



MINUTES OF THE  
LEGISLATIVE COMMISSION  
NEVADA LEGISLATIVE COUNSEL BUREAU (LCB)  
December 20, 2012

The seventh meeting in calendar year 2012 of the Legislative Commission, created pursuant to *Nevada Revised Statutes* (NRS) 218E.150, was held on Thursday, December 20, 2012. The meeting began at 9:11 a.m. in Room 4401 of the Grant Sawyer Office Building, 555 E. Washington Avenue, Las Vegas, Nevada. A simultaneous videoconference was broadcast to Room 4100 of the Legislative Building, 401 S. Carson Street, Carson City, Nevada.

COMMISSION MEMBERS PRESENT:

Senator Moises (Mo) Denis, Chair  
Senator Kelvin D. Atkinson  
Senator Donald G. Gustavson  
Senator David R. Parks  
Senator Michael Roberson  
Senator James A. Settlemeyer  
Assemblyman David P. Bobzien  
Assemblyman Ira Hansen  
Assemblyman William C. Horne  
Assemblywoman Marilyn Kirkpatrick  
Assemblyman Peter Livermore  
Assemblyman Lynn D. Stewart

LEGISLATIVE COUNSEL BUREAU STAFF PRESENT:

Rick Combs, Director  
Brenda J. Erdoes, Legislative Counsel  
Risa B. Lang, Chief Deputy Legislative Counsel  
Cindy Jones, Assembly Fiscal Analyst  
Mark Krmpotic, Senate Fiscal Analyst  
Paul V. Townsend, Legislative Auditor  
Donald O. Williams, Research Director  
Janet Coons, Secretary for Minutes  
Tarron L. Collins, Committee Assistant

Chair Denis called the meeting to order at 9:11 a.m. The secretary called the roll, and a quorum was present. [Exhibit A](#) is the agenda, and [Exhibit B](#) is the attendance sign-in sheets. All exhibits are hyperlinked and copies are on file in the Director's office of the LCB. Certain agenda items were taken out of order during the meeting but placed in proper agenda order in the minutes for purposes of continuity.

#### I. PUBLIC COMMENT

(Because of time considerations, the period for public comment by each speaker may be limited, and speakers are urged to avoid repetition of comments made by previous speakers.)

Chair Denis requested anyone having public comments concerning the regulations to be considered by the Commission today to come forward.

Barry Smith, Executive Director, Nevada Press Association, commented on R005-12 regarding the posting of financial statements to a city or county's official Internet website. He stated that when he testified before the Committee on Local Government Finance (CLGF), he raised a concern regarding the amount of time the statements must remain on the Internet. Regulation 005-12 requires the statements to remain on the city or county's website until the entity updates the statement after the end of the next calendar quarter.

Mr. Smith identified a second concern, which can be found in all three sections of R005-12, regarding the fact that disbursements related to the employment of personnel may be reported as total salaries, wages or benefits, as applicable, without reference to the amounts paid to or on behalf of any individual officer or employee. He stated that when Senate Bill (S.B.) No. 65 of the 76th Session (2011) was adopted, there was no discussion of creating an exception for personnel salaries. Therefore, Mr. Smith is of the opinion that R005-12 goes beyond what the statute states and what the bill intended. He also drew attention to an amendment in S.B. 65 that requires the notice directing people to the city or county's website be published for five consecutive days in a newspaper. Mr. Smith stressed this is not possible for weekly papers and suggested clarification is needed so that he can inform the newspapers about proper expectations and requirements.

There was no additional public comment.

#### II. APPROVAL OF MINUTES OF THE SEPTEMBER 14, 2012, MEETING— Senator Mo Denis, Chair, called for approval of the minutes.

Assemblyman Stewart asked if the Churchill Community Coalition ever received any punishment for falsifying its audit reports.

Paul V. Townsend, Legislative Auditor, Audit Division, LCB, reported that the individual who submitted forged audit reports pled guilty to one count of forgery, a category D felony, and received a sentence of 12 to 22 months in prison. The sentence was suspended with five years' probation, during which time the individual will not work for a nonprofit entity. The individual must also pay \$22,000 in restitution.

ASSEMBLYMAN STEWART MOVED TO APPROVE THE MINUTES OF THE SEPTEMBER 14, 2012, MEETING.

ASSEMBLYWOMAN KIRKPATRICK SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

### III. LEGISLATIVE AUDITOR:

#### A. Summary of Audit Reports Presented to Legislative Commission's Audit Subcommittee, NRS 218G.240— Paul V. Townsend, Legislative Auditor, Legislative Counsel Bureau

Paul V. Townsend, Legislative Auditor, Audit Division, LCB, referenced a letter dated September 19, 2012, from Senator David Parks, Chair, Audit Subcommittee of the Legislative Commission, to members of the Legislative Commission regarding audit reports for the following entities:

1. The Division of State Lands, State Department of Conservation and Natural Resources (SDCNR);
2. The Division of Industrial Relations (DIR), Department of Business and Industry;
3. The Division of Insurance (DOI), Department of Business and Industry; and
4. The Division of Welfare and Supportive Services, Department of Health and Human Services (DHHS). (Please see [Exhibit C.](#))

#### Division of State Lands

Mr. Townsend reported that the Division of State Lands can take steps to strengthen the reliability of its performance measures used in the State's budget process. The audit found that the Division has an effective process for the collection of fees, an improvement since its last audit. Three recommendations to improve the reliability of the Division's performance measures were made, and all three were accepted by the Division. (Please see [Exhibit D.](#))

### Division of Industrial Relations

Mr. Townsend stated that the DIR can improve its revenue collection process through improvements to internal controls and accounts receivables lists. For example, internal controls were not adequate to ensure that collection efforts were timely and in compliance with State law. The audit discovered that over \$180,000 in past due fines and penalties were not turned over by the DIR to the State Controller's Office in accordance with time limits specified in statute.

Mr. Townsend also noted that the DIR does not adequately protect claimants' personally identifiable information. The audit identified unencrypted social security numbers on several of the DIR's databases, which have since been removed. Additionally, the DIR sends and receives unencrypted e-mails containing claimants' social security numbers. Eight recommendations were made and all were accepted by the DIR. (Please see [Exhibit E.](#))

### Division of Insurance

According to Mr. Townsend, the DOI needs to improve its oversight of accounts receivable. Collection efforts for annual fees and examination fees were often not timely. Further, accounts were not turned over to the State Controller's Office in a timely manner, and some captive insurers did not pay past due premium tax. Mr. Townsend confirmed there is a need for better monitoring of required industry reports to ensure adequate financial and market regulation. Examinations of title companies and self-insured workers' compensation companies were not performed as required. He stated the audit contained 10 recommendations that were accepted by the DOI. (Please see [Exhibit F.](#))

### Division of Welfare and Supportive Services

Mr. Townsend reported that the Division can improve its controls over benefits issued through the Electronic Benefits Transfer (EBT) card system to ensure that benefits are not paid to deceased clients. In a sample of 50 instances, it was discovered that the Division paid more than \$11,500 in benefits to 27 accounts where the claimants had been identified as deceased. In 13 of those instances, withdrawals were made in the amount of approximately \$6,500. Mr. Townsend also reported that the Division did not adequately review invoices from the EBT vendor that administers the system, and it was estimated the Division overpaid the vendor by \$77,000. According to Division management, all amounts from the vendor overpayment have been repaid. Five recommendations were made and all were accepted by the Division. (Please see [Exhibit G.](#))

Continuing, Mr. Townsend shared a letter dated December 13, 2012, from Senator David Parks, Chair, Audit Subcommittee of the Legislative Commission, to members of the Legislative Commission, regarding three additional audit reports for the following:

1. The Public Employees' Benefits Program (PEBP);
2. The Employment Security Division, Department of Employment, Training and Rehabilitation; and
3. A Review of Governmental and Private Facilities for Children, December 2012. (Please see [Exhibit H.](#))

#### Public Employees' Benefits Program

Mr. Townsend explained that beginning in Fiscal Year (FY) 2012, PEBP changed its health plan to one that is consumer-driven with a high deductible. Participants have an incentive to become informed consumers when making healthcare decisions because of the high deductible amounts. In addition, a wide range in costs exists for some medical services; therefore, participants could save themselves and the plan money by comparing prices among providers when feasible.

Although PEBP has taken steps to provide participants with additional information and tools to price healthcare and pharmacy costs, Mr. Townsend stated more work needs to be done. The audit indicated that PEBP should periodically inform participants about the wide range in healthcare costs, the tools available, and the best methods to compare prices.

Mr. Townsend also shared that participants do not receive adequate information to verify that billings are correct. Explanation of Benefits statements, provided to participants after a claim is processed, do not always provide clear descriptions of services billed or medical billing codes. As a result, there is an increased risk that participants and the plan could overpay for healthcare services.

According to Mr. Townsend, the audit revealed that PEBP can strengthen its monitoring of contract vendor performance by building performance standards into the contracts. Prior to 2012, PEBP did not conduct background investigations on staff who have access to confidential information. During the audit, PEBP began conducting *Civil Name Check* background investigations on new hires; however, current practice does not follow State requirements to conduct fingerprint-based investigations on new employees. The audit report contained 14 recommendations which were all accepted by PEBP. (Please see [Exhibit I.](#))

### Employment Security Division

Mr. Townsend reported that implementing certain processes can help the Division identify and prevent payments to individuals not meeting ongoing eligibility requirements. Specifically, the Division needs to compare claimant information with external sources, such as records of incarceration and death. He estimated that as much as \$5 million in improper payments could have been made to claimants who were incarcerated over the last three years.

Mr. Townsend indicated that Division management does not have specific authority through State or federal law to compel detention facilities to provide records of incarceration. As a result, statutory revisions requiring facilities to provide data to the Division are necessary to ensure the Division can compare claims data with incarceration records.

The report identified three deceased claimants who received benefits totaling approximately \$40,000. Mr. Townsend suggested that the potential for improper payments continues to exist in cases where claimants return to work and do not notify the Division. Greater scrutiny is needed over earnings reported by claimants; payment stops on claims should be made to ensure benefits are not restarted; and the Division needs to record the pertinent information on the claims information system. Based on federal Department of Labor estimates, a reduction in improper payments of 10 percent would yield a savings of over \$2.9 million per year. The Division accepted the 12 recommendations made in the audit. (Please see [Exhibit J.](#))

### Review of Governmental and Private Facilities for Children

Mr. Townsend presented a Review of Governmental and Private Facilities for Children, conducted pursuant to statutory requirement. He stated the report included reviews of six children's facilities to determine if they adequately protect the health, safety, and welfare of the children, and whether the facilities respect the civil and other rights of the children under their care. (Please see [Exhibit K.](#))

During the 12 unannounced visits, except as otherwise noted, the review found that an appropriate level of care was provided. However, Mr. Townsend acknowledged a lack of adequate supervision, including employee evaluations and training, which may have contributed to numerous incidents regarding inappropriate staff behavior at the Oasis On-Campus Treatment Homes, which could impact the safety and welfare of children residing at the facility. He confirmed these incidents, including inappropriate use of physical force and lack of supervision, were reported to Oasis's licensing agency, the Clark County Department of Family Services (CCDFS), over the last two years. While some of these reports were unsubstantiated, others are being investigated. The CCDFS required Oasis to prepare a required action plan to correct these deficiencies.

Mr. Townsend commented that all six facilities need to update some component of their policies and procedures. He stressed that medication administration processes, which have been an ongoing problem, needed improvement at five of the six facilities. The Nevada Legislature passed Senate Bill No. 246 of the 76th Session (2011) which requires children's facilities to develop policies regarding the administration of medication. During its August visit, the Audit Division discovered that the Don Goforth Resource Center had not developed any policies or procedures related to medication administration. However, Mr. Townsend declared the Center has since provided those policies in the last few weeks. During the review of the six reported facilities, it was determined that five facilities either had incomplete medication documentation or made errors during the administration of medications that went undetected until the review. On a positive note, Mr. Townsend explained that the Desert Willow Treatment Center instituted an internal review process where the Center is able to identify medication errors timely and correctly. He commended Desert Willow on its action taken to improve in that area.

Mr. Townsend stated that Senator Parks, Chair, Audit Subcommittee of the Legislative Commission, recommended that the members of the Commission accept the reports.

Senator Parks complimented Mr. Townsend and his staff for their hard work on the audits.

Assemblyman Stewart asked if the \$40,000 paid to a deceased person by the Employment Security Division was recovered.

Mr. Townsend replied that one claimant accounted for \$33,000 of the \$40,000, and had received payments over a period of 80 weeks. He ensured this claim has been referred to the Division's fraud unit and is being investigated at this time.

Mr. Stewart also inquired if there has been any follow-up regarding the action plan required of the Oasis On-Campus Treatment Homes.

Mr. Townsend answered that the report was filed in June 2012, and agency representatives from the Division of Child and Family Services testified at the September 19, 2012, meeting of the Audit Subcommittee that progress is being made on that report.

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—Paul V. Townsend, Legislative Auditor, Legislative Counsel Bureau

Mr. Townsend presented a letter and schedule of analysis ([Exhibit L](#)) dated September 19, 2012, from Senator David Parks, Chair, Audit Subcommittee of the Legislative Commission, to the members of the Legislative Commission, which provides the implementation status of six-month reports for the following entities:

1. The Office of Veterans' Services;
2. The Aging and Disability Services Division, DHHS;
3. The Division of Environmental Protection, SDCNR;
4. The Oversight of Child Care Facilities, DHHS; and
5. The Division of Child and Family Services, DHHS.

The reports were presented to the Audit Subcommittee at its meeting on September 19, 2012.

Mr. Townsend reported that according to his schedule summary, some recommendations were partially implemented and several are scheduled to be implemented in January 2013. He affirmed the Audit Division will provide follow-up on those recommendations.

A second letter and schedule of analysis ([Exhibit M](#)) dated December 13, 2012, from Senator David Parks, Chair, Audit Subcommittee of the Legislative Commission, to the members of the Legislative Commission, presented the implementation status of six-month reports for the following entities:

1. The Office of Energy, Office of the Governor;
2. The Buildings and Grounds Section, Department of Administration;
3. The Division of Enterprise Information Technology Services, Department of Administration; and
4. The Department of Motor Vehicles (DMV).

The reports were presented to the Audit Subcommittee at its meeting on December 13, 2012.

Mr. Townsend cited that 42 recommendations were fully implemented and 13 were partially implemented. A number of the agencies indicated they plan to implement recommendations either in late December 2012 or early January 2013, which the Audit Division will monitor. The Division of Enterprise Information Technology Services was asked to return to a future meeting of the Audit Subcommittee to discuss the progress being made on its anticipated July 2013 implementation of the remaining recommendations.

Mr. Townsend informed the Commission that Senator Parks recommends acceptance of the reports.



Since there were no comments or questions from members of the Commission regarding the reports, Chair Denis moved to Agenda Item IV.

#### IV. PROGRESS REPORTS AND APPOINTMENTS:

##### A. Litigation Currently in Progress—Brenda J. Erdoes, Legislative Counsel, Legislative Counsel Bureau

Brenda J. Erdoes, Legislative Counsel, LCB, provided an update on the following eight court cases currently in progress:

- RED ROCK CANYON CASE  
Gypsum Resources, LLC v. Mastro, Nevada Supreme Court

The Nevada Supreme Court heard oral arguments for the Red Rock Canyon Case on October 2, 2012, and the parties are waiting for a decision.

- CARRIGAN v. COMMISSION ON ETHICS CASE  
Michael A. Carrigan, Fourth Ward City Council Member of the City of Sparks v. Commission on Ethics

This case went to the United States Supreme Court and is now back in the Nevada Supreme Court which heard oral arguments on March 5, 2012. The parties are still waiting for a decision.

- PEOPLE'S LEGISLATURE v. MILLER Case No. 1 (Federal Case)  
People's Legislature v. Miller, United States District Court, District of Nevada

There is a stay on this case as agreed to by the parties until the State Case decision is reached.

- PEOPLE'S LEGISLATURE v. MILLER Case No. 2 (State Case)  
People's Legislature v. Miller, Clark County District Court and Nevada Supreme Court

A briefing is currently in progress, and the plaintiff's opening brief for the Nevada Supreme Court is due on December 31, 2012.

- CONSOLIDATED TAX DISTRIBUTION (CTX) CASE  
City of Fernley v. State Department of Taxation, Carson City District Court

The City of Fernley sued the State Department of Taxation seeking money damages and declaratory injunctive relief alleging that the CTX Formula for the distribution of taxes was unequal and unfair. On November 5, 2012, the State and the Legislature jointly filed a writ of mandamus action with the Nevada Supreme

Court. On November 13, 2012, the Supreme Court issued an order directing Fernley to file an answer to the mandamus petition. It is not known yet whether the Supreme Court will schedule oral arguments or simply rule without oral arguments. The parties are waiting for a decision from the court on this case.

- SANDPOINTE APARTMENTS, LLC v DISTRICT COURT and NIELSEN v DISTRICT COURT

These are the mortgage foreclosure cases where the Nevada Supreme Court directed the LCB to file an amicus brief. The Nevada Supreme Court heard the briefs on October 1, 2012, and the parties are awaiting a decision.

- NEVADA STATE BOARD OF DENTAL EXAMINERS CASE

This is the case where the Legislature filed an amicus brief to argue that a regulation approved by the Legislative Commission should be upheld. On December 14, 2012, the parties filed a stipulation to dismiss the appeal; if the Nevada Supreme Court approves this stipulation, the case will be closed.

- CLARK COUNTY v STATE

Clark County filed a complaint in the Eighth Judicial District Court seeking money damages and declaratory injunctive relief against the State, alleging that certain statutory and regulatory provisions involving the transfer of public funds violate the *Nevada Constitution*. On October 2, 2012, the parties stipulated to a continuance until January 11, 2013, for the purpose of providing the State and Clark County an opportunity to negotiate a possible settlement. After that point, if no settlement is reached, the parties will go back into the case and start briefing.

- 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"—Rick Combs, Director, Legislative Counsel Bureau

Rick Combs, Director, LCB, presented five progress reports from the following interim studies: (1) the Legislative Commission's Subcommittee to Study the Allocation of Money Distributed from the Local Government Tax Distribution Account; (2) the Legislative Commission's Subcommittee to Study a New Method for Funding Public Schools; (3) the Committee to Study the Funding of Higher Education; (4) the Legislative Committee for the Review and Oversight of the Tahoe Regional Planning Agency and the Marlette Lake Water System; and (5) the Legislative Committee on Health Care. He stated the studies have been completed and requested the reports be passed on to the 2013 Legislature. (Please see [Exhibit N.](#))

There were no comments or questions from members of the Commission.

SENATOR PARKS MOVED TO APPROVE THE ACCEPTANCE OF THE REPORTS SUBMITTED TO THE LEGISLATIVE COMMISSION AND PASS THE REPORTS ON TO THE 2013 LEGISLATURE.

ASSEMBLYWOMAN KIRKPATRICK SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

C. Appointment of Members of the Committee to Consult With the Director (NRS 218E.225)—Rick Combs, Director, Legislative Counsel Bureau

Due to the November election, Mr. Combs verified there are four vacancies on the Committee to Consult with the Director that needed to be filled.

Chair Denis suggested the following recommendations for the four vacancies:

- Senator Michael Roberson to replace Senator Mike McGinness;
- Assemblyman William Horne to replace Mr. Marcus Conklin;
- Assemblyman Pat Hickey to replace Mr. Pete Goicoechea; and
- Assemblyman David Bobzien to replace Ms. Debbie Smith.

ASSEMBLYWOMAN KIRKPATRICK MOVED TO APPROVE THE APPOINTMENT OF SENATOR MICHAEL ROBERSON AND ASSEMBLY MEMBERS WILLIAM HORNE, PAT HICKEY, AND DAVID BOBZIEN TO THE COMMITTEE TO CONSULT WITH THE DIRECTOR.

ASSEMBLYMAN STEWART SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

D. Appointment of Members to Various Committees and Similar Entities:

1. Gaming Policy Committee (NRS 463.021)

Mr. Combs explained that the Legislative Commission appoints one member from each house to the Gaming Policy Committee to terms that begin on the first day of session. Former Senator Valerie Wiener and Assemblyman William Horne are the current members. He explained to the Commission that the general practice has been to appoint the Chairs of the two Judiciary Committees, but stated this practice is not a requirement.

Chair Denis recommended the Commission appoint Senator Tick Segerblom, Chair, Senate Committee on Judiciary, and Assemblyman Jason Frierson, Chair, Assembly Committee on Judiciary, to serve on the Gaming Policy Committee.

SENATOR PARKS MOVED TO APPROVE THE APPOINTMENT OF SENATOR TICK SEGERBLOM AND ASSEMBLYMAN JASON FRIERSON TO THE GAMING POLICY COMMITTEE.

ASSEMBLYWOMAN KIRKPATRICK SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

## 2. Advisory Board on Maternal and Child Health (NRS 442.133)

Mr. Combs announced that two nonvoting members need to be appointed to the Advisory Board on Maternal and Child Health. The current members are Senator Hardy and Assemblywoman Diaz.

Chair Denis requested the Commission keep Senator Hardy on the Advisory Board.

Assemblywoman Kirkpatrick informed the Commission that Assemblywoman Diaz has conflicts; therefore, she recommended that Assemblywoman Spiegel be appointed to the Advisory Board.

SENATOR PARKS MOVED TO APPROVE THE APPOINTMENT OF SENATOR JOSEPH P. HARDY AND ASSEMBLYWOMAN ELLEN SPIEGEL TO THE ADVISORY BOARD ON MATERNAL AND CHILD HEALTH.

ASSEMBLYWOMAN KIRKPATRICK SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

## 3. Advisory Council on Mortgage Investments and Mortgage Lending (NRS 645B.860)

Mr. Combs stated that the terms of Janis Grady and Charles Mohler on the Advisory Council on Mortgage Investments and Mortgage Lending expire in December 2012. He referenced a letter, dated December 12, 2012, from James Westrin, Commissioner, Division of Mortgage Lending, Department of Business and Industry, regarding the reappointment of Janis Grady and Charles Mohler to the Advisory Council. (Please see [Exhibit O](#).)

ASSEMBLYWOMAN KIRKPATRICK MOVED TO APPROVE THE REAPPOINTMENT OF JANIS GRADY AND CHARLES MOHLER TO THE ADVISORY COUNCIL ON MORTGAGE INVESTMENTS AND MORTGAGE LENDING.

SENATOR ATKINSON SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

#### 4. Nevada Commission on Minority Affairs (NRS 232.852)

Mr. Combs stated that the Nevada Commission on Minority Affairs consists of nine members, and the terms of five members have expired. He explained the appointments are to be made from a list of persons recommended by organizations and other entities which represent or promote the interest of minority groups in the State. Mr. Combs referred to two letters, dated December 11, 2012, and December 12, 2012, from Christina Fuentes, Ombudsman, Office of Ombudsman of Consumer Affairs for Minorities, to Senator Moises Denis, Chair, Legislative Commission, that present nine names for consideration of appointment to the Nevada Commission on Minority Affairs. (Please see [Exhibit P.](#)) He also referenced a handout provided by Ms. Fuentes that identifies the current makeup of the Nevada Commission on Minority Affairs. (Please see [Exhibit Q.](#)) Mr. Combs instructed the Legislative Commission that it must appoint five members from the nine candidates that have submitted interest, but he cautioned that no more than four of the five can be from the same minority group.

Christina Fuentes, Ombudsman, Office of Ombudsman of Consumer Affairs for Minorities, Nevada Commission on Minority Affairs, Department of Business and Industry, explained that the five vacancies are due to the expiration of terms on the Commission, and the four current members were appointed earlier in 2012. She noted there are vacancies in Elko and Sparks, and candidates from each area have been submitted. Ms. Fuentes referenced a document that identified the names and nationalities of the candidates. (Please see [Exhibit Q.](#))

Chair Denis recommended that Richard Boulware, Angie de Braga, Tamar Hoapili, Semilla Neal, and Duy Nguyen be appointed to the Nevada Commission on Minority Affairs. He noted that no African American currently sits on the Commission and suggested a voice from the Pacific Islands would be important. Chair Denis called attention to the fact that Angie de Braga is not only of Hispanic descent, but she is from Elko and would represent the rural areas of the State.

Senator Settlemeyer expressed his desire to have Tiffany Young from Sparks appointed to the Commission to represent Washoe County.

Ms. Fuentes pointed out that Commissioner Vento currently represents the Reno and Carson City areas, and Commissioners Padda, Romero, and Siefert represent southern Nevada. She commented that she reached out to the American Indian community but received no response.

Chair Denis asked for confirmation that a representative from the Nevada Indian Commission still provides input to the Nevada Commission on Minority Affairs.

Ms. Fuentes verified that the Nevada Commission on Minority Affairs does receive information from the Nevada Indian Commission.

Senator Settelmeyer agreed with Chair Denis that a representative from the Elko area is needed. He contended that representation from Washoe County would provide diversity in the northern and southern portions of the State.

Chair Denis stated that since there are two Asian Americans already on the Commission, Tiffany Young could be appointed to represent Washoe County in place of one of the persons of Asian descent.

SENATOR SETTELMAYER MOVED TO APPROVE THE APPOINTMENT OF RICHARD BOULWARE, ANGIE DE BRAGA, TAMAR HOAPILI, SEMILLA NEAL, AND TIFFANY YOUNG TO THE NEVADA COMMISSION ON MINORITY AFFAIRS.

ASSEMBLYWOMAN KIRKPATRICK SECONDED THE MOTION.

Assemblyman Stewart recommended that Mr. Nguyen be kept in mind when one of the current Asian appointments expires.

THE PREVIOUS MOTION BY SENATOR SETTELMAYER AND SECONDED BY ASSEMBLYWOMAN KIRKPATRICK CARRIED UNANIMOUSLY.

#### 5. Southern Nevada Enterprise Community Board (AB 304, 2009 Session)

Mr. Combs stated that a position on the Southern Nevada Enterprise Community Board became available when Senator Steven A. Horsford submitted his resignation upon his election to the United States Congress.

Chair Denis shared that Senator Kelvin Atkinson expressed an interest in serving on the Southern Nevada Enterprise Community Board.

ASSEMBLYWOMAN KIRKPATRICK MOVED TO APPROVE THE APPOINTMENT OF SENATOR KELVIN ATKINSON TO THE SOUTHERN NEVADA ENTERPRISE COMMUNITY BOARD.

ASSEMBLYMAN HORNE SECONDED THE MOTION.

THE MOTION CARRIED.

6. Nevada Silver Haired Legislative Forum (NRS 427A.320)

Mr. Combs reported there are ten vacancies on the Nevada Silver Haired Legislative Forum (NSHLF), some due to redistricting. He explained that each Senator makes an appointment to the Forum, for a total of 21 members. Mr. Combs referenced a memorandum dated December 14, 2012, from Mary Shope, Coordinator, NSHLF, to himself, which includes a list of recommended appointees by the designated senators. (Please see [Exhibit R.](#))

Herbert E. Randall, President, NSHLF, provided a list of seven recommendations that the Forum will be making in its formal Summary Report at a later date. (Please see [Exhibit S](#)). On behalf of the Forum, he expressed appreciation of the Legislative Commission's efforts and continued support.

Senator Parks commended the Forum on its work over the last biennium and thanked Dr. Randall for the guidance he has provided to the Forum.

Senator Atkinson asked about the status of the appointment for Senate District No. 4. Ms. Shope indicated that the position was currently filled and no appointment was necessary at this time.

SENATOR PARKS MOVED TO APPROVE THE APPOINTMENT OF MARY D. ROBERTS, DISTRICT NO. 1; COLLEEN BELL, DISTRICT NO. 5; JOANN M. BONGIORNO, DISTRICT NO. 7; BARBARA ALTMAN, DISTRICT NO. 9; HARRIET TRUDELL, DISTRICT NO. 10; CLARE TOBLER, DISTRICT NO. 12; REBA JUNE BURTON, DISTRICT NO. 15; JOHN YACENDA, DISTRICT NO. 16; MARGARET A. SPOONER, DISTRICT NO. 17; AND RAY B. JONES, DISTRICT NO. 19 TO THE NEVADA SILVER HAIRIED LEGISLATIVE FORUM.

ASSEMBLYMAN HORNE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

## V. LEGISLATIVE COMMISSION POLICY:

### A. Review of Administrative Regulations—Brenda J. Erdoes, Legislative Counsel, Legislative Counsel Bureau

1. Permanent regulations submitted pursuant to NRS 233B.067
2. Temporary regulation for review pursuant to NRS 233B.0633.  
(Copies of the permanent and temporary regulations are on file in the Director's Office of the LCB.)

Chair Denis referenced the list of State Agency Regulations to be Reviewed by the Legislative Commission and asked Commission members to identify any regulations requiring discussion. (Please see [Exhibit T](#).)

Senator Parks requested discussion of R007-12.

Assemblyman Stewart requested to hold R128-11, R148-12, R153-12, and R184-12 for discussion.

Assemblyman Hansen asked that R077-12, R090-12, R140-12, and R152-12 be pulled for discussion.

Chair Denis announced that the Division of Insurance withdrew R145-12.

Senator Settlemeyer asked that R158-12 be held for discussion.

Senator Gustavson requested discussion of R128-12, R129-12, R130-12, R131-12, and R132-12.

Due to the public comments presented earlier, Chair Denis pulled R005-12 for discussion.

ASSEMBLYWOMAN KIRKPATRICK MOVED TO APPROVE  
THE FOLLOWING REGULATIONS: R114-10, R150-10,  
R006-12, R051-12, R078-12, R081-12, R098-12,  
R108-12, R109-12, R115-12, R116-12, R149-12,  
R150-12, R151-12, R156-12, R159-12, R160-12,  
R-171-12, R175-12, R176-12, and T003-12.

SENATOR ROBERSON SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.



### Regulation 128-11

A REGULATION relating to public financial administration; adopting provisions governing the program to invest in private equity a certain amount of money from the State Permanent School Fund; and providing other matters properly relating thereto.

Assemblyman Stewart questioned the relevancy of the Board of Directors if the Treasurer must be in the majority with the Board.

Mark Mathers, Chief Deputy Treasurer, Office of the State Treasurer, explained that the law states the Treasurer has the fiduciary responsibility and duty for the entire State Permanent School Fund. Since the money is carved out of the State Permanent School Fund's portfolio, the Office of the Attorney General advised there would be an issue if the Board took an action that was contrary to the Treasurer's understanding of her fiduciary duties. Therefore, the structure proposed in R128-11 was created so that a majority of the Board, including the Treasurer, would be needed for any action taken by the Board. The Treasurer, acting in her fiduciary capacity, must agree with the rest of the Board and cannot take action alone; the Treasurer must have a majority for an action to pass.

Mr. Stewart questioned what would happen if all Board members, except the Treasurer, voted in favor of an issue.

Mr. Mathers replied that the action would not pass. Conversely, he stated that if the Treasurer wanted to pass an action and a majority of the Board did not agree, that action would also not pass. Mr. Mathers stressed that a majority of the Board and approval from the Treasurer are needed for a motion to carry.

Assemblyman Hansen asked for clarification as to the origin of the money and whether or not the money was public.

Mr. Mathers responded that the money is public and is from the State Permanent School Fund, a fund of roughly \$300 million. He said the money comes from the proceeds of the sale of federal land, as required in the *Nevada State Constitution*. Since the corpus of the money cannot be appropriated, Senate Bill No. 75 of the 76th Session (2011) authorized up to \$50 million of the \$300 million for private equity investments.

Assemblyman Hansen questioned if 70 percent of the money must be invested in Nevada. Mr. Mathers confirmed that was correct.

Assemblyman Hansen asked Mr. Mathers to address section nine of the regulation regarding prevailing wages. Since the fund is public money, he expressed concern about excluding any contractor not unionized in the State of Nevada or who does business with nonunionized entities from being given access to the loan pool.

Mr. Mathers stated that R128-11 requires the Board to consider and adopt a policy which has not been established at this time. Section 9, paragraph c on page 4, provides flexibility. The Board recognizes that this section is not going to apply to certain trades and industry sectors; the Board will consider whether local practices concerning specific trades and types of projects are applicable. Practically speaking, if the prevailing wage is a standard that would become part of the investment policy statement, there would need to be an acknowledgment that this standard would not be applicable in certain industries or trades. In that case, there would be need for a broad outreach and competitive bidding process.

Assemblywoman Kirkpatrick stated that even though S.B. 75 was a controversial bill during the 2011 Session, the topic of prevailing wages was not discussed. Since the money is from federal sources, she opined this fact was probably driving the current discussion on prevailing wages. Assemblywoman Kirkpatrick explained that the \$300 million in the State Permanent School Fund cannot be used for anything else, but it can be invested in order to help businesses.

Mr. Mathers stated that since federal dollars are associated, it may be possible to participate in programs sponsored by the U.S. Small Business Administration, Department of the Treasury, with a portion of this money. Therefore, there needs to be some acknowledgement or consideration of these issues. The intent is for the Board to grapple with these issues and consider their applicability when developing standards. It is not meant as a hard and fast rule.

Assemblyman Hansen declared he did not read anything about prevailing wages in his review of Chapter 355 of the NRS, "Public Investments," that pertain to the State Permanent School Fund.

According to Assemblyman Hansen, R128-11 ensures that 100 percent of the venture capital co-investments and direct investments of the corporation are made in businesses that meet the criteria set forth in the regulation. He is of the opinion that this is a classic case of getting something done through regulation that was not done at the legislative level. Assemblyman Hansen stated he is not hostile to unions, but opined that if a non-union contractor was trying to invest through this investment pool made up of public funds, the contractor would probably hire those businesses who pay the prevailing wage rather than a business that does not. Therefore, he informed the Commission he would be voting no on R128-11.

Assemblywoman Kirkpatrick clarified that even though this type of program has not been tried in the past, it helps the State by allowing investments in smaller businesses to help them grow into larger businesses. She reiterated that the issue of prevailing wages was not discussed in the meetings of the Assembly Committee on Government Affairs during the 2011 Session. Assemblywoman Kirkpatrick expressed her frustration that it has taken two years to set up the program, and its success will not be known when the 2013 Legislative Session begins.

Mr. Mathers emphasized that this is an important investment and economic development program. The intent is to invest in Nevada small businesses that are privately held and not publicly traded on the stock exchange. He noted the Office of the Treasurer has made great progress in implementing S.B. 75 which became effective October 2011. According to Mr. Mathers, the Board has met 12 times; the corporation documents for the Board have been filed; a Request For Proposal has been issued; the fund-to-fund manager has been selected; and investments are anticipated to be made in early 2013. He announced an investor symposium will be offered in early 2013 to bring companies together with private equity investors to match their needs.

Mr. Mathers explained that if R128-11 is not adopted, any uncertainty related to the program would be bad for investments. The manager is under contract, and the adoption of R128-11 would allow for the adoption of an investment policy statement that would provide further detail behind the regulation. The specific intent of section nine is to prevent risking participation in some of the U.S. Small Business Administration programs. Mr. Mathers stressed the intent is to leverage and multiply the State's money by co-investing with outside investors, by acknowledging these kinds of standards and federal guidelines.

Assemblywoman Kirkpatrick stated that S.B. 75 was not a partisan bill during the 2011 Session. She suggested holding R128-11 because killing it would do away with the program and dollars would be wasted.

Assemblyman Stewart asked Mr. Mathers for verification that a company not offering prevailing wages would not be precluded from the program.

Mr. Mathers confirmed that until the Board adopts a policy that sets guidelines, there would be no prohibition against investing in a company that does not abide by the prevailing wage standards at the current time.

Assemblyman Stewart asked Mr. Mathers if he anticipated the Board making a future decision that would prevent a company not offering prevailing wages from participating in this program.

Mr. Mathers replied that even though the Board is bipartisan and appointed by legislative leadership and the Governor, he cannot predict what it will do. He does

not anticipate hard and fast prevailing wage standards for a majority of the industry sectors that would be participating in the program.

Responding to Senator Settlemeyer's question as to when the Board's policies would be adopted, Mr. Mathers replied that the Board adopted a strategic plan on December 5, 2012. Pending the adoption of that plan and R128-11, the investment policy will be prepared for the Board's next meeting in February.

Senator Settlemeyer expressed concern that the next Board meeting is after the beginning of the 2013 Session. He asked Mr. Mathers if the policies could be adopted and in place before session begins.

Mr. Mathers stated an additional Board meeting would have to be called. If the Board adopted a policy that does not have prevailing wage standards and the Treasurer vetoed it, the program would be left with no policy, in which case the prevailing wage standards would not apply.

Assemblyman Hansen pointed out that section nine states the Board "shall" adopt a policy.

Senator Gustavson stated he had problems with the original bill, and now that these issues have come up with R128-11, he has even more concerns with S.B. 75. He would like to see something decided before the 2013 Session begins. Senator Gustavson expressed his concern about using State money for private investment.

ASSEMBLYWOMAN KIRKPATRICK MOVED TO DEFER  
R128-11.

ASSEMBLYMAN STEWART SECONDED THE MOTION.

Assemblyman Livermore stated that as a member of the Assembly Committee on Government Affairs in 2011, the debates on S.B. 75 focused on recruiting and expanding businesses, not paying higher wages and supporting union endeavors. He explained that S.B. 75 is about job creation, investments in local firms, and the ability to take that money and turn it into a position of job creation.

THE PREVIOUS MOTION MADE BY  
ASSEMBLYWOMAN KIRKPATRICK AND SECONDED  
BY ASSEMBLYMAN STEWART TO DEFER R128-11  
CARRIED UNANIMOUSLY.

### Regulation 005-12

A REGULATION relating to local government finance; providing the format of certain financial statements that are posted on official Internet websites of counties and cities; and providing other matters properly relating thereto.

Terry Rubald, Chief, Division of Local Government Services, Department of Taxation, reported that questions about R005-12 dealt with section 1, which states, "the report of expenditures must be summarized by payee." An exception is that, "Expenditures related to the employment of personnel may be reported as total salaries, wages, or benefits as applicable." She said it was her understanding that the Committee on Local Government Finance (CLGF) viewed the phrase "may be reported" as compromised language. Currently, some local governments report personnel by totals, and some report it by each individual person.

Assemblyman Bobzien asked for justification for the different practices from the different local governments.

John Sherman, member, CLGF, stated that during the deliberations of R005-12, the Committee was mindful of the requirements of the enabling legislation. He said the Committee understood the importance of transparency in the publication of this information for the citizens of the State, but also kept in mind the cost inherent in getting this information. Mr. Sherman explained that some members of the Committee said the payment cost of each employee should be produced by each local government, but that it was not a requirement of the enabling legislation. If R005-12 made this an option, it would not be overreaching the legislation, and would still allow the local government to publish that information if it wanted to, which in fact, some already do. He stated there have been a number of requests for public documents, particularly from the media, that have been complied with in the past. It costs money to get that information on an employee-by-employee basis.

ASSEMBLYMAN STEWART MOVED TO APPROVE  
R005-12.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

### Regulation 007-12

A REGULATION relating to local government financial administration; prescribing standards for the allocation of certain expenses of a local government to an enterprise fund; and providing other matters properly relating thereto.

Senator Parks requested a general presentation on R007-12.

Terry Rubald, Chief, Division of Local Government Services, Department of Taxation, stated that Assembly Bill No. 471 of the 76th Legislative Session (2011) requires the CLGF to adopt regulations governing the equitable allocation of overhead expenses incurred by local governments on behalf of an enterprise fund. The CLGF originally considered adoption in May, but changes were made to section 11, subsections 4 and 5, amending the language from “may” to “must” in both cases.

Ms. Rubald pointed out that section four requires that a “central service cost allocation plan” be developed. She said the plan may include the cost of goods and services provided by other funds, but it does not include costs which are directly billable to the enterprise fund. Direct costs are defined as the costs of services, materials, or labor incurred by the enterprise fund that is specifically associated and used by that enterprise fund.

According to Ms. Rubald, R007-12 clarifies that the characteristics of the costs which can be allowed for allocation must be reasonable and necessary. They must be consistent with policies that apply uniformly to the enterprise fund and other activities of local government. She noted the costs must be determined in accordance with Generally Accepted Accounting Procedures, be net of applicable credits, be adequately documented, and be reasonable. Continuing, Ms. Rubald explained that paragraph 2 of section 12 provides the criteria to be considered in determining whether a cost is reasonable: the cost must be an expense that is ordinary and necessary to the operation of the enterprise fund; the cost must be the result of a sound business practice and arms-length bargaining; the cost must represent market price; and the buyer must have acted prudently.

Ms. Rubald referenced section 11 which contains a laundry list of examples of centralized services which could be part of a cost allocation plan, including legislative costs, legal costs, general administrative costs, and several others. Section 11 also discusses the kinds of data, either historical or budgetary, upon which an allocation plan could be based. The kind of data used depends on whether or not there are any program changes that might not be anticipated in the historical data. She stated that whatever methodology is used, the central service cost allocation plan must include a description of that methodology. In addition, the cost allocation plan, which affects an enterprise fund, must be updated annually prior to submission of the tentative budget to the Department of Taxation.

Senator Parks questioned if anyone from the Department of Taxation reviews the cost allocation plan.

Ms. Rubald explained there is no specific requirement for review. Since the allocation plan must be in place prior to budget approval, which the Department of Taxation is required to review, she stated the plan could be part of the budget information requested by the Department. She added that outside auditors would ask to review the cost allocation plans as part of the Department of Taxation's audit process.

SENATOR PARKS MOVED TO APPROVE R007-12.

ASSEMBLYWOMAN KIRKPATRICK SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

#### Regulation 077-12

A REGULATION relating to music therapy; providing for the licensing of persons who provide music therapy services; providing that all applications for a license to practice music therapy must be filed with the Executive Officer of the State Board of Health; prescribing additional requirements for applications for a license or for the renewal or reinstatement of such a license; establishing certain fees relating to licensure; establishing procedures governing complaints against applicants, licensees and persons who provide music therapy services without a license; providing for the discipline of licensees for certain violations; establishing procedures for the suspension or revocation of a license; establishing the procedure for appeals to the Board of decisions by the Executive Officer imposing discipline on a licensee; establishing the Music Therapy Advisory Group and providing its duties; and providing other matters properly relating thereto.

Marla McDade Williams, Deputy Administrator, Health Division, DHHS, stated that Regulation 077-12 allows the Health Division to license music therapists.

Assemblyman Hansen questioned if music therapists are required to carry malpractice insurance.

Leticia Metherell, Registered Nurse, Health Facilities Inspector Manager, Health Division, DHHS, replied that music therapists are not required to have malpractice insurance.

Assemblyman Hansen referred to Section 13, paragraph 5 of the regulation which states that if music therapists cause, "... a psychological injury that limits substantially the major life activities of the client, or which can be predicted with substantial probability, to result in the death of or serious harm to the client, the

Executive Officer shall ... ,” impose penalties. He requested an explanation as to why music therapists do not need malpractice insurance if they can potentially cause psychological damage, and he also asked for a definition of practicing music therapy without a license.

Ms. Williams explained that malpractice insurance is not required in the regulation; it is up to the therapists if they want to purchase insurance for the protection of their practices. She stated that the obligation of the Health Division is to move forward through its proper investigative and hearing processes to determine whether or not something happened. Ms. Williams said that the Health Division generally licenses facilities rather than individuals, but parallels this process to the licensure and regulation of facilities where the Division does all the work but does not hold anyone criminally liable for anything. It is up to the aggrieved individual to move the process forward to whatever forum necessary to address a complaint.

Continuing, Ms. Williams stated that NRS 640D.060 defines the practice of music therapy. She further explained that if a person claims to be a music therapist and is going to provide a diagnosis, it is the obligation of the Health Division to determine whether or not that person is properly licensed and if the person’s actions fit into the statutory definition of music therapy.

Assemblyman Hansen asked if music therapy is covered by insurance.

Ms. Williams claimed there is no current mandate that music therapy be reimbursed by insurance companies; that decision would be up to the insurers.

Assemblyman Hansen stated he had a comment relating to the Administrative Procedures Act (APA).

Chair Denis said he did not want the meeting to turn into a second hearing.

Assemblyman Hansen explained that the APA requires all agencies to provide the estimated cost to the agency for the enforcement of a proposed regulation in order for the Legislative Commission to make an informed decision. According to item number six in the Information Statement provided by the Health Division per NRS 233B.066, Assemblyman Hansen stated the:

Estimated cost to the Health Division for enforcement of the proposed regulation is the cost associated with licensing and regulating music therapists including costs to license music therapists, regulate music therapists, develop regulations, process and investigate complaints, and provide technical assistance to the public relating to the licensing of music therapists and other associated costs. The proposed regulations establish a fee schedule to cover the daily operating costs of a music therapy licensing and regulatory program.



Assemblyman Hansen stated that no estimated cost is provided in item number six; he noted that item number nine estimates there will be 11 certified music therapists generating a total revenue of \$2,200 in the first three years. Assemblyman Hansen suggested this dollar amount should have been included in item six. He voiced his concern not about music therapy, but about holding government agencies accountable to the requirements of the APA.

Assemblywoman Kirkpatrick agreed with Assemblyman Hansen, but opined it was not fair to Ms. Williams and the other agencies to enforce this procedure at today's meeting. She stated their job is to enforce the law that was approved by a majority of legislators. Assemblywoman Kirkpatrick suggested that since it is the holidays and everyone is so busy, the Legislative Commission could—at the end of today's meeting—set a precedence by stating the clarity of NRS 233B and the Commission's future expectations of agencies beginning in 2013.

Assemblyman Hansen exclaimed that he read the APA during the interim and sent letters to members of the Commission and every legislative agency not in compliance with the Act. He disagreed with not enforcing the rules because of the holidays and opined that these legitimate questions should have been addressed on the policy level by the regulatory agency. Assemblyman Hansen is also of the opinion that too many regulations are approved by the Legislative Commission, and people are frustrated with the constant growth of rules and regulations. The purpose of the Legislative Commission is to ensure that Nevada citizens are not being burdened by unnecessary rules and regulations.

Chair Denis understood the need to ask legitimate questions, but shared his concern about rehearing statutes already passed during session. He stated there is no intent to rubberstamp these regulations.

SENATOR SETTELMAYER MOVED TO APPROVE R077-12, AND SEND A LETTER TO ANY AGENCY SUBMITTING A REGULATION WHICH STATES THAT THE LEGISLATIVE COMMISSION WILL BE STRICTLY ADHERING TO THE ADMINISTRATIVE PROCEDURES ACT, AND FAILURE ON THE AGENCY'S PART TO DO SO WILL RESULT IN LACK OF PASSAGE OF THE REGULATION.

Chair Denis stated it is not appropriate to have the motion regarding the letter and the APA as part of the motion for the passage of R077-12.

Senator Settelmeyer stressed he wanted to propose the letter now so that this was not an issue with every regulation presented during today's meeting.

Chair Denis stated he can direct staff to send a letter without a motion.

SENATOR SETTELMAYER MOVED TO APPROVE  
R077-12.

SENATOR ATKINSON SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Chair Denis acknowledged that the members of the Legislative Commission are in agreement that moving forward, all agencies that submit regulations are directed to be in compliance with the Administrative Procedures Act.

Regulation 090-12

A REGULATION relating to dietetics; providing a procedure for the filing of an application to engage in the practice of dietetics; setting forth the information that must be included in such an application; establishing certain fees relating to licensure; setting forth provisions governing background checks relating to licensure; providing for the issuance of provisional and temporary licenses; providing a procedure for the investigation of complaints against licensees or applicants for licensure; setting forth provisions governing disciplinary action against a licensee; providing for the appeal of certain administrative decisions; establishing the Dietitian Advisory Group; prohibiting the employment of or contracting with unlicensed persons under certain circumstances; and providing other matters properly relating thereto.

Assemblyman Hansen shared that his concern about not appropriately filing the cost associated in item number six of the Information Statement has been alleviated based on the previous discussion involving music therapy.

SENATOR SETTELMAYER MOVED TO APPROVE  
R090-12.

ASSEMBLYMAN HANSEN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Regulation 128-12

A REGULATION relating to water quality; revising the water quality standards for Smoke Creek, Bronco Creek, and Gray Creek; and providing other matters properly relating thereto.

Regulation 129-12

A REGULATION relating to water quality standards; revising the water quality standards for various toxic materials; revising the list of toxic materials to include certain additional chemicals; and providing other matters properly relating thereto.

Regulation 130-12

A REGULATION relating to water quality; establishing certain water quality standards for North Antelope Creek; and providing other matters properly relating thereto.

Regulation 131-12

A REGULATION relating to water quality; revising the water quality standards for surface water which relate to fecal coliform density parameters; and providing other matters properly relating thereto.

Regulation 132-12

A REGULATION relating to standards for water quality; revising provisions relating to the standards for determining concentrations of total dissolved solids in certain portions of the Colorado River; and providing other matters properly relating thereto.

Senator Gustavson asked for confirmation that R128-12 through R132-12 will not adversely affect any communities or water districts throughout the State.

Colleen Cripps, Administrator, Division of Environmental Protection, SDCNR, explained that these proposals are merely technical corrections that make minor changes to the standards in order to be consistent with federal requirements. There is no anticipated impact to local governments as a result of these regulations.

SENATOR GUSTAVSON MOVED TO APPROVE R28-12,  
R129-12, R130-12, R131-12, AND R132-12.

ASSEMBLYMAN BOBZIEN SECONDED THE MOTION.

Assemblyman Bobzien agreed that direction to the agencies to properly fill out the forms to be in compliance with the APA is warranted. In order to give the members of the Commission the direction needed to function effectively while working with the agencies to enforce the laws of the State, he suggested that an educational workshop regarding the background and legislative intent behind the APA be presented by Legal Counsel at the Commission's next meeting.

THE PREVIOUS MOTION MADE BY SENATOR GUSTAVSON AND  
SECONDED BY ASSEMBLYMAN BOBZIEN TO APPROVE R128-12,  
R129-12, R130-12, R131-12, AND R132-12 CARRIED  
UNANIMOUSLY.

Chair Denis stated that he will direct staff to address the APA and the role of the Legislative Commission at its next meeting.

Assemblyman Hansen said he has already read the APA and the history behind it in addition to meeting and talking with staff at length. He stated he has been raising questions regarding the APA for several meetings since its purpose is to protect the private sector from unnecessary rules and regulations.

Chair Denis stated that when the Commission starts this process after session, it will be important for the Commission to be reminded of its role.

#### Regulation 140-12

A REGULATION relating to the Department of Motor Vehicles; providing for the protection of certain information obtained by the Department relating to applications for a driver's license or identification card; prescribing the contents of a driver's license or identification card; prescribing the expiration date for a driver's license or identification card; prescribing the documentation required for an applicant for a driver's license or identification card to prove his or her full legal name and age; revising provisions relating to changing or correcting certain information on a driver's license or identification card; revising provisions relating to the renewal of a driver's license or identification card by mail; and providing other matters properly relating thereto.

Troy Dillard, Interim Director, DMV, explained that R140-12 is a result of statutory changes enacted during the 2007 Legislative Session. The Nevada Legislature directed the DMV to move the identification card (ID) and driver's license issuance processes into regulation when the extension of time that states were given to enact the provisions of the Real ID Act expired. Those provisions expire when the Act becomes effective on January 15, 2013. He stated that R140-12, most of which is being moved from existing Nevada statute, simply codifies the DMV's current issuance process.

Mr. Dillard stated the regulation itself does not add new requirements upon residents to meet the standards for license or ID issuance. However, R1400-12 allows for the inclusion of the marking designated by the Department of Homeland Security (DHS) for cards issued in compliance with the provisions of the Real ID Act. To clarify this issue, Mr. Dillard stated the DHS is currently assessing all states' issuance processes for compliance with the Real ID Act. Nevada has not yet been notified if its processes will or will not meet the Act or the intent of the

provisions of the Act. He explained that if Nevada is deemed to be in compliance with the Act, the State will be able to mark Nevada-issued cards and licenses with the marking designated by DHS indicating compliance. The determination by DHS, however, is benign to R140-12.

Mr. Dillard pointed out that one provision contained in R140-12 that differs from today's requirements is the allowance for the renewal of an ID on three occasions before an in-person renewal is required. He noted the current requirement allows for only one renewal before the in-person renewal is required. Due to the fact that existing statutes governing the issuance process expire on January 15, 2013, Mr. Dillard insisted that if R140-12 is not approved by the Commission, the DMV will no longer have specified documents acceptable to prove name and age, or the guidelines governing the expiration and renewal of licenses and identification cards. The 2007 Legislature directed these items be placed into regulation, which is the intent of the document for review and approval today. Mr. Dillard reiterated that R140-12 does not add new provisions for issuance, but merely replaces the current standards for issuance contained in statute and policy.

Mr. Dillard mentioned that after a discussion this morning regarding section 18 of R140-12, the DMV is of the opinion that further research is needed on this section. It is not comfortable moving changes into regulation at this time; therefore, he suggested the proposed changes dealing with gender identify be discarded by the Commission.

Chair Denis asked Legal Counsel for clarification if part of a regulation can be held.

Brenda Erdoes, Legislative Counsel, LCB, explained that the Legislative Commission cannot make changes and then approve the regulation with those changes. The Commission may only approve, reject, or defer a regulation.

In response to questions from Senator Denis regarding the impact of deferring the regulation, Mr. Dillard acknowledged that the practice in section 18 is currently being used by the DMV, but he noted that based on new information just received by the Department, the existing regulation may be sufficient. However, due to the nature of the forthcoming deadline for the Real ID Act issuance, if R140-12 does not move forward, the DMV does not have the authority to request the proposed changes identified earlier. That being the case, and understanding that this is a procedural issue, Mr. Dillard requested the Commission move R140-12 forward, and the DMV will quickly research this issue and move forward with any changes necessary to the proposed change in R140-12.

Assemblywoman Kirkpatrick voiced her concern regarding the January 15, 2013, deadline. She said that she spoke with Senator Settlemeyer this morning and they would like to sit down with Mr. Dillard to further clarify the gender identity issue and discuss any concerns of law enforcement officials. She suggested that

R140-12 move forward with a commitment from Mr. Dillard to meet with her and Senator Settlemeyer.

Mr. Dillard agreed that section 18 needs to be clarified and offered to meet with Senator Settlemeyer and Assemblywoman Kirkpatrick.

Assemblyman Hansen informed the public that section 18 gives Nevada citizens the ability to change their gender identity on their driver's license. He expressed concern for the accountability of law enforcement officials for people arrested whose gender on their driver's license is clearly the opposite of their anatomy.

Senator Gustavson stated that he cannot support R140-12 until the issue of gender identify is worked out with the DMV.

ASSEMBLYWOMAN KIRKPATRICK MOVED TO APPROVE  
R140-12.

SENATOR ROBERSON SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Gustavson and  
Assemblyman Hansen voted no.)

#### Regulation 148-12

A REGULATION relating to wildlife; authorizing the Department of Wildlife to issue a special permit to allow a person to handle, move, or temporarily possess any wildlife which is classified as protected under certain circumstances; setting forth the information which must be included in an application for the special permit; specifying the maximum period of validity of the special permit; requiring a holder of the special permit to submit a report to the Department within a certain period after the special permit expires; and providing other matters properly relating thereto.

Assemblyman Stewart questioned if R148-12 will preclude citizens who find a tortoise on their property to move it to a safe haven.

Laura Richards, Chief, Wildlife Diversity Division, Nevada Department of Wildlife (NDOW), stated that R148-12 allows the NDOW to issue a special permit for the handling, movement, or temporary possession of wildlife classified as protected. Regulation 148-12 addresses the problem of possession and translocation of sensitive species, primarily the desert tortoise and the Gila monster, out of harm's way, incidental to United States Fish and Wildlife Service approved Biological Opinions for the myriad of land use projects in southern Nevada. She explained that the \$200 permit fee covers the biologist's review time and the administrative costs to process the permit. The NDOW would be engaged with the proponent of the project to ensure proper handling of these sensitive species. Ms. Richards

noted that R148-12 will allow businesses to move forward on proposed land use projects with minimal delay and facilitate compliance with the U.S. Fish and Wildlife Service Biological Opinions. She added that R148-12 does not affect a typical land owner.

Assemblyman Stewart asked for clarification that if he found a male and female tortoise on his land and moved them to a preserve, he would not be fined for not having a permit.

Ms. Richards verified that he would not be fined for moving the tortoises under those circumstances.

ASSEMBLYMAN STEWART MOVED TO APPROVE  
R148-12.

ASSEMBLYMAN HORNE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

#### Regulation 152-12

A REGULATION relating to aquatic species; classifying certain aquatic species of wildlife as aquatic invasive species and injurious aquatic species; and providing other matters properly relating thereto.

Assemblyman Hansen asked if R152-12 is related to boat decals.

Jon Sjoberg, Chief, Fisheries Division, NDOW, stated that R152-12 is related to NRS 503.597, sections five through eight, and defines the list of aquatic invasive species and injurious aquatic species.

Assemblyman Hansen asked for a status update on the issue of boating decals.

Mr. Sjoberg stated that the regulations for the decal program have been completed and were approved by the Legislative Commission.

Assembly Hansen said he was under the impression that interstate waters are supposed to honor a decal from another state; he assumed that decals were part of R152-12, which he thought had been postponed to today's meeting.

Rob Buonamici, Chief, Law Enforcement Division, NDOW, stated that testimony of the NDOW during the 2011 Legislative Session indicated that reciprocity would be honored. However, due to the way the law was written, there is question as to whether the NDOW can legally offer reciprocity. In order to rectify the matter, the NDOW is proposing a bill draft request through the Assembly during the 2013 Session.

Assemblyman Hansen inquired if the NDOW has brought the decal program through the Legislative Commission.

Mr. Buonamici confirmed that the regulations regarding the decal fee issues were approved by the Subcommittee to Review Regulations a few weeks ago.

Brenda Erdoes, Legal Counsel, stated that R048-12 and R049-12 were deferred initially by the Commission, but they were approved at the last meeting of the Legislative Commission's Subcommittee to Review Regulations.

Assemblyman Hansen stated that he was under the assumption the regulations were deferred to today's meeting of the Legislative Commission.

Chair Denis asked Ms. Erdoes if the Legislative Commission deferred any regulations from its September 14, 2012, to this meeting.

Ms. Erdoes explained that according to statute, deferred regulations will be heard at the next meeting of either the Legislative Commission or the Subcommittee to Review Regulations, whichever meeting comes first.

Chair Denis confirmed that R048-12 and R049-12 were deferred to the November meeting of the Legislative Commission's Subcommittee to Review Regulations.

ASSEMBLYMAN HANSEN MOVED TO APPROVE R048-12  
AND R049-12.

ASSEMBLYWOMAN KIRKPATRICK SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

#### Regulation 153-12

A REGULATION relating to desert tortoises; prohibiting a person from possessing more than one desert tortoise under certain circumstances; and providing other matters properly relating thereto.

Assemblyman Stewart inquired if R153-12 would break up a family of tortoises found on private property.

Ms. Richards, Chief, Wildlife Diversity Division, NDOW, stated that existing regulations prohibit a person from hunting or taking any wildlife classified as protected without first obtaining a license, permit, or written authorization from the NDOW. Existing regulations also authorize the possession of a desert tortoise without such a license, permit, or written authorization under certain circumstances, such as an official adoption program offered by the U.S. Fish and Wildlife Service. She explained that section one of R153-12 imposes a possession



limit of one adopted tortoise, effective January 1, 2013. Section one also prohibits any physical contact between an adopted desert tortoise acquired on or after January 1, 2013, and any other desert tortoise. Section two provides that the possession limit and prohibition against physical contact does not apply to desert tortoises adopted prior to January 1, 2013.

Continuing, Ms. Richards explained that R153-12 is the first step to reducing the overbreeding of pet desert tortoises, which has led to a proliferation of unwanted pet tortoises in southern Nevada. Historically, an average of 1,000 unwanted pet tortoises are picked up annually in southern Nevada by the San Diego Zoo in coordination with State, county, and federal partners. Even though recent educational messages to discourage breeding are taking effect, it will be some time before a reduction in unwanted tortoises will be seen. She repeated that citizens who currently own tortoises will be grandfathered in; only those who acquire a desert tortoise after January 1, 2013, will be affected by the regulation.

Assemblyman Stewart asked for clarification that if a family of tortoises already inhabits his acre of land, he will not have to get rid of them.

Ms. Richards verified that he would not have to get rid of the tortoises if they were acquired before January 1, 2013.

Assemblyman Hansen pointed out that the overbreeding of desert tortoises is not an issue for northern Nevada, and he expressed concern about reducing the reproduction of an endangered species. Describing a scenario where two adults each own a tortoise and their tortoises make contact with each other, Assemblyman Hansen questioned if there would be a criminal penalty against the owners in this situation.

Ms. Richards replied that R153-12 will help alleviate the problem of the overbreeding of pet tortoises in southern Nevada.

Assemblyman Hansen again questioned why the State is trying to limit the reproduction of an endangered species.

Ms. Richards remarked that even though the tortoise is a threatened species, it survives and breeds easily in backyards of southern Nevada with proper care and feeding.

Assemblyman Hansen asked a second time if a criminal penalty is attached to R153-12.

Rob Buonamici Chief, Law Enforcement Division, NDOW, stated that the criminal penalty is a misdemeanor, but the intent behind R153-12 is to educate the public regarding the overgrowth of desert tortoises in the Las Vegas area. He informed

the Commission that a substantial amount of money is being spent to house and even euthanize these desert tortoises, and the NDOW is trying to decrease this financial burden.

Assemblyman Hansen expressed his opinion that R153-12 is a classic case of an overstretch of regulation because people who own two tortoises are going to be breaking the law if the tortoises are not kept separate.

Ms. Richards stated that the U.S. Fish and Wildlife Service, the Bureau of Land Management, and Clark County support R153-12 because the care of these unwanted pet desert tortoises is costing them hundreds of thousands of dollars.

Assemblyman Hansen inquired if there has been any effort to have the federal laws amended since the species is no longer threatened in Clark County.

Ms. Richards emphasized that even though the tortoises survive in backyards, there are many issues in the wild of southern Nevada that create a hardship for desert tortoises.

ASSEMBLYMAN HORNE MOVED TO APPROVE R153-12.

ASSEMBLYMAN BOBZIEN SECONDED THE MOTION.

THE MOTION FAILED. (SENATORS GUSTAVSON, PARKS, AND SETTELMAYER, AND ASSEMBLYMEN HANSEN, LIVERMORE, AND STEWART VOTED NO.)

#### Regulation 158-12

A REGULATION relating to trapping; establishing additional areas in which trapping is prohibited; providing an exception; and providing other matters properly relating thereto.

Senator Settelmeyer asked for clarification that R158-12 does not prevent someone from trapping on private property that is adjacent to these additional areas.

Mr. Buonamici, Chief, Law Enforcement Division, NDOW, stated that was correct. He added that R158-12 does not prevent someone from trapping on private property that is adjacent to the areas, but also within the areas, if it is private property.

SENATOR SETTELMAYER MOVED TO APPROVE R158-12.

ASSEMBLYMAN STEWART SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Regulation 184-12

A REGULATION relating to unemployment compensation; prescribing the contribution rate schedule for calendar year 2013; and providing other matters properly relating thereto.

Assemblyman Stewart asked for an explanation as to why the fees increased.

Renee Olson, Administrator, Employment Security Division, Department of Employment, Training and Rehabilitation, stated that a process is followed each year to review this regulation and the tax rates charged to employers. During the process, several different scenarios are offered based on the potential amount of benefits to be paid in the upcoming year. Since there was borrowing in the trust fund this year, the financial condition of the trust fund was a critical factor considered when deciding the tax rate for the next year.

Assemblyman Hansen requested the total current liability that Nevada owes. It was his understanding that there was a limit as to how long unemployment insurance could be extended. He questioned if there is a cut-off point where unemployment insurance will not be extended again.

Ms. Olson reported that the State currently owes the federal government approximately \$667 million dollars in trust fund loans.

Assemblyman Hansen asked if there is a limit on the extension for those who are currently drawing unemployment in the State.

Ms. Olson explained that the federal extension of benefits is due to end January 2, 2013. She noted that with the current Congressional negotiations, it is not known at this point if federal benefits will be extended again. Ms. Olson pointed out that State-funded benefits will continue, and it is Nevada's job to bring its fund back into a reserve position so that future benefits can be paid and the program can continue. She explained that State benefits last for a maximum of 26 weeks, and after those 26 weeks, citizens can apply for extended federal benefits if they are available. Federal benefits were extended to 99 weeks, but they were reduced to 73 weeks when the last extension was approved.

SENATOR PARKS MOVED TO APPROVE R184-12.

SENATOR ATKINSON SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

B. Amendment to Regulation Concerning Lobbying for the 2013 Legislative Session—Rick Combs, Director, Legislative Counsel Bureau

Rick Combs, Director, LCB, referred to the Amendment to Regulation Concerning Lobbying for the 2013 Legislative Session that was reviewed at the September 14, 2012, meeting. (Please see [Exhibit U](#).) He stated that during discussions with Leadership, a request was made for the Commission to consider adding a requirement for lobbyists to receive training before each legislative session. Mr. Combs shared that in previous years, training was simply offered as informational. The new language of the regulation proposes to require the lobbyists either attend a training session or view a video recording of the training session that will be made available in the Administrative Division of the LCB. He explained that lobbyists must submit a signed certificate indicating that they attended training in person or observed the training video.

Responding to Assemblyman Stewart's question regarding the frequency of the training, Mr. Combs explained that since the regulation is adopted each session, the intent is for the training to be received prior to each session.

Assemblyman Stewart inquired as to the length of the video to which Mr. Combs replied approximately one and a half to two hours.

ASSEMBLYWOMAN KIRKPATRICK MOVED TO APPROVE  
THE AMENDMENT TO THE REGULATION REQUIRING  
LOBBYIST TRAINING FOR THE 2013 LEGISLATIVE  
SESSION.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

C. Approval to Transmit Budget for Legislative Counsel Bureau to Department of Administration—Rick Combs, Director, Legislative Counsel Bureau

Mr. Combs, Director, LCB, referred to a memo from himself to the members of the Legislative Commission regarding the transmittal of the LCB budgets and the Interim Nevada Legislature. (Please see [Exhibit V](#).) He apologized for the lateness of the memorandum, which he stated he also e-mailed to the members on the evening of December 19, 2012.

Mr. Combs reviewed some of the major items in the proposed transmittal to the Department of Administration for inclusion in the *Executive Budget*. The total proposed biennial appropriation for the LCB and the Interim Nevada Legislature is approximately \$56.6 million. He noted this is less than half a percent lower than the appropriation approved for the current biennium and approximately 4.9 percent lower than the appropriation approved for the 2009-2011 biennium.

Mr. Combs reported the LCB, like all State agencies, has experienced budget reductions since the downturn in the economy but has avoided layoffs primarily by leaving 31 vacant positions unfilled. He stated he followed the Governor's budget instructions provided to Executive Branch agencies to cap expenditures at the same level of appropriation received in FY 2013, times two, for the upcoming biennium. Although the original budget instructions directed the agencies to restore the 2.5 percent pay reductions, merit pay, and longevity pay, in addition to eliminating the furlough requirement for State employees, new instructions received from the Governor in October directed agencies **not to** restore those pay items in the budget. Therefore, he advised the Commission that the presented budget does not restore any pay reductions or eliminate the furlough requirement.

In a general overview of the budget, Mr. Combs noted the funding for the Legislative Commission and Committees is approximately \$50,000 less in the upcoming biennium than what was actually approved for the current biennium because expenditures primarily occur in even-numbered years. Since the cap was based on the appropriations for FY 2013, the funding for the Commission and Committees has been reduced from what was approved for the current biennium and is more in line with what was actually expended in FY 2012. He explained the reductions were based on calculations of actual expenditures during FY 2012 rather than what was budgeted for FY 2012. Mr. Combs suggested that if further funding becomes available during the Legislative Budget hearings, this is one area of the budget where the Commission may want to consider making some additions. Conversely, if too many committees are created during the 2013 Session, the LCB will alert the Senate Committee on Finance and the Assembly Committee on Ways and Means.

Mr. Combs reported that the Administrative Division currently has 13 unfunded positions. The only new proposed expenditures are for one-shot equipment items to be described later.

Continuing, Mr. Combs stated the Audit Division has two notable changes to its budget. The current biennium included funding for a performance audit of the Board of Medical Examiners. Since this audit is required only once every eight years, funding for that performance audit was removed from the budget for the upcoming biennium. He also noted the proposed budget includes \$92,000 in FY 2014 for the purchase of audit management software to automate the

Division's current manual audit documentation and review processes. Mr. Combs stated the Audit Division has four unfunded vacant positions.

The Fiscal Analysis Division currently has one unfunded vacant position. Mr. Combs reported that the only increase in the budget is for contract services for the Edmin school finance information contract which is expected to increase by approximately \$42,000 over FY 2014 and FY 2015.

Mr. Combs declared there is little change to the budget of the Legal Division from the current biennium. The Division was able to fill some vacant positions by using the savings generated from a reduction in contract services as well as renegotiating its agreements for subscription and publication expenses. He noted there are six vacant unfunded positions in the Legal Division.

The Research Division has seven vacant unfunded positions. According to Mr. Combs, the Division proposes to increase its travel budget slightly; the money will come from savings generated by moving the staff of the Constituent Services Unit from building space not owned by the State back into the Sedway Office Building located on legislative grounds.

Mr. Combs stated the budget of the Interim Nevada Legislature (the Secretary of the Senate, the Chief Clerk of the Assembly, and their small year-round staffs) is in a separate budget account, but it is included within the LCB for the Commission's convenience. It is a small budget with no changes of any significance from the current biennium.

Mr. Combs requested permission to submit two appropriations bills to the Budget Division for expenditures that will not be considered ongoing expenses. The first request is for the payment of dues to national organizations for each of the next two fiscal years. The organizations are listed in the memorandum, and the total cost for the upcoming biennium is approximately \$755,000. (Please see [Exhibit V.](#)) This is approximately \$340,000 less than the appropriation made for the current biennium; the appropriation approved last session included funding for three years of dues payments. This appropriation would only be for the two years of the upcoming biennium.

The second request is for an appropriation of approximately \$1.1 million for one-time building maintenance and information technology purchases. Mr. Combs explained the LCB is in desperate need of updating its uninterruptable power supply (UPS) system. The current system is 12 years old, and it is difficult to find replacement parts when needed, which has resulted in the LCB using 86 standalone units in addition to its UPS system. He projected the cost for a new system to be approximately \$300,000.

Mr. Combs stated the LCB is also looking to replace some Broadcast and Production Services (BPS) equipment as a number of items broke during interim meetings. He would like to place the BPS equipment on a replacement schedule similar to that of LCB computers and server equipment.

Due to the fact that many of the LCB computers have exceeded their four-year replacement cycle, the LCB is also seeking approximately \$550,000 for the replacement of computer hardware and software. Mr. Combs reported various divisions have delayed purchasing new computers during the difficult economic times, but emphasized the situation has become urgent. Additionally, he pointed out that some of the LCB servers are more than five years old and are no longer under maintenance contracts. The LCB needs to replace them with a storage area network which is a new technology that would allow LCB to migrate the servers to virtual boxes. This would allow the addition of future capacity through the use of software rather than through purchasing expensive servers.

The final request is for replacement components for the 40-year old freight elevator located in the original part of the Legislative Building. Mr. Combs stated only one vendor is willing to maintain the elevator under a contract. The box itself and cables can stay, but all the controls and motor need to be replaced.

Mr. Combs stressed that this proposed budget is not intended to be the Commission's last look at the LCB budget. Like other State agencies, once the LCB budget is included in the *Executive Budget*, it will go before the Senate Committee on Finance and the Assembly Committee on Ways and Means to be reviewed as part of the budget closing process for the legislatively approved budget as a whole. If any additional savings can be generated, Mr. Combs assured the Commission that the Senate and Assembly financial committees will be notified. He requested the Commission's authority to forward this budget request onto the Executive Budget Office so that it may be reflected in the *Executive Budget*.

Chair Denis stressed that he did not want this meeting to turn into a budget finance meeting. He acknowledged that approval of this budget today only indicates a proposal to the Office of the Governor, and future discussions can be held during session.

SENATOR ATKINSON MOVED TO APPROVE TRANSMITTING THE PROPOSED BUDGET OF THE LEGISLATIVE COUNSEL BUREAU AND THE INTERIM NEVADA LEGISLATURE TO THE DEPARTMENT OF ADMINISTRATION FOR INCLUSION IN THE *EXECUTIVE BUDGET*.

ASSEMBLYMAN STEWART SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

- D. Request from Nevada Law Enforcement Officers Memorial Commission to plant a tree and install a memorial placard in honor of former Senator William J. Raggio on legislative grounds near the Nevada Law Enforcement Officers Memorial—Rick Combs, Director, Legislative Counsel Bureau

Rick Combs, Director, LCB, stated that the Nevada Law Enforcement Officers Memorial Commission, primarily overseen by the Nevada Sheriffs' and Chiefs' Association, has requested permission to plant a tree in memory of Senator William J. Raggio and place a small placard on the ground to commemorate the tree in his honor. Mr. Combs requested the Commission's approval for the grounds to be used for this purpose.

SENATOR ROBERSON MOVED TO APPROVE AUTHORITY FOR A TREE TO BE PLANTED AND A PLACARD PLACED ON LEGISLATIVE GROUNDS IN MEMORY OF SENATOR WILLIAM J. RAGGIO.

ASSEMBLYWOMAN KIRKPATRICK SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

## VI. INFORMATIONAL ITEMS:

### A. Interim Committee Meeting Reports

### B. Miscellaneous Reports from State Agencies and Others:

1. Report from the Public Utilities Commission of Nevada—Letter Concerning *2012 Report on Competition* Pursuant to NRS 704.68867(2)(a)—Individual Reports from AT&T Nevada and CenturyLink Concerning Competition in the Local Serving Area are on file in the Director's Office of the Legislative Counsel Bureau



2. City of Reno Tourism Improvement District Annual Report Pursuant to NRS 271A.105
3. City of Sparks Tourism Improvement District Annual Report Pursuant to NRS 271A.105
4. Report from the Nevada State Barbers' Health and Sanitation Board—Summary of Activities for July 1, 2010, through June 30, 2012
5. Report from the State of Nevada, Office of State Treasurer, Pursuant to NRS 226.120—Annual Report for July 1, 2011, through June 30, 2012
6. Report from the Public Utilities Commission of Nevada—General Consumer Sessions (NRS 704.069(2)—Individual Transcripts and Comment Letters—Reports from Sessions are on File in the Director's Office of the Legislative Counsel Bureau
7. Report from the Nevada State Board of Athletic Trainers—Summary of Activities for July 1, 2010, through June 30, 2012

C. Summary of Quarterly Reports on Disciplinary Action from the Licensing Boards and State Agencies

Chair Denis stated that since the Commission did not pull any of the informational items and no vote is required, there was no need for discussion.

VII. PUBLIC COMMENT:

(Because of time considerations, the period for public comment by each speaker may be limited, and speakers are urged to avoid repetition of comments made by previous speakers.)

Chair Denis called for public comment. Seeing none, he closed the public comment portion of the agenda.

There being no further business to come before the Committee, the meeting was adjourned at 12:05 p.m.

Respectfully submitted,

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Janet Coons, Secretary for Minutes  
Legislative Commission

APPROVED BY:

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Senator Moises (Mo) Denis, Chair  
Legislative Commission

## **LIST OF EXHIBITS**

[Exhibit A](#) is the “Meeting Notice and Agenda” provided by Sylvia Wiese, Secretary, Director’s Office, Legislative Counsel Bureau (LCB).

[Exhibit B](#) is the attendance sign-in sheets from Carson City and Las Vegas, Nevada, December 20, 2012.

[Exhibit C](#) is a letter dated September 19, 2012, to Members of the Legislative Commission from Senator David Parks, Chair, Audit Subcommittee of the Legislative Commission, regarding four audit reports of the Legislative Auditor, presented by Paul V. Townsend, Legislative Auditor, Audit Division, LCB.

[Exhibit D](#) is the Audit Highlights of the Legislative Auditor Report on the Division of State Lands, Department of Conservation and Natural Resources, issued on September 19, 2012, Report #LA12-18, presented by Paul V. Townsend, Legislative Auditor, Audit Division, LCB.

[Exhibit E](#) is the Audit Highlights of the Legislative Auditor Report on the Division of Industrial Relations, Department of Business and Industry, issued on September 19, 2012, Report #LA12-17, presented by Paul V. Townsend, Legislative Auditor, Audit Division, LCB.

[Exhibit F](#) is the Audit Highlights of the Legislative Auditor Report on the Division of Insurance, Department of Business and Industry, issued on September 19, 2012, Report #LA12-20, presented by Paul V. Townsend, Legislative Auditor, Audit Division, LCB.

[Exhibit G](#) is the Audit Highlights of the Legislative Auditor Report on the Division of Welfare and Supportive Services, Department of Health and Human Services, issued on September 19, 2012, Report #LA12-19, presented by Paul V. Townsend, Legislative Auditor, Audit Division, LCB.

[Exhibit H](#) is a letter dated December 13, 2012, to Members of the Legislative Commission from Senator David Parks, Chair, Audit Subcommittee of the Legislative Commission, regarding three audit reports of the Legislative Auditor, presented by Paul V. Townsend, Legislative Auditor, Audit Division, LCB.

[Exhibit I](#) is the Audit Highlights of the Legislative Auditor Report on the Public Employees’ Benefits Program, issued on December 13, 2012, Report #LA12-23, presented by Paul V. Townsend, Legislative Auditor, Audit Division, LCB.

[Exhibit J](#) is the Audit Highlights of the Legislative Auditor Report on the Employment Security Division, Department of Employment, Training and Rehabilitation, issued on December 13, 2012, Report #LA12-24, presented by Paul V. Townsend, Legislative Auditor, Audit Division, LCB.

[Exhibit K](#) is the Audit Highlights of the Legislative Auditor Report on the Review of Governmental and Private Facilities for Children, issued on December 13, 2012, Report #LA12-22, presented by Paul V. Townsend, Legislative Auditor, Audit Division, LCB.

[Exhibit L](#) is a letter and schedule dated September 19, 2012, to Members of the Legislative Commission from Senator David Parks, Chair, Audit Subcommittee of the Legislative Commission, regarding five, six-month reports on the implementation status of the audit recommendations made by the Legislative Auditor, presented by Paul V. Townsend, Legislative Auditor, Audit Division, LCB.

[Exhibit M](#) is a letter and schedule dated December 13, 2012, to Members of the Legislative Commission from Senator David Parks, Chair, Audit Subcommittee of the Legislative Commission, regarding four, six-month reports on the implementation status of the audit recommendations made by the Legislative Auditor, presented by Paul V. Townsend, Legislative Auditor, Audit Division, LCB.

[Exhibit N](#) is a collection of progress reports presented by Rick Combs, Director, LCB, for the following interim studies: (1) the Legislative Commission's Subcommittee to Study the Allocation of Money Distributed from the Local Government Tax Distribution Account; (2) the Legislative Commission's Subcommittee to Study a New Method for Funding Public Schools; (3) the Committee to Study the Funding of Higher Education; (4) the Legislative Committee for the Review and Oversight of the Tahoe Regional Planning Agency and the Marlette Lake Water System; and (5) the Legislative Committee on Health Care.

[Exhibit O](#) is a letter dated December 12, 2012, to Rick Combs, Director, LCB, from James Westrin, Commissioner, Division of Mortgage Lending, Department of Business and Industry, regarding the reappointment of Charles Mohler and Janis Grady to the Advisory Council on Mortgage Investments and Mortgage Lending, presented by Rick Combs, Director, LCB.

[Exhibit P](#) is two letters dated December 11, 2012, and December 12, 2012, to Senator Moises Denis, Chair, Legislative Commission, from Christina Fuentes, Ombudsman, Office of Ombudsman of Consumer Affairs for Minorities, Nevada Commission on Minority Affairs, Department of Business and Industry, regarding the recommendations for appointment to the Nevada Commission on Minority Affairs, presented by Rick Combs, Director, LCB.

[Exhibit Q](#) is a list of the demographics of the current roster and potential candidates for the Nevada Commission on Minority Affairs, presented by Christina Fuentes, Ombudsman, Office of Ombudsman of Consumer Affairs for Minorities, Nevada Commission on Minority Affairs, Department of Business and Industry.

[Exhibit R](#) is a memorandum dated December 14, 2012, to Rick Combs, Director, LCB, from Mary Shope, Coordinator, Nevada Silver Haired Legislative Forum (NSHLF), Administrative Division, regarding appointments to the NSHLF, presented by Rick Combs, Director, LCB.

[Exhibit S](#) is a Summary of Recommendations 2012 presented by Herbert E. Randall, President, NSHLF.

[Exhibit T](#) is a list of State Agency Regulations to be Reviewed by the Legislative Commission, December 20, 2012, presented by Brenda J. Erdoes, Legislative Counsel, LCB.

[Exhibit U](#) is an Amendment to Regulation Concerning Lobbying for the 2013 Legislative Commission, September 14, 2012, presented by Rick Combs, Director, LCB.

[Exhibit V](#) is a memorandum dated December 19, 2012, to the chairman and members of the Legislative Commission from Rick Combs, Director, LCB, regarding the transmittal of budgets of the Legislative Counsel and the Interim Nevada Legislature, presented by Rick Combs, Director, LCB.

<p>This set of “Minutes of the Legislative Commission” is supplied as 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.</p>
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