlement funds from financial institutions for deceptive mortgage lending practices.

Although most of the funds were appropriately disbursed to victims and other entities, the Office's monitoring needs to be strengthened in some areas. For example, about \$33 million of these funds were set aside to administer the Home Again Program (Program). The Program provides a foreclosure hotline and legal and credit counseling services through nonprofit organizations acting as grantees. The Office's review of grantee reimbursement requests for expenditures was inadequate. Since the inception of the Program, the Office reimbursed the grantees approximately \$8 million. Although most of the payments tested were appropriate, almost 15 percent of the amounts paid did not agree to supporting documentation. Since the audit, about \$56,000 in overpayments from grantees have been identified and repaid to the Office. In addition, quarterly reports to the Interim Finance Committee (NRS 218E.400) on activities regarding the program were inaccurate. For one quarter, the number of persons assisted through the credit restoration program was reported to be 1,970; however, supporting documentation showed that only 696 persons received assistance. The Program did not perform annual fiscal audits of its three grantees.

Aside from the Program, other settlement funds received were to be paid to homeowners who were affected by deceptive mortgage lending practices. Over \$11 million in funds for victims that could not be located were not returned to the Office timely. A third-party administrator held the funds for about one and one-half years.

The Office can also improve controls over the disbursement of restitution funds for cases other than deceptive mortgage lending practices. Although most restitution funds tested were disbursed after being collected, payments to victims for four of ten cases were delayed from one to three years. The Office accepted the six recommendations to improve oversight of these funds.

Unclaimed Property Program (UPP), Office of the State Treasurer (State Treasurer) ([Exhibit M](#))

The purpose of the audit was to evaluate the UPP's processes for collecting, administering, and returning unclaimed property and activities related thereto from July 2013 through February 2015. According to the State Treasurer's Annual Report, the State held about \$675 million in unclaimed property during FY 2014.

Overall, the Audit Division (Audit) found the UPP could improve its inventory controls and the timeliness of processing claims.

Specifically, the UPP did not properly track many of the savings bonds in its vault. Bonds belonging to 70 individuals were tested; 35 bonds belonging to individuals were not recorded in the UPP's database, which totaled about \$134,000. The UPP did not have an accurate inventory list nor did it perform annual reconciliations of unclaimed property held in its vault. The audit revealed that 18 of 25 items tested from the UPP's report were not in the vault, which included 12 items where there was no evidence of the items' disposal. In addition, the UPP did not adequately monitor securities maintained in its custodian account. The audit disclosed there was a difference of 933,000 shares between the custodian statement and the UPP's records. According to staff, many of the unreconciled shares were worthless; however, Audit found certain unreconciled shares had a market value of \$313,000.

Regarding claims processing, more than one-half of the claims tested were not processed timely. For example, 27 of 50 paid claims and 17 of 30 denied claims were not processed timely in accordance with State law that requires them to be processed within 90 days. The UPP has not implemented procedures that require a tracking system or management report for monitoring the timely processing of claims. The State Treasurer accepted the eight recommendations.

#### Capitol Police Division (CPD), Department of Public Safety (DPS) ([Exhibit N](#))

The purpose of the audit was to focus on determining whether financial and administrative controls related to contracted security and travel expenditures comply with State laws, regulations, and other requirements. Overall, Audit found that the CPD processed contract and travel expenditures in compliance with applicable requirements, although certain improvements can be made. Of 18 contractor invoices reviewed, none had evidence that the chief of the CPD had reviewed or approved the invoices prior to payment, as required by CPD policy. Invoice review can be strengthened by comparing invoices to detailed logs maintained by contract security personnel. The CPD accepted the two recommendations to strengthen the invoice review process.

#### Nevada Highway Patrol (NHP), DPS ([Exhibit O](#))

The purpose of the audit was to determine whether certain administrative controls related to school bus inspections, fuel procurement cards, inventory, and hazmat permit issuing processes are adequate. Primarily, the audit focused on NHP's activities from FY 2014 and some activities related to bus inspections and inventory practices during FY 2015. Overall, Audit found that the NHP has done a good job inspecting nearly 2,500 school buses twice yearly across the State to detect mechanical and safety defects. However, results of inspecting vehicles can be enhanced, such as vans and smaller buses, which are also used to transport pupils. The audit revealed that not all vehicles used to transport students are

inspected annually as required by NRS 392.400. There are about 155 vans and other vehicles, besides buses, used to transport pupils across the State that need to be inspected. In addition, the school bus inspection results were not reported to the school district superintendent, as required by law.

The audit also identified that the NHP does not have adequate controls over the single-trip hazmat permit issuing process for the transportation of hazardous materials throughout the State, for which the NHP is responsible. The audit showed that 16 of 67 vehicles were issued multiple permits within a three-month period, which is in violation of regulation. Single-trip temporary hazmat permits are limited to one every three months per vehicle. Moreover, the NHP does not have an adequate process to identify when employees with fuel cards leave the NHP. The Audit's review of 454 active fuel cards identified 23 active cards for individuals no longer employed by the NHP. The NHP accepted the seven recommendations.

Manufactured Housing Division (Division), Department of Business and Industry (DBI) ([Exhibit P](#))

The purpose of the audit was to determine whether certain operating and administrative controls related to inspections, deposits, information technology, and performance measures were adequate. The audit focused on certain operating and administrative controls, primarily during Calendar Year 2014; however, certain information technology and inspection activity was reviewed through February 2015.

The Division's mission is to protect the occupants of manufactured homes and commercial structures. The audit indicated the Division could improve its operating and administrative practices over inspections, deposits of certain fees, protecting sensitive electronic information, and documenting performance measures. Specifically, the Division needs to develop a process to ensure inspections are performed on all structures. The Audit's review of permit and inspection records found that 58 percent of failed inspection permits and 80 percent of open permits did not have a subsequent or original inspection performed by the Division. Inspections were not performed because the Division relies solely on the permit purchaser to schedule the inspection.

Furthermore, the Division needs to develop a compliance label inventory system from receipt to affixation of the label. The Division does not maintain an adequate inventory of labels, which it affixes to structures to signify standards have been met. The Division also had control weaknesses over revenue collections and deposits, which include untimely deposits, no check log, inadequate safeguarding of revenues, and inadequate separation of duties.

The Division is also collecting and storing records of personal identifying information without proper statutory authority and safeguards.

Over 2,000 unencrypted social security numbers and names of applicants were found on the Division's network. The Division accepted the 11 recommendations to improve its operations.

Division of Museums and History (DMH), Department of Tourism and Cultural Affairs ([Exhibit Q](#))

The purpose of the audit was to evaluate controls over the DMH's museum store merchandise and museum revenues. The audit focused on the State museums in Carson City and Las Vegas and the railroad museum in Carson City for the 18 months ending December 31, 2014. The audit disclosed that improvements could be made to strengthen the DMH's controls over store merchandise and museum revenues. For three of the museums tested, Audit found a lack of written policies and procedures over each store's inventory process. Adjustments made to merchandise inventory records were not adequately documented and reviewed. In addition, 30 of 214 adjustments to the amount of store merchandise on hand could not be adequately explained. For the Nevada State Museum, Las Vegas, the 2014 fiscal inventory was not conducted properly, and inventory adjustments were not made to reflect the physical count. Staff identified 295 of 817 items that required a quantity adjustment to the system; these adjustments were never made.

Furthermore, six of ten purchases tested were not properly recorded in the point-of-sale inventory system when received. Control weaknesses were also identified in accounting for the commemorative medallions. Staff duties in the minting process were not adequately segregated, and no fiscal inventories were performed of the stored blanks and medallions. Deposits were not always found to be timely; 44 of 140 deposits tested totaling \$8,000 were not made timely in accordance with State law. The DMH accepted the seven recommendations to improve controls of museum store merchandise and museum revenues.

Mr. Cooper stated the Audit Subcommittee recommends the Commission accept the six audit reports.

SENATOR ATKINSON MOVED APPROVAL OF THE SUMMARY  
OF AUDIT REPORTS.

ASSEMBLYMAN STEWART SECONDED THE MOTION.

THE MOTION CARRIED.

- B. Summary of Six-Month Status Reports on the Implementation of the Audit Recommendations by the Legislative Auditor as Submitted to the Audit Subcommittee, NRS 218G.270—Rocky J. Cooper, Acting Legislative Auditor

Mr. Cooper referred to a letter from Senator Ben Kieckhefer, Chair, Audit Subcommittee of the Legislative Commission, indicating that the Audit Subcommittee reviewed nine, six-month status reports on November 19, 2015 ([Exhibit R](#)). He then referred to the Legislative Auditor Analysis of Six-Month Reports as of November 19, 2015 ([Exhibit S](#)). Of the 79 recommendations, 72 are fully implemented, and 7 are partially implemented for which follow-up will continue. Mr. Cooper stated the Audit Subcommittee recommends the Commission accept the nine, six-month reports.

Assemblyman Stewart asked for the frequency and effect of agencies not fully implementing audit recommendations.

Mr. Cooper stated that Audit continues to follow up on recommendations even after being reported to the Audit Subcommittee, and if they are not fully implemented by the next session, Audit reports that information to the appropriate money committees.

ASSEMBLYMAN STEWART MOVED APPROVAL OF THE NINE,  
SIX-MONTH STATUS REPORTS.

ASSEMBLYMAN HAMBRICK SECONDED THE MOTION.

THE MOTION CARRIED.

#### **APPOINTMENTS AND APPROVAL OF BUDGETS:**

##### **A. Appointment of Members to the Nevada Silver Haired Legislative Forum (NRS 427A.330)**

Rick Combs, previously identified, referred to a list of names of people designated for reappointment to the Nevada Silver Haired Legislative Forum (NSHLF) ([Exhibit T](#)). He also referred to a memorandum from Mary Shope, Coordinator, NSHLF ([Exhibit U](#)), indicating that current members' terms will soon expire. The senators who made the recommendations advocate reappointment of the following members to the NSHLF:

- Senate District No. 2: Rick Kuhlmeier;
- Senate District No. 3: Clo Banks;
- Senate District No. 4: Verlia Davis Hoggard;
- Senate District No. 6: Betty Rumford;

- Senate District No. 7: Joann M. Bongiorno;
- Senate District No. 11: Stephanie L. Rose;
- Senate District No. 14: John Paul (Jack) Ginter, Jr.;
- Senate District No. 15: Reba June Burton; and
- Senate District No. 21: Fran Almaraz.

ASSEMBLYMAN STEWART MOVED APPROVAL OF THE REAPPOINTMENT OF MEMBERS TO THE NEVADA SILVER HAired LEGISLATIVE FORUM.

SENATOR ATKINSON SECONDED THE MOTION.

THE MOTION CARRIED.

B. Appointment of Alternates for Members of the Legislative Committee on Public Lands (NRS 218E.510)

Mr. Combs stated NRS 218E.510 authorizes the Commission to appoint alternates to the regular members of the Legislative Committee on Public Lands (Public Lands). Senator Don Gustavson, Chair, Public Lands, submitted a letter ([Exhibit V](#)) to the Commission requesting at least one legislator from each caucus be appointed as an alternate to ensure a full complement of members at the meetings. Mr. Combs referred to the list of legislators who had expressed an interest in serving on or would be willing to serve as alternates to Public Lands ([Exhibit W](#)).

Chair Roberson requested a motion to appoint the following four legislators as alternates to Public Lands: Senator Atkinson, Senator Settelmeyer, Assemblywoman Carlton, and Assemblyman Wheeler.

SENATOR FORD MOVED APPROVAL OF THE APPOINTMENT OF SENATOR ATKINSON, SENATOR SETTELMAYER, ASSEMBLYWOMAN CARLTON, AND ASSEMBLYMAN WHEELER AS ALTERNATES TO THE LEGISLATIVE COMMITTEE ON PUBLIC LANDS.

VICE CHAIR SETTELMAYER SECONDED THE MOTION.

THE MOTION CARRIED.

C. Establishment of Additional Interim Committees or Subcommittees for the 2015–2016 Interim Pursuant to NRS 218E.200 and Approval of Budgets for Such Committees or Subcommittees ([Exhibit X](#))

Mr. Combs stated that during the October 27, 2015, Commission meeting three separate topics were discussed as follows: (1) creation of a water subcommittee; (2) the localization of a mental health services committee; (3) and Senate Joint Resolution No. 13 (File No. 41, *Statutes of Nevada 2015*).

Mr. Combs explained the Office of the Governor (OG) indicated it was planning to issue an executive order that would continue the work of the Governor's Behavioral Health and Wellness Council (GBHWC), and the topic would be included in their work this interim. Mr. Combs said that since the October 27 meeting, he has conversed with Michael J. Willden, Chief of Staff, OG, who indicated the OG determined that a second executive order is unnecessary. The OG will submit a letter to the chair of the GBHWC asking that it study the subject matter during the current interim so that any potential requests for legislation can be made prior to the 2017 Legislative Session.

Chair Roberson explained that Senator Pete Goicoechea was voted in as chair of the Legislative Commission's Subcommittee to Study Water (NRS 218E.200) (Subcommittee) during the October 27 Commission meeting. The Commission has contemplated that one member from each caucus be appointed as a member to the Subcommittee, as suggested by Senator Goicoechea. The selection of members is as follows: Senator Ford, Senator Hardy, Assemblywoman Carlton, and Assemblyman Oscarson.

Senator Goicoechea acknowledged he is amenable to the selected members. He stated there would be six meetings. Three meetings would take place in urban areas (two in Carson City and one in Las Vegas) and three in rural areas (one possibly in Dyer, one in Pahrump, and one in Winnemucca). The first meeting would commence in either late January or early February in Carson City.

Chair Roberson said the budget for six meetings would be \$11,050, and there is almost \$22,000 budgeted for interim committees.

SENATOR DENIS MOVED APPROVAL OF THE CREATION OF THE LEGISLATIVE COMMISSION'S SUBCOMMITTEE TO STUDY WATER WITH SENATOR GOICOECHEA AS CHAIR, AND THE APPOINTMENT OF SENATOR FORD, SENATOR HARDY, ASSEMBLYWOMAN CARLTON, AND ASSEMBLYMAN OSCARSON AS MEMBERS, AND APPROVAL OF A BUDGET OF \$11,050.

ASSEMBLYMAN ARAUJO SECONDED THE MOTION.

THE MOTION CARRIED.

Vice Chair Settlemeyer provided a summary of the discussion that took place during the October 27 Commission meeting regarding S.J.R. 13, which included potential legislation that might be necessary during the 2017 Legislative Session. After discussions with representatives from the Nevada Association of Counties (NACO) and LCB staff, Vice Chair Settlemeyer has determined the best course of action would be to allow the local governments and NACO to meet concerning issues. Thereafter, the individuals would determine the issues they can manage, and then create an LCB staff study to work with local governments and any consultants they deem necessary. The LCB staff would report their findings to the Commission.

Vice Chair Settlemeyer clarified that staff would be limited to studying only the potential impacts of S.J.R. 13 and the recommendations regarding legislation that might be necessary to carry out those provisions. He reiterated that legislation would have to be passed by the 2017 Legislature and then approved by the voters in the 2018 General Election. Vice Chair Settlemeyer noted that he has received assurance from Mr. Combs that staff from the Fiscal Analysis and Legal Divisions would be available to conduct the study, and staff should be able to report to the Commission regarding its findings and recommendations prior to the 2017 Session. Because it is a staff study, the LCB should be able to fund the costs within their existing budget.

VICE CHAIR SETTELMAYER MOVED APPROVAL TO DIRECT THE LCB STAFF TO CONDUCT A STUDY REGARDING THE POTENTIAL IMPACT OF S.J.R. 13, INCLUDING RECOMMENDATIONS REGARDING LEGISLATION REQUIRED TO CARRY OUT THE PROVISIONS THEREOF, IF APPROVED BY THE LEGISLATURE AND VOTERS, AND REPORT TO THE LEGISLATIVE COMMISSION REGARDING ITS FINDINGS PRIOR TO THE NEXT LEGISLATIVE SESSION.

ASSEMBLYWOMAN BUSTAMANTE ADAMS SECONDED THE MOTION.

THE MOTION CARRIED.

Regarding the creation of a localized of mental health services committee or subcommittee during the interim, Chair Roberson and Assemblyman Araujo concluded the Commission would decline to take action at this time pending the actions of the GBHWC. Chair Roberson said the Commission could address the item at a later Commission meeting, if needed.

D. Approval of Appointment of the Legislative Auditor (NRS 218F.100)—  
Rick Combs, Director, LCB



Mr. Combs explained his role in making appointments of division chiefs to the LCB. He requested the Commission's approval of the appointment of Rocky J. Cooper, as the Legislative Auditor.

ASSEMBLYMAN STEWART MOVED APPROVAL OF  
THE APPOINTMENT OF ROCKY J. COOPER AS THE  
LEGISLATIVE AUDITOR.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED.

E. Approval of Appointment to the Legislative Commission's Subcommittee to Review Regulations (NRS 233B.067)—**Emergency Appointment**

Chair Roberson stated former Assemblywoman Marilyn Kirkpatrick's resignation had created a vacancy on the Legislative Commission's Subcommittee to Review Regulations; he asked for a motion to appoint a replacement.

ASSEMBLYWOMAN BUSTAMANTE ADAMS MOVED  
APPROVAL TO APPOINT ASSEMBLYMAN TYRON THOMPSON  
TO THE LEGISLATIVE COMMISSION'S SUBCOMMITTEE TO  
REVIEW REGULATIONS.

SENATOR FORD SECONDED THE MOTION.

THE MOTION CARRIED.

**INFORMATIONAL ITEMS:**

- A. Interim Committee Reports
- B. Summary of Quarterly Reports on Disciplinary Action from the Licensing Boards and State Agencies
- C. Miscellaneous Reports or Correspondence from State Agencies and Others:
  - 1. Office of the State Treasurer:
    - a. Annual Report of Nevada Capital Investment Corporation (NCIC) Pursuant to NRS 355.270
    - b. 2015 Annual Report on Operations of the Office Pursuant to NRS 226.120

Referring to the Nevada College Kick Start Program on page 11 of the Office of the State Treasurer's Annual Report ([Exhibit Y](#)), Assemblywoman Bustamante Adams asked for the number of eligible students.

Tara Hagan, Chief Deputy, Office of the State Treasurer, said she did not have the figures with her, but would follow up with that information.

Assemblywoman Bustamante Adams asked for a breakdown of where the students are located. She is interested in knowing how many students in her district are participating in the program.

Referring to the June 30, 2015, Annual Report of the Silver State Opportunities Fund (SSOF) and NCIC, prepared by the fund manager, Hamilton Lane (HL) ([Exhibit Z](#)), Assemblywoman Bustamante Adams, asked whether the Rural Physicians Group (RPG) and West Dermatology (WD) were new investment companies.

Ms. Hagan confirmed that RPG and WD were two of five new coinvestment companies in FY 2015.

Assemblywoman Bustamante Adams referenced remarks made during the 2015 Session that Nevada does not invest in its own companies. She asked Ms. Hagan to expand on the RPG and WD regarding the SSOF.

Ms. Hagan said the five new coinvestments represent NCIC's portion. In addition, the NCIC also has a fund partner (investment firm) that generally has five- to seven-times more capital. She said that HL, with the fund partners, has opened four private equity firms with offices in Nevada. The other coinvestment companies in 2015 are Kareo, Inc., Las Vegas Color Graphics, and The Marshall Retail Group.

Ms. Hagan confirmed Senator Kieckhefer's summary that the State's permanent school fund is receiving an average rate of return of more than 6 percent on its net investment, which has resulted in hundreds of millions of dollars of additional investment into the State and Nevada companies. Due to these investments, employment in these companies has grown by more than 30 percent with wages above the State and national average.

2. Henderson Redevelopment Agency, Report Regarding 18 Percent Set-Aside for Education Pursuant to NRS 279.676
3. Las Vegas Valley Water District, Annual Report on Bidder's Preference Pursuant to NRS 338.0117
4. Southern Nevada Water Authority, Annual Report on Bidder's Preference Pursuant to NRS 338.0117
5. Department of Transportation, NDOT Annual Design-Build Report Pursuant to Section 14.5 of Assembly Bill 283 (Chapter 487, *Nevada Revised Statutes 2013*)

6. Department of Business and Industry, Nevada Transportation Authority, Report Regarding Background Checks Pursuant to Section 55 of Assembly Bill 176 (Chapter 279, *Nevada Revised Statutes 2015*)

Ann Wilkinson, Chair, Nevada Transportation Authority (NTA), DBI, provided an overview of the NTA's report ([Exhibit AA](#)) regarding a background check study directed by Section 55 of A.B. 176. The NTA developed a method for comparing background checks for individuals who drive for transportation network companies (TNCs) to a Federal Bureau of Investigation (FBI) fingerprint background check. Ms. Wilkinson stated the NTA ran into a number of complexities and was unable to provide results of individual comparison studies. However, the NTA identified hurdles, and provided recommendations should the Legislature decide it would like background check comparisons on an individual basis.

Ms. Wilkinson said the report provides an overview of the commercial background checks conducted by Uber and Lyft and what the NTA experienced going through FBI fingerprint background checks. The commercial checks came back quicker and covered specific periods for driving and criminal histories, including convictions. Whereas, FBI checks were lengthy and identified arrests for applicants' entire history, but they did not always include disposition information.

Ms. Wilkinson confirmed for Senator Ford that there is no confirmed study comparing FBI background checks to private background checks for individuals. She explained that A.B. 176 does not provide authority to require or perform fingerprint checks for TNC drivers. The NTA discovered, after communicating with the Nevada Criminal History Repository (NCHR), General Services Division, DPS, that the NCHR would be required to obtain approval from either the United States Attorney General or the FBI before it could assist in the collection and transmission of FBI reports.

Senator Ford expressed concern that the issue of the NTA not having the authority to require or perform fingerprint checks for TNC drivers was not brought up during the 2015 Session. He asked whether there was an alternative to studying the efficacy between private and FBI background checks.

Ms. Wilkinson stated that if the request is for a comparison of individual background checks, she did not have any alternatives based upon current legislation. She said even if there was an alternative, the NTA would still run into the problem of the FBI not processing and transmitting fingerprint reports for potential or existing TNC drivers. Ms. Wilkinson said the report provides an avenue going forward that requires legislation during the next session.

Ms. Wilkinson provided an alternative to conducting a comparison of an individual background check with that of the process used by the TNCs, as opposed to the process of conducting an FBI fingerprint check. She said these differences are

highlighted in the report. Ms. Wilkinson emphasized the comparison is of the process itself and not of the individuals.

Senator Ford asked Ms. Wilkinson whether she could provide more detail of what the TNCs can ascertain regarding differences in procedures. He also suggested continuing discussions about what the NTA needs in order to provide a comparative analysis regarding individual background checks.

Vice Chair Settlemeyer pointed out that testimony on A.B. 176 revealed an FBI background check could create a four-week delay for a TNC applicant. In addition, the FBI report does not provide disposition information, which could wrongfully accuse and bar someone from employment.

Ms. Wilkinson confirmed for Vice Chair Settlemeyer that TNCs are compliant with legislation by providing information required by law.

7. More Cops Revenue and Expenditure Reports Submitted Pursuant to Sections 13.5 and 13.7 of the Clark County Sales and Use Tax Act of 2005, 1st Quarter of Fiscal Year 2016
  - a. City of Henderson
  - b. Las Vegas Metropolitan Police Department
  - c. North Las Vegas
8. Department of Health and Human Services, Division of Child and Family Services Report on Budgets for Child Protective Services Pursuant to NRS 432B.327
9. Storey County, Annual Report Regarding Economic Diversification District Pursuant to NRS 271B.100
10. Storey County, Annual Report Regarding Abatement of Permitting or Licensing Fees Pursuant to NRS 360.980

## **PUBLIC COMMENT**

Chair Roberson called for public comment; however, no testimony was presented.

There being no further business to come before the Commission, the meeting was adjourned at 11:33 a.m.

Respectfully submitted,

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Debbie Gleason  
Secretary for Minutes

APPROVED BY:

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Senator Michael Roberson, Chair  
Legislative Commission

## EXHIBITS

EXHIBIT	WITNESS/ENTITY	DESCRIPTION
<a href="#">Exhibit A</a>	Rick Combs, Director, Legislative Counsel Bureau (LCB)	Revised Meeting Notice and Agenda
<a href="#">Exhibit B</a>	Sylvia A. Wiese, Executive Assistant, Administrative Division, LCB	Attendance sign-in sheets dated December 21, 2015, from Carson City and Las Vegas, Nevada
<a href="#">Exhibit C</a>	Mona Lisa Samuelson, resident of Las Vegas, Nevada	Letter from Steve Sisolak, Clark County Commissioner
<a href="#">Exhibit D</a>	Legal Division, LCB	List of State agency regulations to be reviewed by the Legislative Commission
<a href="#">Exhibit E</a>	Legal Division, LCB	Adopted regulation of the State Board of Pharmacy, LCB File No. R142-14
<a href="#">Exhibit F</a>	Legal Division, LCB	Adopted regulation of the Department of Motor Vehicles, LCB File No. R018-15
<a href="#">Exhibit G</a>	Legal Division, LCB	Adopted regulation of the Personnel Commission, LCB File No. R044-15
<a href="#">Exhibit H</a>	Legal Division, LCB	Adopted regulation of the State Environmental Commission, LCB File No. R052-15
<a href="#">Exhibit I</a>	Legal Division, LCB	Adopted regulation of the State Board of Education, LCB File No. R066-15
<a href="#">Exhibit J</a>	Legal Division, LCB	Regulation on Lobbying, <i>Nevada Revised Statutes</i> 218H.400 and 218H.500
<a href="#">Exhibit K</a>	Rocky J. Cooper, Acting Legislative Auditor, Audit Division, LCB	Letter from Senator Ben Kieckhefer regarding reports from Legislative Auditor
<a href="#">Exhibit L</a>	Rocky J. Cooper, Acting Legislative Auditor, Audit Division, LCB	Legislative Auditor Report # LA16-06, Office of the Attorney General
<a href="#">Exhibit M</a>	Rocky J. Cooper, Acting Legislative Auditor, Audit Division, LCB	Legislative Auditor Report # LA16-07, Unclaimed Property Program, Office of the State Treasurer

<a href="#">Exhibit N</a>	Rocky J. Cooper, Acting Legislative Auditor, Audit Division, LCB	Legislative Auditor Report # LA16-08, Capitol Police Division, Department of Public Safety
<a href="#">Exhibit O</a>	Rocky J. Cooper, Acting Legislative Auditor, Audit Division, LCB	Legislative Auditor Report # LA16-05, Nevada Highway Patrol
<a href="#">Exhibit P</a>	Rocky J. Cooper, Acting Legislative Auditor, Audit Division, LCB	Legislative Auditor Report # LA16-04, Manufactured Housing Division, Department of Business and Industry
<a href="#">Exhibit Q</a>	Rocky J. Cooper, Acting Legislative Auditor, Audit Division, LCB	Legislative Auditor Report # LA16-03, Division of Museums and History, Department of Tourism and Cultural Affairs
<a href="#">Exhibit R</a>	Rocky J. Cooper, Acting Legislative Auditor, Audit Division, LCB	Letter from Senator Ben Kieckhefer regarding nine, six-month reports
<a href="#">Exhibit S</a>	Rocky J. Cooper, Acting Legislative Auditor, Audit Division, LCB	Legislative Auditor Analysis of Six-Month Reports as of November 19, 2015
<a href="#">Exhibit T</a>	Rick Combs, Director, LCB	List of names of people designated for reappointment to the Nevada Silver Haired Legislative Forum (NSHLF)
<a href="#">Exhibit U</a>	Rick Combs, Director, LCB	Memorandum from Mary Shope, Coordinator, NSHLF
<a href="#">Exhibit V</a>	Rick Combs, Director, LCB	Letter from Senator Don Gustavson
<a href="#">Exhibit W</a>	Rick Combs, Director, LCB	List of legislators willing to serve as alternates on the Legislative Committee on Public Lands
<a href="#">Exhibit X</a>	Rick Combs, Director, LCB	Establishment of Additional Interim Committees or Subcommittees for the 2015-2016 Interim and Approval of Budgets for Such Committees or Subcommittees

<a href="#">Exhibit Y</a>	Tara Hagan, Chief Deputy, Office of the State Treasurer	2015 Annual Report From the Office of the State Treasurer
<a href="#">Exhibit Z</a>	Tara Hagan, Chief Deputy, Office of the State Treasurer	Annual Investment Report of the Nevada Silver State Opportunities Fund
<a href="#">Exhibit AA</a>	Ann Wilkinson, Chair, Nevada Transportation Authority (NTA), Department of Business and Industry	Report from the NTA

This set of “Minutes of the Legislative Commission” is an informational service. Exhibits in electronic format may not be complete. Copies of the complete exhibits are on file in the Director’s Office of the Legislative Counsel Bureau, Carson City, Nevada.