

Department of Business & Industry



Bruce H. Breslow, Director
January 31, 2017

2017-2019 Executive Budget Department of Business & Industry

Business & Industry for a New Nevada

**Presented to the Legislative Commission's
Budget Subcommittee**

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What is the Department of Business and Industry?

Mission:

Promote the growth and development of business within Nevada while protecting the public through fair and consistent regulation.



B&I Divisions

- **Director's Office**
- **Financial Institutions**
- **Insurance**
- **Housing**
- **Real Estate**
- **Mortgage Lending**
- **Industrial Relations (OSHA)**
- **Athletic Commission**
- **Taxicab Authority**
- **Nevada Transportation Authority**
- **Labor Commissioner**
- **Manufactured Housing**
- **Nevada Attorney for Injured Workers**
- **Employee Management Relations Board**



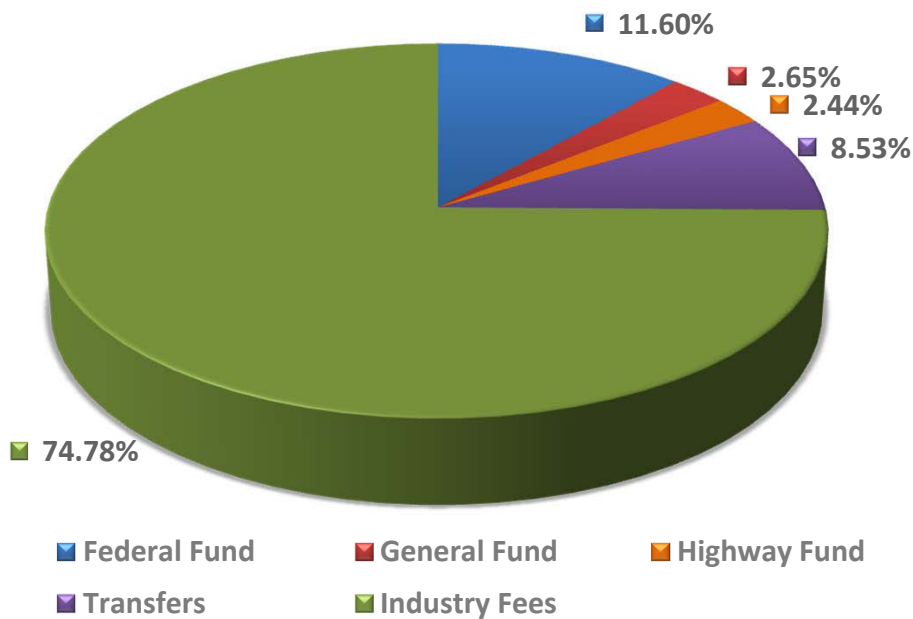
About B&I

- 682 Approved FTEs
- 27 Policy-Making Boards, Commissions, and Advisory Council/Committees
- Consisting of 262 members

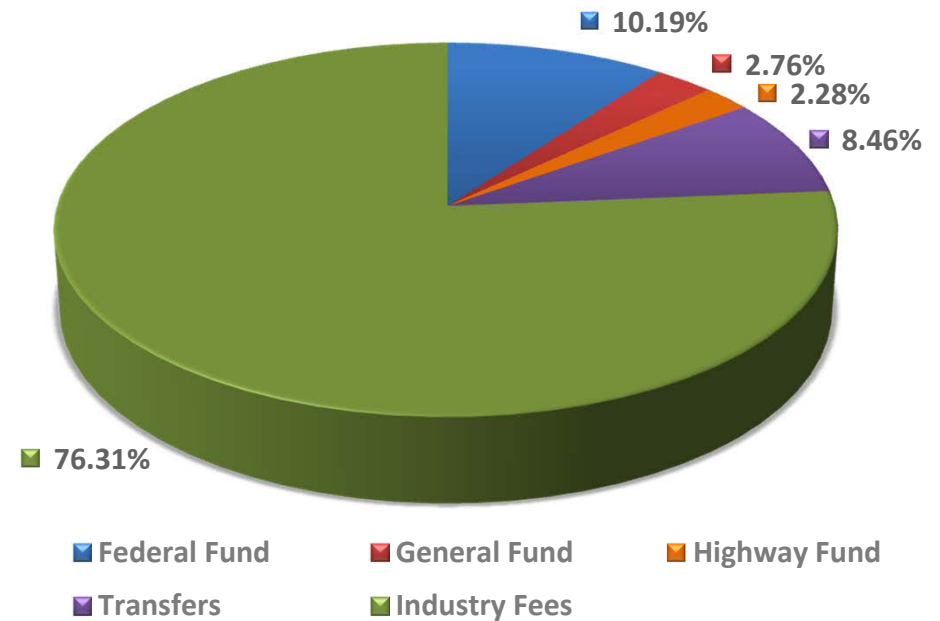


Less than 3% of funding for B&I comes from the State General Fund

Department Funding Sources
FY18
\$108,253,532



Department Funding Sources
FY19
\$108,697,426



Nevada State Business Center

WE ARE MOVING



3300 West Sahara Avenue



Nevada State Business Center

Update

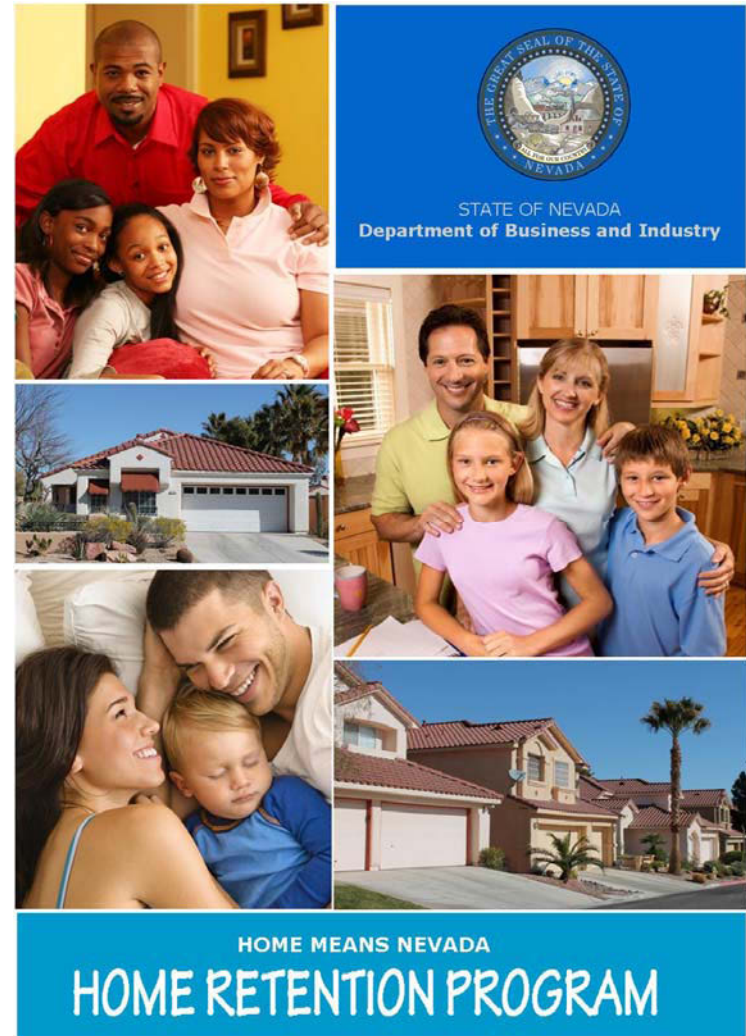
- Late February certificate of occupancy
 - Location and agency preparation
 - Phased relocation of 11 agencies and programs
 - Future need – Building security



Nevada Home Retention Program

Home Means Nevada

- ✓ Program coming to a close
- ✓ \$35,000,000 returned to the General Fund
- ✓ \$10,000,000 returned to the Attorney General's Office



Business and Industry Director's Office

What We Do

- Administrative support and oversight for 13 agencies, boards and commissions
- Human Resources
- Centralized fiscal, budget, collections
- Licensing for Financial Institutions and Mortgage Lending Division
- Office of Business Finance and Planning
- Consumer Affairs
- Ombudsman for Minority Affairs



B&I Administration Budget Highlights

Continuation of the Consumer Affairs Unit

- BDR 17A7401550 Consumer Affairs Continuation
- Continuation of funding
 - FY18 = \$622,875
 - FY19 = \$644,378
- These funds provide for seven positions
 - Compliance Investigators, Las Vegas (2)
 - Administrative, Las Vegas (2)
 - Compliance Investigator, Carson City (1)
 - Part-time Administrative, Carson City (1)
 - Administrative Law Judge, Las Vegas (1)



Constituent Services/Consumer Affairs

Provides
personal
contact

- Provides a problem solving team

Tracking &
Referral

- Tracks complaints
- Provides contacts to appropriate agencies

Complaint
Resolutions

- 93% success rate



Nevada Consumer Affairs

Consumer Affairs Inquiry Report January 1, 2016 - December 31, 2016



Complaints Received By Source

Attorney General Referrals	301
Community/Agency Partners	73
Email	163
Fax	17
Fight Fraud Task Force	19
Governor's Office	96
In Person	85
Internet	318
Postal Service	135
Phone	858
	<u>2,065</u>

Service Provided

Agency Oversight	30
Complaints	1,300
Informational	735
	<u>2,065</u>

Total Restitution: \$198,791

Category	Case Count	Category	Case Count	Category	Case Count
Auto Body Shop/Repair	166	Insurance	33	Prizes - Sweepstakes	8
Banks (National Banks)	13	Internet Scams	54	Product Purchases	387
Charity Fraud	3	Investments	24	Real Estate	16
Collection/Credit Agencies	34	Landlord/ Tenant Issues	44	Seller of Travel	49
Communication Companies	58	Law Enforcement	1	Senior Assistance	3
Cosmetics	38	Licensing	25	Social Services	2
Education	25	Loans	42	Tax Issues	5
Employee/Employer Issue	26	Mail Fraud	7	Telemarketing Issues	31
Foreclosure Assistance	13	Manufactured Housing	6	Timeshares	154
Gas Pumps	1	Medicaid/Medicare	2	Transportation	21
Healthcare	35	Minority Issues	77	Unions	2
HOA Issue	26	Mortgage	9	Utilities	8
Home Repairs	34	Mortgage Fraud	1	Warranties	13
Lodging Accommodations	30	Moving & Storage	13	Welfare	2
ID Theft	12	Multiple Issues	43	Worker's Compensation	7
Information Only	462				

Total Case Count for 2016 calendar year: 2,065

Office of Business Finance and Planning

- Business Development and Advocacy
- Access to Capital
- Complete Business Portal
- Governor's Conference on Small Business
- Industrial Revenue Bonds
- Charter School Bonds
- New Market Tax Credit Program



Housing Division Success Story

- Homebuyer programs have assisted 10,000 Nevadans
- Provided financing for 1,600 units of affordable rental housing
- NVhousingsearch.org has been established with 42,000 rentals currently listed
- Created new homebuyer program to help the state recruit and retain K-12 teachers
- Two new weatherization programs provided energy efficient improvements to reduce energy costs for hundreds of seniors and state employees
- More than one veteran per day benefits from Home is possible for Heroes program



Housing Division Budget Highlights

Merger of Manufactured Housing and Housing Divisions (BDR 17A7441484)

Leverage inspection, compliance, and consumer service efficiencies by pooling staffing resources for affordable housing issues.

- For the betterment of smart government
- **New Housing Advocate position**

Combines compliance and inspection personnel for both Manufactured Housing and Housing to realize organizational efficiencies.

- Complex merger with multiple shifting pieces
- Anticipate budget amendment to ensure proper alignment of revenue funds to budget account and positions.



Housing Division Budget Highlights

Low Income Housing Grants

National Housing Trust Fund and the federal Section 811 Grants, \$3.4 million/year

Governor's Office of Energy Funding

Continuation of partnership with Governor's Office of Energy to provide ongoing energy efficiency assistance to seniors and state employees, \$1.5 million/year

- **FY18-FY19 Request Grants Projects Analyst position funded by the above mentioned grants**



Manufactured Housing Division

The Manufactured Housing Division inspects manufactured structures to ensure they are constructed, installed and repaired in a manner according to statute, regulates licenses issued by the division for sales, repair and modification of manufactured structures to protect the consumer.

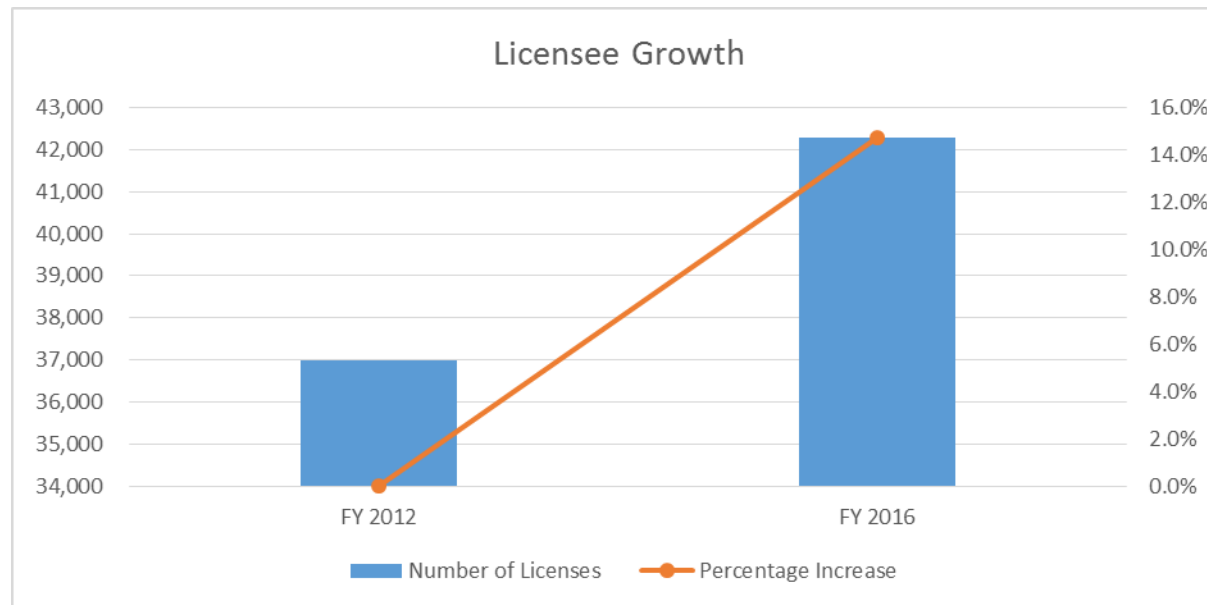
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Real Estate Division

The Real Estate Division has seen a dramatic increase in Licensees, Permits issued and new Home Owner Association's and units. The housing rebound has caused a tremendous acceleration in the demand for administrative support and enforcement in the areas of licensing, regulation, education and discipline. The Division is also looking to the future and developing strategies to provide more services and resources online.

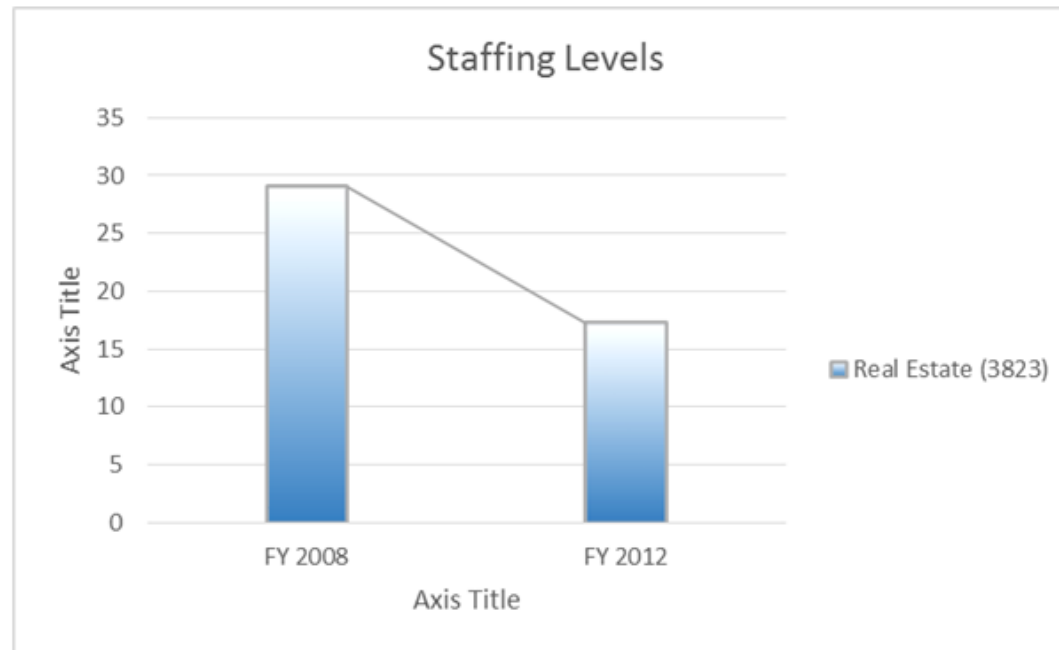


Real Estate Division Staffing

STAFFING LEVELS:

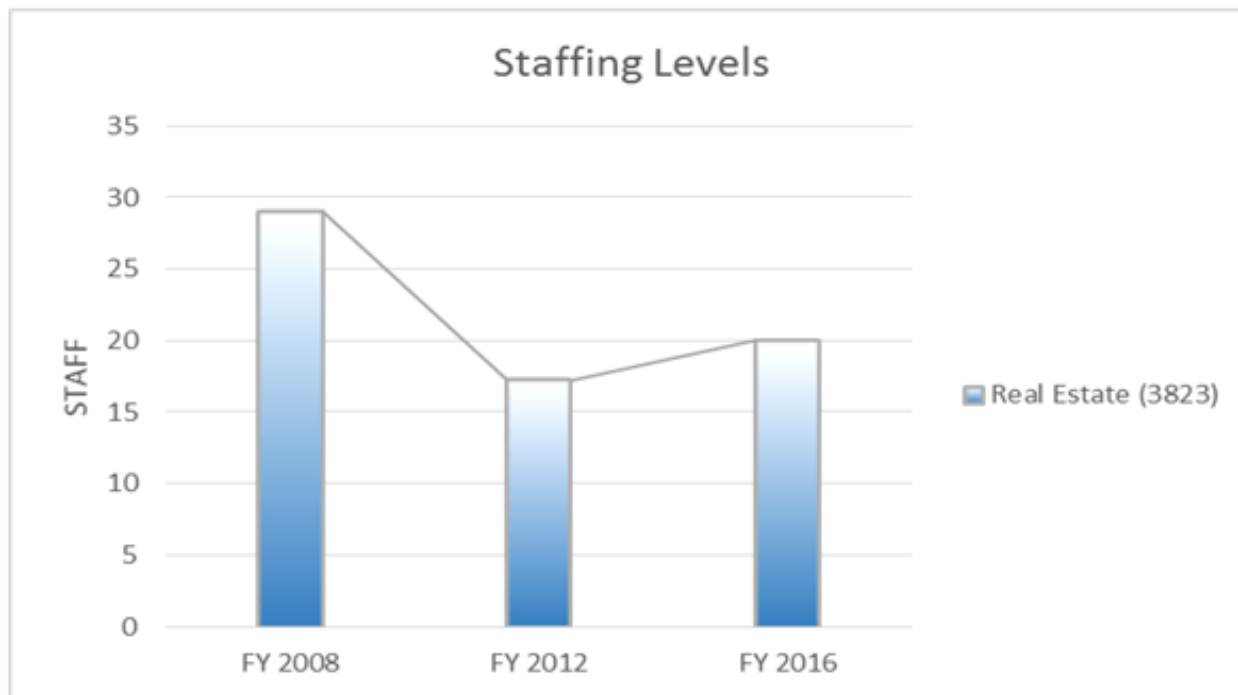
Real Estate licensees section is funded by an appropriation through the General Fund. This section in 2008/09 had 29 FTE's and with the subsequent General Fund reductions the staffing was cut down to 17.2 FTE's Resulting in a 41% decrease in personnel.

STAFFING LEVELS	FY 2008	FY 2012	% CHANGE
Real Estate (3823)	29	17.2	-40.7%



Real Estate Division Staffing

Subsequently due to the efforts of the Director's office and temporary funding from the AG's office 5.4 FTE's were funded. The funding for these positions is slated to end in 2016. This would result in a 31% overall reduction in staff levels from 2008 even as our licenses and permits have grown well over pre-recession highs.



Real Estate Division Budget Highlights

Continuing the Real Estate Consumer Assistance Positions

Continued funding support for 5.4 positions to assist consumers with real estate related compliance and enforcement matters, funded by General Fund appropriations instead of Mortgage Settlement monies.

- Compliance/Auditor Investigators (2)
- Administrative Assistants (3.4)



CICCH/HOA



INSPECT/
AUDIT



PROJECTS



REAL ESTATE



TIMESHARE



APPRAISAL



Mortgage Lending Division

The Mortgage Lending Division promotes and regulates non-depository mortgage lending and related business, protecting the public from predatory lenders and mortgage servicers. The state's mortgage industry has rebounded robustly since the financial crisis, and the Division is now in a stable financial position.

2015 Legislative Assembly Bill 480 initiated the implementation of the Loan Servicing Program

- Phase one: FY17 Two Mortgage Lending Examiners were added
- Phase two: FY18 Request for One Mortgage Lending Examiner

Legislative Audit Recommendation

- FY18 Request two Mortgage Lending Examiners to facilitate work load and meet statutory obligations



Nevada Transportation Authority

The Nevada Transportation Authority (NTA) regulates the transportation (buses, limos, movers) and the taxi industries in all Nevada Counties except Clark County. The Division performs vehicle safety inspections, completes background investigations, and licensed drivers. The NTA has successfully implemented the regulation of Transportation Network Companies (TNC) and their 42,000 drivers.

NEVADA TRANSPORTATION AUTHORITY 2016 ENFORCEMENT

Investigators	CITATIONS		IMPOUNDS	
	QTY	%	QTY	%
Transportation Network Company	210	34%	48	30%
Nevada Transportation (Chapter 706 Motor Carriers)	399	66%	113	70%
Total:	609	100%	161	100%



Nevada Transportation Authority

Budget Highlights

Transportation Network Company (TNC) Regulation and Enforcement

- Phase one: FY16 Eight TNC related positions were added
 - Supervisory Compliance Enforcement Investigator (1)
 - Compliance/Enforcement Investigators (2)
 - Compliance/Audit Investigators (2)
 - Legal Research (1)
 - Management Analyst (1)
 - IT Professional (1)
- Phase two: FY18-19 Request two additional positions over the biennium
 - Compliance/Enforcement Investigators (2)



Taxicab Authority

The Taxicab Authority regulates the taxicab industry in Clark County. The Division licenses taxicab drivers, performs vehicle safety inspections, ensures compliance and enforcement of regulations within the industry.

The agency reserves are diminishing as a result of TNC competition and declining rides in the industry. Calendar year 2016 revenue was 15% lower than the prior twelve months.

- **Workforce Reduction of Seven Vacant Positions**
 - **Supervisory Compliance/Enforcement Investigators (1)**
 - **Compliance/Enforcement Investigators (5)**
 - **Vehicle Inspector (1)**



Nevada Athletic Commission

- Commission Goal: Protect the health and safety of the fighters and provide a level playing field for all participants
- The Nevada Athletic Commission is a recognized leader in regulating unarmed combat sports
- Hosting world premier boxing and MMA events bring world-wide recognition and tourism to Nevada



Athletic Commission Budget Highlights

Implement Competition Testing

Includes funding of \$309,600 per fiscal year to implement a program for in- and out-of competition drug testing, as well as research, seminars, training and travel.

Automate the Administration Systems (Only B&I TIR)

The budget includes funding of \$149,517 to automate the agency's manual administration systems.

Fiscal Year 2016 Revenue

Agency Revenue

- ♦ Gate Fees \$1,477,692

General Fund Revenue

- ♦ Gate Fees \$5,041,720



Division of Industrial Relations

The Industrial Relations Division administers the Nevada Occupational Safety and Health Administration (OSHA), Safety Consultation and Training, Mine Safety and Training, as well as Workers Compensation.

- Providing access to the 81,500 Employers Statewide and the 1.1 million employees that make up our workforce
- Mining Safety Unit assists 2,051 mine operators by providing training for 31,000 mining related employees
- BDR 53-160 to update standards for workplace injuries and fatalities



Division of Insurance

The Division of Insurance is responsible under Title 57 of the NRS for the regulation of the industry. The Division regulates and licenses insurance providers and other professionals; sets ethical and financial standards for insurance companies; and reviews rates. The Division also reviews programs operated by self-insured employers for workers compensation

- BDR 57-159, 57-464, 57-465, 57-466 Insurance Division Omnibus Bill
- Affordable Care Act changes are likely to change the landscape



Labor Commissioner

It is the mission of the Labor Commissioner's office to resolve labor-related problems in an efficient, professional, and effective manner and to take enforcement action when necessary to ensure that Nevada's workers are treated fairly and compensated for all time worked.

This includes educating employers and employees regarding their rights under the law in an effort to promote the growth of business in Nevada.

- **Transfer of Apprenticeship Council to DETR**



Financial Institutions Division

The Financial Institutions Division maintains a system that is safe and sound, protects consumers, defends the overall public interest, and promotes economic development through the efficient, effective, and equitable licensing, examination, and supervision of depository, fiduciary, and non-depository financial institutions.

- BDR 55-162 Interstate Trust Activities
- BDR 55-163 State-Chartered Savings and Loan Associations conversion to Savings Banks



Nevada Attorney for Injured Workers

The Nevada Attorney for Injured Workers (NAIW) represents injured workers at the appeals level of the administrative hearing process.

NAIW's BASE budget will deliver to our clients and the public the level of service necessary to meet our core objectives. All enhancements to that base are for replacement of obsolete IT equipment so that level of service can be maintained into the future.

➤ **BDR 53-161 Workers' Compensation Claims**

1,061
New Cases Received FY 2016

571
Decision & Settlement Wins

\$6,958,884
Value of Claimant Benefits



Employee Management Relations Board

The Employee Management Relations Board (EMRB) works with local government and public employee unions coordinating and developing trained employee groups through the collective bargaining process. EMRB provides a venue for dispute resolution.

- The EMRB is self-funded and has no budget enhancement requests
- The agency continues to operate with two employees as it has for more than four decades
- Public sector labor relations appear calm throughout the state with the number of complaints trending downward

56

Cases Reviewed 2016

33

Cases Resolved without Board
Intervention

8

Hearings Held



Department of Business & Industry



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