



MINUTES OF THE
LEGISLATIVE COMMISSION
NEVADA LEGISLATIVE COUNSEL BUREAU
Nevada Revised Statutes 218E.150

The Legislative Commission held its third meeting in calendar year 2014 on Monday, June 23, 2014. The meeting began at 8:30 a.m. in Room 4401 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada, and was videoconferenced to Room 3137 of the Legislative Building, 401 South Carson Street, Carson City, Nevada.

COMMISSION MEMBERS PRESENT:

Assemblywoman Marilyn Kirkpatrick, Chair
Assemblyman Jason M. Frierson, Vice Chair
Senator Kelvin D. Atkinson
Senator Moises (Mo) Denis
Senator Ben Kieckhefer
Senator Ruben J. Kihuen
Senator Michael Roberson
Senator James A. Settelmeyer
Assemblyman Richard (Skip) Daly
Assemblyman James Oscarson for Assemblyman Wesley K. Duncan
Assemblyman Ira Hansen
Assemblyman Lynn D. Stewart

OTHER LEGISLATORS IN ATTENDANCE:

Assemblywoman Michelle Fiore, Assembly District No. 4

LEGISLATIVE COUNSEL BUREAU STAFF PRESENT:

Rick Combs, Director
Paul V. Townsend, Legislative Auditor, Audit Division
Cindy Jones, Fiscal Analyst, Fiscal Analysis Division
Mark Krmpotic, Fiscal Analyst, Fiscal Analysis Division
Brenda J. Erdoes, Legislative Counsel, Legal Division
Risa B. Lang, Chief Deputy Legislative Counsel, Legal Division
Kevin C. Powers, Chief Litigation Counsel, Legal Division

Donald O. Williams, Research Director, Research Division
Janet Coons, Secretary for Minutes, Research Division
Sylvia Wiese, Secretary to the Director, Administrative Division

Chair Kirkpatrick called the meeting to order. [Exhibit A](#) is the agenda; the attendance sign-in sheets are [Exhibit B](#). All exhibits are filed in the Director's Office of the Legislative Counsel Bureau (LCB) and are on the Legislative Commission's webpage at: <http://www.leg.state.nv.us/Interim/77th2013/Committee/Interim/LC/?ID=2>. Agenda items taken out of order have been placed in proper agenda order in the minutes for purposes of continuity.

PUBLIC COMMENT

Chair Kirkpatrick called for public comment. She announced that she would call for additional public comment for Agenda Item III-A regarding the ballot questions when that item is considered.

Mark Newburn, Las Vegas, Member, State Board of Education, Nevada's Department of Education (NDE), explained the new standards in R084-13 are multi-disciplinary with an added emphasis on student inquiry and hands-on practice, which have proven to be successful techniques in the State's magnet schools and career and technical academies. (Please see [Exhibit C](#)). He said the new standards would improve Nevada's economy by producing a skilled workforce in the areas of science, technology, engineering, and mathematics (STEM). Despite this fact, Mr. Newburn conceded some students are not inspired to enter STEM fields because they lack quality science experiences in the early grades, noting this loss is even worse for girls and children of color. He encouraged the approval of R084-13 to help deliver a better STEM education to all of Nevada's students.

Gene Temen, President, Quick Space, Sparks, Nevada, requested additional time to work with the Manufactured Housing Division, Department of Business and Industry (DBI), regarding R009-12. (Please see [Exhibit D](#).) Stating the regulation has garnered national attention, he referenced a letter by Tom Hardiman, Executive Director, Modular Building Institute, outlining his concerns with R009-12. (Please see [Exhibit E](#).) Mr. Temen claimed if the Commission approves the regulation, Nevada would have the most stringent regulations in the country regarding construction buildings that sit on the ground. In addition, he said the Division would receive \$200,000 in fees from a business that has had no health or safety issues with these buildings during the last four years when there has been no oversight by the Manufactured Housing Division.

Duncan R. Mackie, Vice President, Legislative Division, Nevada Firearms Coalition (Coalition), provided testimony on R110-13 and R092-14 regarding firearms and foster parents proposed by the Division of Child and Family Services (DCFS), Department of Health and Human Services (DHHS). (Please see [Exhibit F](#) and [Exhibit G](#).) He opined the changes to the regulations would require owners of firearms to surrender their Second Amendment rights in order to satisfy the gun storage requirements for foster parents in Nevada. Mr. Mackie said the regulations allow police officers to carry firearms holstered on their persons when they are off

duty and in the presence of their foster children, thus creating a class of super-citizens for foster care purposes. After careful research, he said the Coalition is of the opinion that *Nevada Revised Statutes* (NRS) 268.418 prohibits State agencies from regulating firearms unless they have specific statutory authority to do so, which would make the proposed changes illegal and invalid. According to Mr. Mackie, the Coalition asked the DCFS in April 2014 to provide evidence of statutory authorization for its ability to regulate firearms. The DCFS has yet to provide any such evidence; and for that reason, the Coalition opposes the regulation changes regarding firearms and foster parents.

Valerie Wilson, private citizen, Las Vegas, Nevada, urged the Commission to oppose the regulation(s) relating to firearms and foster care parents. She indicated that she and her husband were denied a foster parent license by DCFS because they have Carry Concealed Weapon (CCW) permits. Current and proposed regulations require weapons to be unloaded and locked up at all times with ammunition locked in separate containers, which Ms. Wilson said completely removes the ability to protect one's home and family. She opined the primary goal should be to keep firearms out of the hands of children, not keep children out of homes in which firearms are stored safely for protection. Ms. Wilson suggested the DCFS supports this goal by proposing an exemption that allows law enforcement officers to carry weapons on their persons even when they are not on duty. In her opinion, off-duty law enforcement officers should not have special rights to protect their families. Ms. Wilson said the regulation(s) deny "forever" homes to children in foster care because they disqualify responsible, honest adults as foster parents simply for wanting to protect themselves and their families. She asked the Commission to block DCFS' proposed changes and direct the agency that all citizens should have the right to protect themselves as long as they maintain their weapons responsibly and keep them out of the reach of children.

Brian Wilson, private citizen, Las Vegas, Nevada, also urged the Commission to oppose the regulation(s) concerning foster parents and firearms. If the regulations pass, he testified he and his wife would apply for a private or out-of-state adoption, in which case Nevada's regulations would not apply. Mr. Wilson pointed out there is a separate Nevada statute that makes it a crime to allow children access to a firearm. He requested CCW permit holders have the same exemption to carry weapons as off-duty law enforcement officers. Opponents to this idea are concerned that violent children could take weapons by force. Agreeing this is a reasonable concern, even for law enforcement officers, Mr. Wilson suggested the DCFS could mitigate the risk by limiting homes with CCWs to young children who could not physically take guns by force from their parents. In addition, he recommended parents should have the right to keep loaded guns securely locked in biometric safes, which can only be opened by the parents' fingerprints. This would keep guns out of the reach of children while still allowing the weapons to be accessible, should the need arise. Because there are safe alternatives to the proposed regulations, Mr. Wilson opined he does not see the

benefit of forcing parents to choose between protecting their families and fostering children.

Greg Ross, private citizen, testified in opposition to the DCFS regulation(s) relating to firearms and foster children. Pointing out the State Legislature reserves the rights and powers to regulate firearms under NRS 244.364, 268.418, and 269.222, he claimed these regulations would be illegal. In addition, Mr. Ross said the regulations violate *District of Columbia Vs. Heller, 2008*, which ruled requiring firearms to be unloaded or locked up in the home is unconstitutional.

Chair Kirkpatrick asked for additional public comment; however, no additional testimony was presented.

Chair Kirkpatrick indicated the Commission would take action on R110-13 ([Exhibit F](#)) and R092-14 ([Exhibit G](#)) regarding foster parents, firearms, and CCWs later in the meeting.

The Commission thanked Brian L. Davie, Legislative Services Officer, Las Vegas Office, Research Division, LCB, for his 30 years of exemplary service to the State, especially for his help in organizing and hosting various legislative conferences in Las Vegas. Commission members wished him well in his future endeavors.

Chair Kirkpatrick closed the public comment portion of the meeting.

APPROVAL OF MINUTES OF THE MARCH 28, 2014, MEETING—
Assemblywoman Marilyn Kirkpatrick, Chair

SENATOR ATKINSON MOVED APPROVAL OF THE MINUTES
OF THE MARCH 28, 2014, MEETING.

ASSEMBLYMAN STEWART SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

LEGISLATIVE COMMISSION POLICY

A. Approval of Language of Ballot Questions—Rick Combs, Director, LCB

Rick Combs, Director, LCB, explained when amendments to the *Nevada Constitution* are proposed, the Legislature must adopt the resolution containing those amendments during two consecutive sessions, followed by a vote of the people. According to NRS 218D.810, the Commission must approve the language of the ballot questions. Employees of the LCB, who staffed the Legislative committees that heard the measures during one or both of the previous

sessions, prepared the Condensation, Explanation & Digest, Arguments For Passage, and Arguments Against Passage. The Fiscal Analysis Division prepared the Fiscal Note for each question. He stated interested public parties received copies in order to make comments and recommend changes.

Mr. Combs directed the Commission's attention to the final proposed versions of the questions that will be on the November ballot. Senate Joint Resolution No. 14 of the 76th Session (File No. 47, *Statutes of Nevada 2013*) relates to the creation of an intermediate appellate court, and S.J.R. No. 15 of the 76th Session (File No. 40, *Statutes of Nevada 2013*) relates to the net proceeds of mines. (Please see [Exhibit H](#) and [Exhibit I](#).) The documents include the final proposed language for consideration by the Commission, followed by the language of the first draft for public comment, and concluding with written public comments regarding each question. He remarked the LCB staff drafted the questions in a nonpartisan manner; its main goal was accuracy, not wanting to slant the Condensation or the Explanation & Digest in any way. The LCB staff wrote accurate arguments for and against the questions by avoiding the use of inflammatory language or overstating what the measures do. Mr. Combs added there were more comments than usual regarding the Fiscal Notes due to the nature of the questions.

Chair Kirkpatrick called for public comment regarding the language of the ballot question related to S.J.R 14; however, no testimony was provided.

Chair Kirkpatrick called for discussion from the Commission.

Assemblyman Stewart questioned whether "effective" accurately describes the function of the current court system and if Justice Hardesty's comments regarding the deletion of the term "effectively" from the Arguments Against Passage were considered.

Mr. Combs indicated the term "effectively" is not included in the final version.

Chair Kirkpatrick called for a motion to approve the proposed ballot question language for S.J.R. No. 14.

SENATOR ROBERSON MOVED APPROVAL OF THE
BALLOT QUESTION LANGUAGE FOR S.J.R. NO. 14 OF
THE 76TH SESSION.

VICE CHAIR FRIERSON SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Chair Kirkpatrick called for discussion on the ballot question's draft language for S.J.R. No. 15.

Senator Denis said he wants the information presented to be easily understood by the voters.

Senator Roberson raised three issues: (1) the Condensation does not accurately represent what S.J.R. No. 15 would do if passed; (2) the "Yes" and "No" paragraphs in the Explanation & Digest must be consistent with the final ballot question language approved; and (3) the second sentence in the third paragraph of the Arguments For Passage is not accurate and misleads the public. He surmised the actual number is much less than 2 to 2.5 percent and suggested revising the language to reflect accurate numbers.

Referring to the Arguments For Passage, Assemblyman Hansen rejected the second sentence of paragraph two, which reads, "When mineral resources are taken out of the ground, they are gone forever and the State is left with a scarred landscape." He said the mining industry pays handsomely for reclamation, and many of the scarred landscapes, also known as ghost towns in Nevada, are attractive to many people. Assemblyman Hansen expressed concern for the fourth sentence in paragraph two, which reads, "Another factor to consider is that many of the major mines in the State are owned by companies headquartered outside of Nevada that are getting rich on our limited resources and taking the profits out of state." He commented that numerous stock-owned mining companies have gone bankrupt, despite the location of their headquarters.

Continuing, Assemblyman Hansen also objected to the comparison made between mining and gaming, pointing out Nevada has the lowest tax on gaming's gross revenue than any state in the country. To be fair, he suggested comparing mining to the warehousing industry, which is protected from taxation by the Legislature in the *Nevada Constitution*. He recalled the warehousing industry exploded in Nevada during the 1950s due to this protection. Assemblyman Hansen suggested the Arguments Against Passage should indicate how harmful the distribution of money collected from such taxation could be to the small, rural counties of the State; they cannot stand up to the overwhelming dominance of Clark County in the absence of protection from the *Nevada Constitution*.

Chair Kirkpatrick asked for public comment regarding the ballot question for S.J.R. No. 15; however, no testimony was presented. She asked for continued deliberation by the Commission.

Senator Settelmeyer recalled Ballot Question No. 1 from the special election held on May 2, 1989, which stated, "Shall the Nevada constitution be amended to allow the taxation of minerals at a rate different than other property and to limit other taxes upon minerals and their proceeds?" He recommended reversing the

Condensation of the S.J.R. No. 15 ballot question to read, "Shall the Nevada constitution be amended to disallow the taxation of minerals at a rate different than other property and to limit other taxes upon minerals and their proceeds?"

Assemblyman Hansen formally requested the deletion of the following sentences from the Arguments For Passage on page 57:

1. The second sentence in the second paragraph, suggesting it is an inaccurate, inflammatory comment;
2. The last sentence in the second paragraph, suggesting it is irrelevant to the *Nevada Constitution*;
3. The third sentence in the third paragraph, suggesting it provides an unfair contrast with gaming; and
4. The last sentence in the third paragraph, suggesting it is an inflammatory statement rather than an argument of fact.

Chair Kirkpatrick asked Assemblyman Hansen whether he had replacement language for his suggested deletions.

Assemblyman Hansen declared he did not have substitute language because deleting his suggested sentences makes the Arguments For Passage more accurate and reflective of the ballot question's intention. He recommended including an explanation of the potential fiscal harm to the rural counties that depend on the current tax formula in the Arguments Against Passage.

Responding to Chair Kirkpatrick's request for background information regarding the origin of the arguments for and against passage, Mr. Combs explained they come from historical testimony presented during Legislative hearings. The LCB staff determined whether the information was factual and not false or libelous. He said staff revised some of the language, both for and against passage, based on concerns raised in the public comments.

Senator Roberson provided alternative draft language for the Condensation of the ballot question, suggesting it provides a more accurate representation of S.J.R. No. 15:

Shall the Nevada Constitution be amended to remove (1) the special cap on the taxation of minerals, and (2) other requirements and restrictions relating to the taxation of mines, mining claims, and minerals, and the distribution of money collected from such taxation, in order to give the Legislature more flexibility regarding such taxation? (Please see [Exhibit J.](#))

Senator Roberson opined the arguments for and against passage are generally fine, but the language approved for the ballot question must be reflected in the "Yes" and "No" paragraphs of the Explanation & Digest. He repeated the sentence about the mining industry's taxes representing 2 to 2.5 percent of its gross revenues needs to be addressed because those figures are not true today. Senator Roberson stressed the importance of presenting the voters with an accurate representation of the status quo in Nevada and the effect of passing S.J.R. No. 15, regardless of whether Commission members agree or disagree with the resolution.

Chair Kirkpatrick asked whether Commission members had concerns with Senator Roberson's proposed language, reminding them the language should be on a sixth-grade reading level.

Responding to Senator Denis's request for clarification that the Condensation is what appears on the ballot and should not advocate for or against the issue, Kevin C. Powers, Chief Litigation Counsel, Legal Division, LCB, verified that was correct. The ballot question cannot be false or misleading and it must state the question fairly and accurately. He clarified Senator Roberson's proposed language accurately states the ballot question.

A discussion ensued regarding Senator Roberson's proposed language. Senator Denis questioned whether the word "special" advocates for or against the issue. Mr. Powers replied he did not view "special" as advocating for or against, but it does "specially" apply to the mining industry. He said it is not a tax or cap of general application because it applies only to a subset of a large group. In that way, Mr. Powers affirmed the accuracy of "special." Senator Denis commented that most of the people reading the ballot question would more than likely interpret "special" as advocating for or against the issue. Senator Roberson suggested using the word "unique." Vice Chair Frierson also expressed concern with the word "special" as well as the phrase "in order to give the Legislature more flexibility regarding such taxation." Assemblyman Oscarson echoed the concerns with "special" and "in order to."

Suggesting Senator Roberson's proposal could mislead the voters, Senator Settelmeyer repeated his idea of reversing the original language of the 1989 ballot question.

Mr. Powers expressed concern with Senator Settelmeyer's suggestion because S.J.R. No. 15 removes all revenue limitations from the *Nevada Constitution*, thereby creating an entirely new legal landscape regarding the taxation of mining. It is not a reversal of what occurred in 1989, but rather something completely new. Since 1864, he said, the *Nevada Constitution* has always contained provisions that deal specifically with mining. This resolution removes all provisions, giving the Legislature more flexibility regarding such taxation.

Chair Kirkpatrick stated her concern that voters often question why Nevada has no State income tax and why mining and gaming receive special attention. She wants to make it clear to the voters why Nevada is different from most other states. Chair Kirkpatrick questioned whether using the phrase “in order to give the Legislature more flexibility regarding such taxation” is typical, suggesting it possibly belongs in the Arguments For Passage. She wants citizens to know there is a cap on the taxation of minerals.

Acknowledging the Commission does not favor using “special” in the ballot question, Senator Roberson stressed the importance of the voters understanding that approving the question gives the Legislature more flexibility regarding taxation of the mining industry.

Further conversation about removing “special” from Senator Roberson’s proposal took place. Assemblyman Hansen offered a suggestion to change the Condensation to read, “Shall the *Nevada Constitution* be amended to take the taxation of minerals out of the *Constitution*?” Vice Chair Frierson suggested the phrases “giving the Legislature more flexibility” or “which would give the Legislature more flexibility” would provide clarity to voters without advocating a purpose. Assemblyman Hansen countered that amending the *Nevada Constitution* implies the Legislature would have more flexibility as a check against certain behaviors. He advocated keeping the existing language rather than adding language about the Legislature. Senator Kieckhefer opined Vice Chair Frierson’s suggestion of changing “in order to give” to “giving” removes the purpose and leaves the effect.

A discussion ensued regarding whether the last statement of Senator Roberson’s proposed Condensation gives flexibility to others besides the Nevada Legislature. Senator Denis questioned whether the statement would allow a group of individuals to raise mining taxes through an initiative. Senator Roberson commented the wording gives more flexibility to the people through the initiative process. Chair Kirkpatrick asked Senator Denis whether he is suggesting the removal of “the Legislature” from Senator Roberson’s proposal, to which he replied that was correct.

With regard to the Condensation, Chair Kirkpatrick summarized what the Commission has agreed upon thus far:

Shall the *Nevada Constitution* be amended to remove (1) the cap on the taxation of minerals, and (2) other requirements and restrictions relating to the taxation of mines, mining claims, and minerals, and the distribution of money collected from such taxation, giving more flexibility regarding such taxation?

Chair Kirkpatrick opined the last part of the Condensation sounded confusing.

Mr. Powers suggested Chair Kirkpatrick's concern might be the redundancy of "such taxation."

Senator Settlemeyer suggested keeping "Legislature" or deleting the entire last phrase, "giving more flexibility regarding such taxation."

Senator Denis suggested the following change:

Shall the *Nevada Constitution* be amended to remove (1) the cap on the taxation of minerals, and (2) other requirements and restrictions relating to the taxation of mines, mining claims, and minerals, and the distribution of money collected from such taxation?

Senator Roberson opined the phrase "in order to" allows the sentence to read more easily. He stressed the importance of the voters knowing the initiative will remove the cap on the taxation of minerals from the *Nevada Constitution* if it passes.

Chair Kirkpatrick asked whether there was a consensus among the Commission that the ballot question should read:

Shall the *Nevada Constitution* be amended to remove (1) the cap on the taxation of minerals, and (2) other requirements and restrictions relating to the taxation of mines, mining claims, and minerals, and the distribution of money collected from such taxation?

Mr. Powers agreed with a suggestion by Senator Kieckhefer that the numerals are no longer necessary with the removal of the last phrase.

Responding to Chair Kirkpatrick's request, Assemblyman Hansen repeated his proposed deletions from the Arguments For Passage:

- The second sentence in paragraph two;
- The last sentence in paragraph two; and
- The third sentence in paragraph three.

Because today's companies spend a great deal of money on reclamation, Senator Denis agreed with removing the second sentence regarding the scarred landscape from paragraph two in the Arguments Against Passage.

Discussion ensued regarding the phrase "giving the Legislature more flexibility regarding such taxation." Senator Settlemeyer recommended adding that language to the Arguments For Passage, but Mr. Powers pointed out the last sentence of the first paragraph of the Arguments For Passage captures that concept. However, he said the LCB could make it more specific by describing how it gives

flexibility to the Legislature. Senator Roberson noted the Explanation & Digest deals with the issue of flexibility.

A conversation took place regarding the scarred landscape. Senator Roberson said the sentence should remain because the LCB made changes to the original version based on public comments. Assemblyman Stewart suggested adding language in the Arguments Against Passage that states the mining companies spend millions of dollars to restore the land. Vice Chair Frierson suggested the Arguments Against Passage counterbalance the comments regarding the scarred landscape and the companies headquartered out of State by mentioning environmental restoration and job creation. Although he agreed with Vice Chair Frierson on that point, Assemblyman Hansen said the same is not true for the contrast with the gaming industry; therefore, he requested the deletion of sentence 3 from paragraph 3 on page 57 because there is no comparable statement in the Arguments Against Passage.

Chair Kirkpatrick called for one motion regarding the proposed changes.

Mr. Powers recapped the proposed changes. The Condensation will now read: "Shall the *Nevada Constitution* be amended to remove the cap on the taxation of minerals, and other requirements and restrictions relating to the taxation of mines, mining claims, and minerals, and the distribution of money collected from such taxation?" Change the "Yes" and "No" paragraphs on page 56 to reflect the new language proposed in the ballot question, and delete the third sentence of paragraph three in the Arguments For Passage on page 57.

SENATOR DENIS MOVED APPROVAL OF THE PROPOSED
CHANGES TO THE LCB'S DRAFT BALLOT QUESTION
LANGUAGE FOR S.J.R. 15 OF THE 76TH SESSION AS STATED
BY MR. POWERS.

ASSEMBLYMAN STEWART SECONDED THE MOTION.

Senator Roberson asked whether the sentence regarding the percentage of gross revenues in the Arguments For Passage is accurate.

Mr. Combs said the original version of the question contained a lower percentage, but based on public comments received, the Department of Taxation's records for Fiscal Year (FY) 2010 through FY 2012 verified the amount was between 2 and 2.5 percent.

A discussion about the percentage followed. Senator Roberson questioned whether the amount is accurate today and whether the ballot language merits changing. Senator Kieckhefer suggested the amount is not accurate, but he questioned whether a better answer currently exists. Mr. Powers recommended

adding a reference to the FYs, but Chair Kirkpatrick expressed concern of locking the numbers down because of constant change. Recognizing the Chair's concern, Senator Kieckhefer suggested adding FYs 2010 through 2013 to make it as current as possible.

Mr. Powers suggested adding FY 2010 through 2012 to the sentence in question and adding another sentence that refers to the percentage of FY 2013, which will show the most accurate information and give the voters a range in which to judge how the percentage is determined.

Commission members further discussed the percentages. To make it easy for voters to understand, Senator Settlemeyer suggested deleting the entire sentence. He claimed it is misleading to provide a percentage that does not consider the modified business tax and other taxes paid by the mining companies. Senator Roberson countered the sentence does not refer to any other taxes the mining industry may pay. According to Assemblyman Hansen, the sentence implies mining companies only pay 2 to 2.5 percent taxes in the State and the word "mere" deliberately inflames. He agreed with Senator Settlemeyer's suggestion of deleting the entire sentence.

Chair Kirkpatrick clarified the LCB staff is nonpartisan when developing arguments for and against passage.

Assemblyman Stewart suggested inserting a statement in the Arguments Against Passage regarding how much the miners pay in total taxes.

Mr. Powers restated the motion. The language of the Condensation would read:

Shall the *Nevada Constitution* be amended to remove the cap on the taxation of minerals, and other requirements and restrictions relating to the taxation of mines, mining claims, and minerals, and the distribution of money collected from such taxation?

Change the "Yes" and "No" paragraphs on page 56 to reflect the language proposed in the ballot question, and strike the third sentence of paragraph three in the Arguments For Passage on page 57.

THE PREVIOUS MOTION BY SENATOR DENIS AND SECONDED BY ASSEMBLYMAN STEWART CARRIED. (Assemblyman Hansen voted no.)

- B. Review of Administrative Regulations—Brenda J. Erdoes, Legislative Counsel, Legal Division, LCB (A list of the regulations may be viewed here: http://www.leg.state.nv.us/register/indexesRegsReviewed/LCmtg_List_2014_Jun23.pdf.)

From the list of State agency regulations for review by the Legislative Commission, members asked Chair Kirkpatrick to hold R155-12, R011-13, R043-13, R053-13, R063-13, R084-13, R103-13, R109-13, R110-13, R127-13, R128-13, R137-13, R138-13, R139-13, R148-13, R155-13, R008-14, R009-14, R010-14, R020-14, R053-14, R092-14, and R009-12 for discussion. (Please see [Exhibit K.](#))

SENATOR DENIS MOVED APPROVAL OF THE FOLLOWING REGULATIONS: R021-12, R086-12, R095-12, R096-12, R163-12, R073-13, R117-13, R126-13, R132-13, R145-13, R154-13, R012-14, R013-14, R029-14, R034-14, R037-14, R045-14, R012-08, AND R099-13.

VICE CHAIR FRIERSON SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Regulation 155-12

A REGULATION relating to shed antlers; prohibiting a person from collecting shed antlers under certain circumstances; and providing other matters properly relating thereto.

Assemblyman Hansen suggested the regulation is too broad and recommended limiting it only to people collecting shed antlers for commercial purposes. (Please see [Exhibit L.](#)) According to the Department of Wildlife (DOW), 68 percent of the people collecting shed antlers do so for family recreation, 20 percent for personal use, and 11 percent for commercial purposes. He added the record number of elk herds in Lincoln and White Pine Counties disproves any allegations of harassment.

Tony Wasley, Director, DOW, explained that Lincoln and White Pine Counties brought R155-12 forward to address two issues: (1) the cost of disturbing animals when they are the most susceptible, have the least amount of forage, and are concentrated in areas on winter ranges; and (2) habitat degradation. Because both counties border Utah, he said a large influx of nonresidents harass Nevada's wildlife by pulling cables across trees trying to get the animals to run under them, dislodging their antlers. Mr. Wasley verified Assemblyman Hansen's statistics regarding commercial collection are correct; however, regulating commercial collection only would mean just 11 percent of the individuals who might disturb the habitats would be regulated.

Senator Settlemeyer asked whether R155-12 contains a tribal exemption, to which Mr. Wasley replied as a sovereign nation, wildlife laws are not always enforced in the same way with tribal entities, without permission and coordination, as they are with other public, State, and private lands.

A discussion ensued about an exemption for private land. Senator Settlemeyer asked whether this regulation would apply to his daughter, for example, if she were to pick up the shed antlers of public deer and elk that graze on his private land. Mr. Wasley commented that citing landowners for picking up shed antlers on their private property is not a realistic scenario. Senator Settlemeyer said he would not support R155-12 without an exemption for private land. Chair Kirkpatrick asked whether the DOW would agree to an inclusion for private landowners, to which Mr. Wasley replied it would.

Assemblyman Hansen added the DOW issued only one warning and no citations for harassing wildlife, which supports his opinion that laws are being created for minor problems.

ASSEMBLYMAN HANSEN MOVED TO DEFER R155-12.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Regulation 011-13

A REGULATION relating to appraisers of real estate; revising provisions relating to the education and experience of appraisers of real estate; and providing other matters properly relating thereto.

Assemblyman Daly questioned how the new requirement of a bachelor's degree affects current appraisers who do not have such a degree. (Please see [Exhibit M.](#))

Gail J. Anderson, Administrator, Real Estate Division, DBI, clarified the changes in the regulation are mandated by the Appraiser Qualifications Board of The Appraisal Foundation. The required associate's degree for a licensed residential appraiser and a bachelor's degree, or more, for a certified residential or certified general appraiser are effective only for individuals applying for initial qualification on or after January 1, 2015. The requirements do not apply to appraisers initially certified before that date, but she said established appraisers would fall under the new qualification requirement if they allow their licenses to expire and close.

Responding to Assemblyman Daly's question regarding why the Real Estate Division no longer recognizes classes completed from an accredited university more than five years before the submission of an application, Ms. Anderson explained this new requirement applies only to specific appraisal education courses for new applicants as of January 1, 2015.

ASSEMBLYMAN DALY MOVED APPROVAL OF R011-13.

VICE CHAIR FRIERSON SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Regulation 043-13

A REGULATION relating to local government employees; revising provisions governing practice and procedure before the Local Government Employee-Management Relations Board; removing certain requirements relating to elections of exclusive bargaining agents; and providing other matters properly relating thereto.

Regarding runoff elections, Chair Kirkpatrick asked why the Relations Board changed “will” to “may” in subsection 7 of Section 2. (Please see [Exhibit N.](#))

Bruce K. Snyder, Commissioner, Local Government Employee-Management Relations Board, DBI, explained there might be future instances when it would be futile to have a runoff election. He presented an example of a unit of ten employees where the initial election resulted in five votes for one candidate, five for another, and zero for a nonunion candidate. In this case, a runoff would be futile because each person would receive the same amount of votes upon elimination of the nonunion unit.

Repeating her question, Chair Kirkpatrick stressed an election cannot end in a tie.

Mr. Snyder said the Supreme Court of Nevada interpreted the law to require a runoff election, but the Relations Board is of the opinion there might be instances where a runoff election, paid for by the taxpayers, may not result in a definitive answer, thereby wasting taxpayers’ money.

Chair Kirkpatrick and Mr. Snyder discussed the reason for the change in subsection 4 of Section 5. He said the Relations Board wanted to streamline the process of settling and resolving cases by eliminating all unnecessary requirements. Mr. Snyder discussed the time and expense involved with verifying complaints and having answers sworn.

According to Chair Kirkpatrick’s opinion, these changes should be up to the Legislature’s discretion, and the Relations Board does not have the authority to change the rules as it sees fit. Therefore, she said she would vote no on the regulation.

Echoing Chair Kirkpatrick’s comments, Assemblyman Daly shared his opposition to the regulation as it stands.

A discussion took place regarding passage of the regulation. Mr. Snyder asked whether it would be possible to adopt the regulation today except for Section 2. Chair Kirkpatrick replied the Commission could defer the regulation today so the Relations Board can remove the sections in question. Mr. Snyder asked for clarification that Chair Kirkpatrick is most concerned about the change in Section 2, to which she replied that was correct.

VICE CHAIR FRIERSON MOVED TO DEFER R043-13.

ASSEMBLYMAN STEWART SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Regulation 053-13

A REGULATION relating to guides; revising provisions relating to the issuance and renewal of a license as a master guide or subguide; permitting a master guide to use the services of another master guide or a subguide licensed under another master guide in certain circumstances; removing territorial limitations imposed by the State on the operation of master guides; revising the grounds for denying an application for a license or for revoking or suspending a license; extending the period within which a master guide must notify the Department of Wildlife after terminating the employment of a subguide; revising provisions governing the licensure of habitual violators and the submission of records relating to the clients of a master guide; expanding the circumstances under which a client must physically accompany the master guide or subguide during the entire pursuit and taking of an animal; and providing other matters properly relating thereto.

Assemblyman Daly questioned why the DOW is revising the qualifications for licensing as a master guide. (Please see [Exhibit O](#).)

Paul Dankowski, Acting Chief Game Warden, DOW, explained that prior to becoming a master guide, applicants must take a test, and if they miss more than two years of being a master guide, they must retake the test. According to R053-13, first-time applicants still have to take the test, but master guides missing one or two years of guiding no longer have to retake the test. Because laws do change, he shared the new regulations will accompany the new guide applications. Mr. Dankowski commented the new regulation would not affect licensing for 2014; the application period begins July 1, 2014, and ends August 31, 2014. Upon adoption of R053-13, the DOW would change the application period to April 1, 2015, through May 31, 2015.

ASSEMBLYMAN DALY MOVED APPROVAL OF R053-13.

SENATOR KIHUEN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Regulation 063-13

A REGULATION relating to veterinary medicine; prescribing the duties of a supervising veterinarian in a veterinary facility where animals are boarded; setting forth the requirements pursuant to which veterinary dentistry may be performed; revising certain continuing education requirements for licensees; adopting by reference a code of ethics for veterinary technicians; defining the term "informed consent" for the purposes of a veterinarian-client-patient relationship; establishing a fee for the issuance of certain duplicate licenses, registrations and permits; revising the required contents of a medical record of an animal; revising the tasks that a licensed veterinary technician is authorized to perform; revising provisions relating to the labeling of sodium pentobarbital; and providing other matters properly relating thereto.

There was no discussion on the regulation.

SENATOR SETTELMAYER MOVED APPROVAL OF R063-13.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Regulation 084-13

A REGULATION relating to curriculum; revising the performance standards for instruction in science for kindergarten through the 12th grade; and providing other matters properly relating thereto.

Assemblyman Stewart expressed concern the new standards place too much pressure on five-year olds to plan and carry out an investigation, analyze data, and determine the validity of a desired solution to a problem ([Exhibit C](#)).

Senator Settelmeyer suggested the examples in the regulation micromanage the teachers; he recommended removing or making them inclusive of two sides.

Dale Erquiaga, Superintendent of Public Instruction, NDE, said some of these expectations do occur as much as two years earlier than in the past in order for students to be college and career ready by high school. Acknowledging Assemblyman Stewart's concerns, he affirmed the NDE would oversee the situation through its standards and instructional support staff. Mr. Erquiaga recognized this is a big change for kindergarten and promised close monitoring

of the children. He said it takes two to three years to roll out standards because teachers must design local curriculum and lesson plans to match the standards.

Based on past discussions he has had with Senator Settlemeyer regarding the examples, Mr. Erquiaga said the NDE has agreed to ask the Nevada Council to Establish Academic Standards for Public Schools (Council) to identify examples that may be too restrictive and redact unnecessary examples. He requested the Commission allow the regulation to proceed today so the field can respond and prepare.

Since the changes affect approximately 500,000 students, Assemblyman Hansen questioned why they are regulatory rather than statutory. Referring to his personal review of the State's educational changes from 1983 to 2013, he asked whether the NDE thoroughly identifies what is wrong with old curriculums before adopting new ones. Identifying a consistent decline in the State's overall test results despite the implementation of new standards, Assemblyman Hansen asked how the NDE plans to monitor the new regulations, and if these science standards do not work, he questioned what the State has planned in their place.

Mr. Erquiaga explained the State began a standards-based reform movement in the 1990s as directed by the bill that created the Council. Prior to that time, either the State Board or local school districts set curriculums and standards. He said Nevada, like most states, sets its standards at the State board level via regulations, not State law. The local districts adjust their curriculums and lesson plans to the standards. Every seven years, various governmental entities and the NDE staff review the proficiency exams, the main tool for monitoring, and inform policy makers as to whether there has been correct application of the standards. As the U. S. Department of Education tries to reauthorize the Elementary and Secondary Education Act, Nevada is required to increase its monitoring of standards. He acknowledged Assemblyman Hansen's assessment of Nevada's lack of sufficient monitoring in the past is correct, but he assured the Commission the NDE is finding ways to improve the State's academic standing.

Assemblyman Hansen asked why Nevada ranks last in the nation educationally if it has been updating its standards for the last 20 years. He questioned how the new STEM model would improve the State's test results and academic ranking.

Mr. Erquiaga stressed that Nevada's students do not rank last in the nation in all categories, but he did acknowledge they underperform in some areas compared to other states. Mr. Erquiaga commented that in the past, the NDE assumed the field would respond appropriately to the adoption of new standards. He remarked that changes regarding instruction must occur, which is why the Nevada Legislature approved the educator evaluation framework and a number of reforms to improve the State's academic achievement over time. Mr. Erquiaga admitted the NDE must do a better job of intervening when a school district

is failing. In 2009 and 2011, the Legislature and Governor Brian Sandoval introduced a number of reforms to help change the status quo.

Chair Kirkpatrick pointed out that industries and businesses in Nevada that will employ these students have been actively involved with the STEM education committee meetings. She added Nevada has received national recognition for its robotics classes and other science technology programs.

Assemblyman Oscarson asked how often a review of the standards would take place and how they would affect the rural school districts.

Mr. Erquiaga replied that by law, the Council must review the results of the State's Criterion Reference Test every year, which will indicate the success of the standards' implementation. He announced the NDE recently called for a summit with the rural districts, recognizing their challenges are different from the urban districts.

Assemblyman Oscarson asked Mr. Erquiaga to follow up with him on the results of the rural summit.

SENATOR DENIS MOVED APPROVAL OF R084-13.

SENATOR ROBERSON SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Regulation 103-13

A REGULATION relating to economic development; providing for certain authority, duties and responsibilities under the Nevada New Markets Jobs Act to be exercised or performed by the Director of the Department of Business and Industry or a designee of the Director; setting forth additional requirements for an application for certification of a qualified equity investment; requiring a qualified community development entity to notify the Department of specified information concerning tax credits, qualified low-income community investments and recapture events; requiring the approval of the Department before certain investments; interpreting certain provisions of the Nevada New Markets Jobs Act; requiring a qualified community development entity to submit specified annual reports to the Director; providing for the treatment of applications for certification of qualified equity investments which are received by the Department on or before October 1, 2013; and providing other matters properly relating thereto.

Ash Mirchandani, Deputy Director of Programs, DBI, offered to answer any questions.

Assemblyman Daly questioned the language in subsection 1 of Section 2, which states the Director may designate any employee in the Department to exercise or perform any authority, duty, or responsibility granted to the Director. (Please see [Exhibit P](#).) He expressed concern this position could become a “spoils” position rather than a “qualified” position.

Mr. Mirchandani explained there was no fiscal note and no staff assigned to this position when Senate Bill 357 (Chapter 532, *Statutes of Nevada 2013*) passed. Subsequently, the DBI appeared before the Interim Finance Committee (IFC) and requested a position. Because the Nevada New Markets Jobs Act is a new program, he said there was no person employed by the State with specific new market tax credit experience.

Chair Kirkpatrick confirmed the DBI came before the IFC requesting a specific deputy to handle the new market credits. She added Nevada is the only state in the country that does not currently have this program in place; therefore, S.B. 357 contains strict language modeled from other states, such as Texas and Kansas, to provide accountability. Chair Kirkpatrick understands the DBI has received many applications for this position.

Senator Roberson asked Mr. Mirchandani to address the activity in Douglas, Storey, and Washoe Counties that will create new jobs.

Mr. Mirchandani said there are 79 projects with approximately \$160 million in the pipeline, and the program has until December 14, 2014, to invest \$200 million. He offered to send the Commission members an update on the program.

Regarding Section 6, Assemblyman Daly expressed concern about the criteria used to approve or deny a loan, suggesting potential liability for the State if an approved loan defaults. He asserted he does not want a repeat of the Sales Tax Anticipated Revenue (STAR) bonds.

Commending Mr. Daly for his questions, Chair Kirkpatrick said STAR bonds are the reason the statute is tight and that regulations must meet certain criteria.

Mr. Mirchandani affirmed adequate checks, balances, and controls are in place to decrease the amount of defaults. He said he has thoroughly researched the job creation and success of the new market tax credit programs in other states.

Kent Steadman, Management Analyst, DBI, shared that other states have reported a return of \$4 for every dollar of the tax credit and have created between 4,000 and 8,000 permanent jobs. Three of the State’s seven community development entities (CDEs) have each received between \$55 and \$60 million of federal new market tax credit allocations, and they have indicated they will be investing much of that in Nevada. He pointed out not only does the program

have \$200 million from the State, but it also has approximately \$160 million in federal money.

Senator Atkinson stated the under-privileged and minority communities have experienced issues with obtaining investments. He asked whether the DBI held meetings during the regulation process at which time investors could identify the areas that most appealed to them.

Chair Kirkpatrick and Mr. Mirchandani discussed the program's community outreach. She said she made it very clear during the 2013 Session that if this program turned out to be another scheme, there would be consequences during the 2015 Session. Mr. Mirchandani stated the DBI met with all the CDEs that showed interest in the program and conducted a series of meetings with regional developmental entities. He said the program mirrors the federal requirement of investing the money in low-income areas. Mr. Mirchandani said Senator Atkinson's constituents could contact him at 702-486-4492 to find out more about the program. They can also contact Mr. Steadman.

Referring to Section 6, Assemblyman Daly inquired about the criteria used for approving or denying a loan. He wondered why the State would want to take on the liability of not qualifying entities that could eventually go out of business if they did not receive loans.

Colleen L. Platt, Deputy Attorney General (AG), Boards and Licensing, Office of the AG, explained that Section 6 prevents the investments from being housed in one low-income business. The regulation allows a low-income community business to accept a qualified equity investment (QEI) from one CDE. She said the intent of S.B. 357 is to spread the money across numerous types of business; if a CDE houses all of its money in one business, then the purpose of the bill has been defeated. In order to allow investment of the QEIs in the same business, the regulation allows the DBI to review the proposal to determine why the business may need more money than the original QEI. Ms. Platt added there is a limit of a 25 percent investment in one low-income community business.

Mr. Steadman offered to send Assemblyman Daly an application for his review. He said collaboration between the CDEs to fund a business must provide a significant increase in jobs, which is one of the major criteria for a loan.

Confirming that job creation is one of the criteria used for approval or denial of loans, Assemblyman Daly remarked the explanation answered his question.

Assemblyman Hansen stated his objection to the entire concept, opining this is something the market should do. He suggested the government has gotten involved because the credit risks are too high for the private sector. Assemblyman Hansen pointed out when low-income businesses receive special,

guaranteed loans, they compete in the marketplace with other businesses that have obtained their capital through the normal market processes, which creates unfair advantages for low-income businesses.

Suggesting this discussion seems like a rehearing on S.B. 357, Senator Atkinson recalled that Assemblyman Hansen voted for the bill.

ASSEMBLYMAN DALY MOVED APPROVAL OF R103-13.

SENATOR ATKINSON SECONDED THE MOTION.

Assemblyman Hansen admitted that voting in favor of the bill during session was a mistake and he would be voting no on the regulation.

THE PREVIOUS MOTION BY ASSEMBLYMAN DALY
AND SECONDED BY SENATOR ATKINSON CARRIED.
(Assemblyman Hansen voted no.)

Regulation 109-13

A REGULATION relating to dairy products; revising provisions relating to certain publications adopted by reference by the State Dairy Commission; revising provisions governing the production, sale and delivery of dairy products; and providing other matters properly relating thereto.

Chair Kirkpatrick asked why the somatic cell count requirements are reduced from what they were in 2005. (Please see [Exhibit Q](#).)

Anna Vickrey, Environmental Health Specialist IV, State Dairy Commission, State Department of Agriculture, said changing the somatic cell count of 750,000 per milliliter (mL) for an individual producer to 400,000 per mL helps Nevada's dairy farmers enter the international markets. She noted the powder plant in Fallon, Nevada, would sell mainly in the international market. Ms. Vickrey said this change in the regulation is an animal health issue, not a sanitation issue.

Acknowledging the change helps the dairy industry, Chair Kirkpatrick stressed she does not want its involvement with the international market to cause Nevadans to suffer by not being able to afford milk.

A discussion ensued regarding the change with butter in Section 8. Ms. Vickrey stated that over the years, the Dairy Commission has observed a large increase in revenues from yogurt consumption. Since there are no butter manufacturers in the State, it made sense for the Dairy Commission to discontinue those fees. Chair Kirkpatrick asked whether this change allows for raw milk, cheeses, and other products to be processed in Nevada. Ms. Vickrey replied the regulatory change allows the Dairy Commission to increase or decrease percentages, while

statutes allow for the sale of raw milk, cheeses, and butters if requirements are met. She added there must be a raw milk dairy commission in any county that manufactures and sells raw milk.

SENATOR DENIS MOVED APPROVAL OF R109-13.

VICE CHAIR FRIERSON SECONDED THE MOTION.

Assemblyman Oscarson asked for clarification that R109-13 does not restrict people who may want to sell raw milk if they meet the current requirements, to which Ms. Vickrey replied that was correct.

THE PREVIOUS MOTION BY SENATOR DENIS AND SECONDED
BY VICE CHAIR FRIERSON CARRIED UNANIMOUSLY.

Chair Kirkpatrick called for discussion on R110-13 ([Exhibit F](#)) and R092-14 ([Exhibit G](#)). She said R110-13 removed the controversial provision relating to an exemption for police officers and firearms, which is now considered in R092-14.

Regulation 110-13

A REGULATION relating to foster care; requiring a person licensed to operate a foster home to provide certain notice upon the occurrence of certain events involving a child; requiring a foster home to develop a disaster plan; requiring an agency which provides child welfare services to assign a child and family team to each child placed in a foster home; providing procedures for the licensure of foster care agencies; establishing certain requirements applicable to specialized foster homes and foster homes that have contracts with a foster care agency; establishing qualifications and requiring certain training and continuing education for certain staff of a specialized foster home and a foster care agency; establishing requirements concerning the persons who may supervise foster children in a specialized foster home; requiring specialized foster homes and foster care agencies to adopt and enforce policies on the management and administration of medication; specifying when physical restraint may be used on a child in certain foster homes; requiring certain records to be maintained concerning certain children in foster care; requiring certain foster homes to maintain certain records concerning staff and foster parents; making various other changes concerning the licensure and operation of foster homes; and providing other matters properly relating thereto.

Regulation 092-14

A REGULATION relating to foster care; making certain exceptions to certain requirements relating to weapons maintained in foster homes; and providing other matters properly relating thereto.

Jill Marano, Deputy Administrator, Family Programs, DCFS, DHHS, testified that R110-13 ([Exhibit F](#)) applies to Chapter 424 of the Nevada Administrative Code (NAC), "Foster Homes for Children." The bulk of the regulation relates to specialized foster care agencies and standards for specialized foster homes, also known as therapeutic homes, which provide a higher level of care and for which there were no specific standards. According to Ms. Marano, R110-13 lessens licensing requirements, thereby reducing the number of waivers the DCFS issues for foster homes, which affects the agency's federal funding.

Ms. Marano stated the CCW provision requiring weapons in foster homes to be unloaded and locked up separately, which was initially in R110-13, has existed since 1989. However, during a recent workshop, the public voiced concerns that the CCW provision is too restrictive and might deter permit holders from becoming foster parents. This was especially true for law enforcement officers because the provision makes it difficult for them to be a foster parent while complying with the law.

Chair Kirkpatrick asked for clarification that the DCFS wants to withdraw R092-14 ([Exhibit G](#)) today and move R110-13 forward, which has no reference to CCWs.

Ms. Marano replied that was correct.

Chair Kirkpatrick and Ms. Marano discussed the current requirements for CCW holders to become foster parents. Ms. Marano stated CCW permit holders can become foster parents under R092-14. She stressed the current requirements of weapons being unloaded and locked separately from the ammunition are the same for everyone. Chair Kirkpatrick asked whether these safety requirements are consistent with those encouraged by the National Rifle Association, to which Ms. Marano replied they are.

Chair Kirkpatrick called for public comment.

Brian Wilson, previously identified, submitted a denial letter he and his wife received, which indicated they could not become foster parents due to their statement of noncompliance regarding the storage of weapons. (Please see [Exhibit R](#).)

Senator Settlemeyer asked whether existing law requires police officers who are foster parents, to keep their weapons separate from ammunition, to which Ms. Marano replied it does. Senator Settlemeyer opined the law is problematic.

A discussion took place regarding Mr. and Mrs. Wilson's letter. Senator Atkinson asked Ms. Marano whether she has seen it, to which she replied she has. Chair Kirkpatrick pointed out that statute requires foster parents to follow certain

criteria, and if prospective foster parents state they are not going to comply, they are subject to denial. Ms. Marano clarified the Wilson's letter was from the Clark County Department of Family Services (DFS) not DCFS. According to the letter, DFS denied the prospective foster parents because of their refusal to comply with NAC 424.600 regarding the storage of firearms, not because they have a CCW. She verified Nevada has foster parents with CCWs. As a CCW carrier who has been through the foster parent application process, Senator Atkinson said he has no objection to weapons and ammunition being locked and separate, but he suggested the DFS should have stated its denial reason more clearly in the Wilson's letter.

Chair Kirkpatrick opined that R110-13 contains many positive components for foster parents and children, and she does not want them compromised by the firearms criteria. She suggested the intent of the regulation is not to prohibit CCW carriers from becoming foster parents.

Assemblyman Hansen wondered if Section 2 of R092-14 could be amended to include CCW holders.

Chair Kirkpatrick repeated that DCFS is withdrawing R092-14 today to allow for further discussion.

VICE CHAIR FRIERSON MOVED APPROVAL OF R110-13.

ASSEMBLYMAN OSCARSON SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Chair Kirkpatrick asked Ms. Marano if the DCFS wanted to withdraw R092-14, which Ms. Marano confirmed. Chair Kirkpatrick asked Legal Counsel for an opinion regarding whether the regulation should be withdrawn or deferred.

Brenda J. Erdoes, Legislative Counsel, Legal Division, LCB, explained that Chapter 233B of NRS, "Nevada Administrative Procedure Act," does not allow an agency to withdraw a regulation as though it never existed. Withdrawal of the regulation from consideration for this particular meeting means the agency can bring it back at a later Commission meeting without holding another hearing, provided there are no changes to the regulation.

Senator Settlemeyer suggested rejecting the regulation so the agency cannot bring the same regulation back in its present state.

SENATOR SETTELMAYER MOVED TO REJECT R092-14.

VICE CHAIR FRIERSON SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Chair Kirkpatrick said the agency must start over and readdress the issue or present it to the full Legislature.

Regulation 127-13

A REGULATION relating to energy; providing that energy efficiency standards established by the Green Building Initiative are deemed by the Director of the Office of Energy to be equivalent to the standards established by the Leadership in Energy and Environmental Design Green Building Rating System for the purpose of determining the eligibility of a building or other structure for a partial abatement of certain property taxes; and providing other matters properly relating thereto.

Assemblyman Daly questioned subsection 1(b) of Section 9, which addresses the adoption of new or updated Green Globes standards at the discretion of the Director. He asked what criteria the Director would use and why there is no committee to review the standards. (Please see [Exhibit S.](#))

Kevin Hill, Energy Efficiency Program Manager, Office of Energy (Office), Office of the Governor, stated NRS allows the Office to adopt a system similar to the Leadership in Energy and Environmental Design (LEED) Green Building Rating System. The criteria for achieving tax abatements for the Green Globes standards are similar to the criteria of the LEED program. The Office will follow the established protocol developed by Green Globes.

Assemblyman Daly suggested R127-13 gives the Director much discretion over the standards, noting other items, such as universal billing codes and schedules, are adopted through a process or by the Legislature.

Mr. Hill said A.B. 33 (Chapter 502, *Statutes of Nevada 2013*) allows for the adoption of an equivalent system. He opined Green Globes is the best system that achieves the Office's purposes for projects.

Chair Kirkpatrick asked for clarification that under current statute, the Office must wait a minimum of two years before adopting standards in order to determine whether they are best for Nevada, even if Green Globes or LEED changes their standards. She also requested clarification that this requirement applies to any alternative, because at the time the Legislature gave the State the ability to find equivalents, many alternatives were available.

Mr. Hill confirmed Chair Kirkpatrick's interpretation. He said the Office has a process for evaluating standards to determine how they fit Nevada's needs and provided reassurance the Office would not adopt them immediately.

Chair Kirkpatrick said A.B. 621 (Chapter 539, *Statutes of Nevada 2007*) mandates the establishment of regulations in order to adopt new standards. Once regulations are in place, the State is not entitled to change its standards just because LEED or Green Globes might have changed theirs.

A discussion took place regarding tax abatements. Assemblyman Hansen asked how a property tax reduction of 35 percent for ten years affects the State's General Fund. Chair Kirkpatrick said A.B. 239 (Chapter 504, *Statutes of Nevada 2013*) requires county approval of tax abatements. Mr. Hill verified recent legislation allows the counties to deny projects that have a negative fiscal impact. Assemblyman Hansen questioned why large casinos receive special incentives to make energy improvements, which he opined they should automatically do in the best interest of their businesses sans any type of abatements. Mr. Hill explained that over the life of the 39 approved projects, approximately \$100 million will be abated compared to \$800 million spent on building improvements. He said A.B. 33 capped the tax incentives to \$100,000 per building each year for ten years, which recognizes Assemblyman Hansen's concern. Chair Kirkpatrick noted there would have been a \$944 million hit to the State and local governments in 2005; since then, A.B. 33 has mandated the cap as mentioned by Mr. Hill.

ASSEMBLYMAN DALY MOVED APPROVAL OF R127-13.

ASSEMBLYMAN STEWART SECONDED THE MOTION.

THE MOTION CARRIED. (Senators Denis and Kihuen were absent for the vote.)

Regulation 128-13

A REGULATION relating to interscholastic activities; allowing a high school in this State to become an associate member in the Nevada Interscholastic Activities Association; revising the requirements for academic eligibility of a pupil to participate in a sanctioned sport; revising the requirements to coach for a school; revising provisions governing the ejection of a pupil or coach from a game, contest or meet; revising provisions governing the use of social media by certain coaches, sports officials, administrators, faculty members and pupils; repealing provisions governing the receipt of a red card by a pupil during a soccer game; and providing other matters properly relating thereto.

Assemblyman Hansen strongly objected to R128-13. He said Sections 6 and 7 significantly reduce the standards that allow athletes to play sports, thereby

affecting the incentive for students to maintain a minimum grade point average (GPA). (Please see [Exhibit T.](#))

Paul Anderson, Legal Counsel, Nevada Interscholastic Activities Association (NIAA), explained the regulation requires student athletes to enroll in four classes and maintain a 2.0 GPA, and the NIAA provides options for schools to determine eligibility based on these minimum standards. He said R128-13 increases the opportunities for athletes who, in a prior semester, failed to maintain the minimum standards. If athletes are ineligible for the first nine weeks of a semester and they bring their GPAs up to standard during that period, they can become eligible, whereas previously, they were ineligible for the entire semester. According to the NIAA's Board of Control, this change will keep many athletes in school, especially in the economically disadvantaged schools.

Assemblyman Hansen countered the original language states, ". . . must be placed on weekly probation." Teachers evaluated student athletes every week, which is no longer the case. Although the intention might be to keep students in school, he suggested the changes provide an incentive to pay more attention to athletics than academics. Assemblyman Hansen stated he does not see any reason to change the existing regulation. He suggested subsection 3 of Section 7 is unnecessary due to changing "for the grading period for" to "after" in subsection 1.

Mr. Anderson explained the Board concentrated on the first nine-week period in a semester. Typically, if students have failing grades during spring semester, they do not automatically begin fall semester with eligibility; they must sit out the first nine weeks. Mr. Anderson agreed subsection 3 of Section 7 might not have the same effect subsequent to the revision in subsection 1.

SENATOR ROBERSON MOVED APPROVAL OF R128-13.

SENATOR ATKINSON SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Hansen voted no. Senators Denis and Kihuen were absent for the vote.)

Regulation 137-13

A REGULATION relating to state personnel; revising provisions governing the granting of administrative leave with pay to employees under certain circumstances; and providing other matters properly relating thereto.

Assemblyman Hansen questioned subsection 1(c) of Section 1, which grants administrative leave with pay for up to thirty days to State employees who commit or threaten an act of violence. (Please see [Exhibit U.](#))

Chair Kirkpatrick clarified he is addressing current regulation and not a revision.

ASSEMBLYMAN STEWART MOVED APPROVAL OF R137-13.

ASSEMBLYMAN OSCARSON SECONDED THE MOTION.

THE MOTION CARRIED. (Senators Denis and Kihuen were absent for the vote.)

Regulation 138-13

A REGULATION relating to public personnel; establishing provisions governing military leave with pay for certain public officers and employees of the State; interpreting certain terms relating to such leaves of absence; and providing other matters properly relating thereto.

Assemblyman Daly said employees whose normal work schedules do not include Saturdays and Sundays are entitled to 15 days of leave for military service under orders, and employees whose work schedules include Saturday or Sunday are entitled to 39 days of leave for military service under orders. He questioned what happens if the work schedules of employees, who have served 20 of their entitled 39 days, suddenly change and no longer include Saturdays or Sundays. (Please see [Exhibit V.](#))

Shelley Blotter, Deputy Administrator, Employee and Management Services, Division of Human Resource Management, Department of Administration, explained if an employee, whose work schedule included Saturdays and Sundays and had used 29 days of active military service, switched to a work schedule that did not include Saturdays or Sundays, the employee could not exceed 39 total leave days for that year. For the period going forward, she said the employee could not use more than 15 days.

ASSEMBLYMAN DALY MOVED APPROVAL OF R138-13.

SENATOR ATKINSON SECONDED THE MOTION.

THE MOTION CARRIED. (Senators Denis and Kihuen were absent for the vote.)

Regulation 139-13

A REGULATION relating to conservation; establishing a grant program to benefit sage grouse populations; and providing other matters properly relating thereto.

Assemblyman Daly wondered how the fee in subsection 1(b) of Section 3 could be charged for an application that previously did not exist. He questioned whether

statute mandates the fee and how it cannot be considered new. (Please see [Exhibit W.](#))

Kay A. Scherer, Deputy Director, State Department of Conservation and Natural Resources (SDCNR), said the 2013 Legislature appropriated \$40,000 through the conservation districts for the greater sage grouse. She did not know why the word “fee” was included in the regulation, but she surmised conservation districts would not be assigned application fees since they are the only entities that can apply for the grant program.

Discussion ensued regarding the word “fee.” Assemblyman Daly insisted it should not be contained in the regulation. Senator Settlemeyer suggested consulting the Legal Division. Ms. Scherer said the Legislature approved a \$40,000 competitive grant, but since statutes do not allow grants in the districts, the SDCNR had to develop a regulation to distribute the money in advance of the 2015 Session. She said the Department has submitted a bill draft request (BDR) to address competitive grants.

Ms. Erdoes explained that subsection 1(b) of Section 3 was an error on the part of the Legal Division. She suggested removing it so the last sentence of subsection 1 of Section 3 would read as, “The Commission will give due notice of the availability of such a grant which must specify the deadline for the submission of the applications.”

Assemblyman Hansen agreed with the proposed change. He then questioned whether the SDCNR has access to or oversight of \$13 million made available for the sage grouse habitat with the development of the Ruby Pipeline.

Ms. Scherer replied the SDCNR received a portion of the Ruby Pipeline money for partial funding of the sage grouse ecosystem technical team but the DOW and the Bureau of Land Management direct the spending.

Assemblyman Hansen suggested the Legislature look into the spending of the Ruby Pipeline funds since they were earmarked for sage grouse conservation in Nevada.

Chair Kirkpatrick said she would provide that information to the Commission by its next meeting.

SENATOR SETTELMAYER MOVED APPROVAL OF R139-13 WITH THE RECOMMENDED CHANGE TO SECTION 3 AS STATED BY MS. ERDOES.

ASSEMBLYMAN HANSEN SECONDED THE MOTION.

THE MOTION CARRIED. (Senators Denis and Kihuen were absent for the vote.)

Regulation 148-13

A REGULATION relating to the Colorado River Commission of Nevada; revising provisions governing practice and procedure before the Commission; adopting provisions governing the allocation of certain power from the Boulder Canyon Project to new allottees; revising various provisions governing the marketing of electric power by the Commission; and providing other matters properly relating thereto.

Assemblyman Daly said Chapter 538 of NRS, "Interstate Waters, Compacts and Commissions" was open for complaints, but Section 19 now states complaints can only be made alleging one or more causes of action based on subsection 4 of NRS 538.181 and 538.221. Not wanting to take away a person's rights to address grievances, he requested justification for this change. (Please see [Exhibit X.](#))

Jayne Harkins, P.E., Executive Director, Colorado River Commission (CRC) of Nevada, explained that Section 19 is now specific to NRS 538.181 and 538.221, which pertain to formal hearings of contested cases. She identified other sections of the regulation that allow for addressing complaints:

- Subsection 3 of Section 18 allows the Executive Director to determine the use of workshops for rulemaking;
- Section 24 states any member of the public may petition the CRC for declaratory order or an advisory opinion on the applicability of any statutory provision or regulation within the jurisdiction of the CRC; and
- Section 25 allows petition for the adoption, filing, amendment, or repeal of a regulation of the CRC in writing.

Ms. Harkins reiterated Section 19 states the formal hearing process only applies to NRS 538.181 and 538.221; otherwise, the executive director determines the proceedings. She added the CRC has not used the hearing process within the last three years, and there have been no formal complaints regarding the process. Ms. Harkins noted the public could always call CRC members with their complaints.

Assemblyman Daly expressed concern over a new executive director having the discretion to interpret the regulations differently, possibly taking away a person's ability to file a complaint through a formal process. He said Ms. Harkins had indicated the CRC might bring another regulation forward, at some point, to address additional issues; he wondered if this new regulation could address his concerns.

Ms. Harkins stated the CRC must add the names of the contractors who receive schedule D allocations to page 35 of the current regulation within 18 to 24 months. She acknowledged Assemblyman Daly's preference that the Commission further review the complaint process and not give as much discretion to the executive director.

Assemblyman Daly approved of the two complaint processes for different sections of the regulations, but he recommended establishing a formal process so people with issues know how to forge a resolution.

Assemblyman Daly asked Ms. Harkins to address overlapping service areas. She explained the CRC has allocations to a number of utilities in southern Nevada. The Western Electricity Coordinating Council (Western) allocates power to the CRC. Western also has a defined marketing area with drainage basins in six southern counties: Clark, Esmeralda, Lincoln, Mineral, Nye, and White Pine. Under State law, those utilities within that marketing area can take delivery of Hoover Dam hydropower within their service areas as defined by the Public Utilities Commission (PUCN) of Nevada. However, Western's defined marketing area is not the same as the PUCN's service areas. Ms. Harkins stated the CRC does not require the utilities to only provide the Hoover Dam benefit to certain customers because that would require two different rates. The CRC is amenable to the utilities using the Hoover Dam hydropower in their service area. If the utilities want to resell their allocation of hydropower outside of their service area or Nevada, regulations require approval from the CRC, which it might allow if there is an economic benefit.

ASSEMBLYMAN DALY MOVED APPROVAL OF R148-13.

VICE CHAIR FRIERSON SECONDED THE MOTION.

THE MOTION PASSED. (Senators Denis and Kihuen were absent for the vote.)

Regulation 155-13

A REGULATION relating to education; revising provisions governing high school equivalency assessments; selecting certain tests to be used for high school equivalency assessments; prescribing the minimum passing score

for each high school equivalency assessment; and providing other matters properly relating thereto.

Assemblyman Hansen questioned the addition of subsection 6 to Section 2, which waives the units of credit required for an adult standard diploma, when subsection 1 of Section 7 did not allow the same practice previously. (Please see [Exhibit Y.](#))

Steve Canavero, Ph.D., Deputy Superintendent, Student Achievement, NDE, said subsection 6 of Section 2 allows 17-year olds, who dropped out of high school and passed the General Education Diploma (GED), an opportunity to earn an adult standard diploma. He claimed he was not familiar with the NDE's reason for not offering this practice previously.

Assemblyman Hansen expressed concern the change in the regulation lowers standards and people might receive diplomas without earning them.

Mike Raponi, Office of Career, Technical and Adult Education, NDE, said the regulatory change provides an opportunity for students under 18 years old who earned their GEDs and now want to pursue an adult high school diploma to earn a waiver of credits at 17 years old rather than waiting until they are 18 years old.

ASSEMBLYMAN HANSEN MOVED APPROVAL OF R155-13.

ASSEMBLYMAN STEWART SECONDED THE MOTION.

THE MOTION CARRIED. (Senators Denis and Kihuen were absent for the vote.)

Regulation 008-14

A REGULATION relating to state personnel; revising provisions relating to the rate of pay for certain employees in the classified service of the State who are demoted; and providing other matters properly relating thereto.

Assemblyman Daly asked whether the regulation applies to involuntary demotions. (Please see [Exhibit Z.](#))

Peter Long, Deputy Administrator, Compensation, Classification and Recruitment, Division of Human Resource Management, Department of Administration, pointed out Section 1 of R008-14 amends Section 4 of LCB File No. R133-12 (NAC 284.173), which applies to an employee involuntarily demoted through the disciplinary process. He said salaries for involuntary demotions are set differently than for voluntary demotions. Typically, employees wanting to change career paths might have to move down in classification, which allows employees to take lesser salaries in order to receive required training. Currently, regulation states salaries cannot be reduced more than one pay grade.

Chair Kirkpatrick suggested Section 1 of R008-14, which amends subsection 1 of Section 4 of R133-12, addresses Assemblyman Daly's question about involuntary demotion.

Mr. Long stated that is correct unless subsections 2 through 5 of Section 4 of R133-12 apply, of which subsection 4 refers to involuntary demotions. He said the intent of R008-14 is not to harm State employees or take anything away but rather help them change career paths, if they so desire.

Chair Kirkpatrick suggested moving forward with the regulation, but she requested the opportunity to revisit it if necessary.

Mr. Long said regulations pertaining to demotions, promotions, reinstatements, and reemployment were originally included in NAC 284.170, which has been broken apart. He reiterated R008-14 refers to Section 4 of NAC 284.173.

Assemblyman Daly expressed satisfaction the regulation is fair to State employees.

ASSEMBLYMAN DALY MOVED APPROVAL OF R008-14.

VICE CHAIR FRIERSON SECONDED THE MOTION.

THE MOTION CARRIED. (Senators Denis and Kihuen were absent for the vote.)

Regulation 009-14

A REGULATION relating to state personnel; revising provisions relating to the reinstatement of an employee; eliminating the 2-year limitation on reinstatement of former permanent state employees under certain circumstances; and providing other matters properly relating thereto.

Assemblyman Daly asked for clarification on subsection 3 of Section 2, which proposes to delete the provisions of NAC 284.655 regarding the rights of permanent employees dismissed for disciplinary reasons. (Please see [Exhibit AA](#).)

Mr. Long stated the Legal Division added the new NAC numbers to the existing regulation, and there is no intent to take anything away from State employees.

Ms. Erdoes confirmed Mr. Long is correct.

ASSEMBLYMAN DALY MOVED APPROVAL OF R009-14.

VICE CHAIR FRIERSON SECONDED THE MOTION.

THE MOTION CARRIED. Senators Denis and Kihuen were absent for the vote.)

Regulation 010-14

A REGULATION relating to state personnel; revising provisions relating to the selection of a hearing officer for certain personnel hearings; and providing other matters properly relating thereto.

Chair Kirkpatrick requested the agency defer R010-14 to the Commission's next meeting and assist State employees by helping them better understand how this regulation benefits them. (Please see [Exhibit BB.](#))

Ms. Blotter agreed to defer the regulation.

VICE CHAR FRIERSON MOVED TO DEFER R010-14.

ASSEMBLYMAN STEWART SECONDED THE MOTION.

THE MOTION CARRIED. (Senators Denis and Kihuen were absent for the vote.)

Regulation 020-14

A REGULATION relating to dentistry; revising provisions relating to fees; revising requirements for an application for renewal of the license of certain dentists; revising the term of a special endorsement to practice public health dental hygiene; authorizing and placing limits on the amount of credit for continuing education that may be obtained through certain programs; providing for summary suspension of the license of a dentist under certain circumstances; revising the acts which constitute unprofessional conduct; repealing various provisions; and providing other matters properly relating thereto.

John A. Hunt, Esq., Board Legal Counsel, Board of Dental Examiners of Nevada (Board), introduced Debra Shaffer-Kugel, Executive Director of the Board.

Chair Kirkpatrick asked Mr. Hunt to address the process of closing a facility.

Mr. Hunt explained that subsection 5 of Section 6 allows the Board's president to issue an order of summary suspension if an initial inspection of an office or facility indicates the public's health, safety, or welfare requires emergency action. The order must contain findings of the exigent circumstances that warrant the summary suspension, and the president shall not participate in any further

proceedings related to the order. If the initial inspection discovers a critical error, the Board generally asks the facility to postpone its opening until the error is resolved in order to avoid issuing a summary suspension. Mr. Hunt said the facilities normally comply with the request. (Please see [Exhibit CC.](#))

Assemblyman Hansen questioned the fee increases identified in Section 1, to which Mr. Hunt replied the Board has not raised fees for a substantial period.

Ms. Shaffer-Kugel discussed the increase in anesthesia fees from \$350 to \$750. She said the Board conducts its own anesthesia inspections, unlike other state dental boards. Two inspectors conduct the evaluations, which can take between two and three hours and cost approximately \$750 each. The Board raised the site inspection fee to \$500, which does not cost as much to administer. Ms. Shaffer-Kugel added the Board has not increased its fees since the 1990s.

Assemblyman Hansen agreed with adjusting the fees for inflation, but he wondered whether the Board has considered sending out one inspector rather than two.

Ms. Shaffer-Kugel replied an evaluation of a specialty practice requires two inspectors because one of them must hold the same type of permit.

Responding to Assemblyman Oscarson's question regarding whether anyone opposed the fee increases during the Board's public hearings, Ms. Shaffer-Kugel replied there was no opposition. She noted a discussion regarding the site permit fee took place during the January 24, 2014, hearing. The original fee proposed was \$750, but after further review, the Board reduced it to \$500 because a site permit evaluation does not require the same amount of time or number of evaluators.

Referring to subsection 3(b) of Section 6, Assemblyman Daly questioned the addition of the word "critical" as it relates to deficiencies of licensed dentists who own an office or facility. He asked whether the regulation defines critical deficiencies or whether it is a subjective term based on the inspector's preference.

A discussion regarding critical deficiencies followed. Mr. Hunt stated the inspectors have a set list of critical errors; the list is not arbitrary on their part. He added that critical deficiencies must be life threatening. Chair Kirkpatrick asked whether the dental community is familiar with the list of errors. Mr. Hunt affirmed it is available to everyone in the dental community because the intent of the list is to protect the public, not put facilities out of business. He said licensees know what items will be inspected during an initial inspection, which are also on the list for random inspections.

According to the regulation, Ms. Shaffer-Kugel said a dentist who becomes the new owner of a dental office must request an initial inspection no later

than 30 days upon taking ownership. Once the Board receives such a request, the inspection must take place within 90 days. The Board provides the statutes and regulations to the new facility as a proactive measure as well as the actual audit form used by the inspectors.

Assemblyman Daly asked for clarification that only the Board could suspend licenses. He questioned what burdens the Board might place on small, rural operations, which provide services on a limited margin.

Mr. Hunt said the system is set up to be remedial rather than punitive, but facilities must follow basic guidelines, such as proper sanitation. During the course of inspections, the Board works with facilities to correct any deficiencies.

Chair Kirkpatrick summarized the Board's process: it dispatches evaluators who request facilities to correct any critical errors; and in the event of emergencies or critical deficiencies, the president can issue a summary suspension but will not oversee the proceedings.

Mr. Hunt affirmed Chair Kirkpatrick's summary was correct. He verified the Board does not want the president to have an effect on a hearing, which must occur within 45 days of an order.

Assemblyman Oscarson suggested the last thing a Board president wants to do is suspend or restrict a license.

Mr. Hunt agreed with Assemblyman Oscarson, adding the president has issued no summary suspensions under the current system.

ASSEMBLYMAN DALY MOVED APPROVAL OF R020-14.

ASSEMBLYMAN OSCARSON SECONDED THE MOTION.

THE MOTION CARRIED. (Senators Denis and Kihuen were absent for the vote.)

Regulation 053-14

A REGULATION relating to education; specifying that certain records relating to the suspension or revocation of the license of a teacher, administrator or other licensed educational personnel are public records; and providing other matters properly relating thereto.

Assemblyman Daly expressed concern this regulation could set a bad precedent regarding public documents. Chapter 239 of NRS, "Public Records," states that all documents are public, unless declared by law to be confidential. He questioned the

need for R053-14 to declare a document already considered public to be public. (Please see [Exhibit DD](#).)

Chair Kirkpatrick requested the Legal Division to address Assemblyman Daly's concern. According to Ms. Erdoes, a provision in NRS 239 states public records do not have to be disclosed if they are declared by law to be confidential. An opinion by the Office of the AG states "declared by law" includes lawful adoption either by statute or by regulation. As long as agencies have the authority for the regulation, she said they could declare documents confidential via regulation.

Assemblyman Daly stressed the regulation specifically declares these records to be public documents when there is no privilege in statute or regulation saying they are not. He repeated that R053-14 sets a bad precedent. The law states a document is public record unless the law declares it confidential; therefore, he insisted the regulation is not necessary.

Senator Kieckhefer asked who is declaring these records to be confidential.

Dr. Canavero replied nobody has declared the documents confidential nor has anyone declared them open. He said R053-14 stems from conversations regarding what documents the NDE would consider open versus confidential in the matter of criminal complaints concerning a licensee. The NDE received legal advice to have two regulations: (1) one that deals with hard criminal complaints prompting possible revocation of licenses; and (2) one that declares documents open in the matter of investigations and hearings.

Senator Kieckhefer commented that he, too, does not understand the need for the regulation.

VICE CHAIR FRIERSON MOVED TO REJECT R053-14.

ASSEMBLYMAN DALY SECONDED THE MOTION.

THE MOTION CARRIED. (Senators Denis and Kihuen were absent for the vote)

Regulation 009-12

A REGULATION relating to manufactured housing; making various changes concerning portable buildings, manufactured buildings, factory-built housing and branch offices of certain licensees of the Manufactured Housing Division of the Department of Business and Industry; repealing certain unnecessary definitions; and providing other matters properly relating thereto.

Chair Kirkpatrick asked whether the agency made any changes to R009-12 ([Exhibit D](#)) since its last review by the Commission.

Jim deProsse, Administrator, Manufactured Housing Division, DBI, said the Division distributed a questionnaire to 440 parties but only received eight responses. The questionnaire asked how to make the regulation more appropriate for the industry, but he claimed no suggestions were submitted. Therefore, the Division offered the survey again during a March 27, 2014, workshop. Mr. deProsse testified no suggestions on how to change the regulation were made during the workshop. Therefore, he said the regulation has not changed since the Commission's last meeting.

Assemblyman Hansen said members of the industry contacted him and requested the Commission defer the regulation again because they have not had the opportunity to work out their concerns with the Division.

Wondering why the Division did not receive more surveys from the industry, Chair Kirkpatrick expressed frustration with the amount of time this regulation has taken and suggested it might require a full legislative review.

Stating that members of the industry also contacted him, Assemblyman Oscarson said R009-12 affects very few entities throughout the State. He suggested there might have been confusion as to who should have received the survey. Assemblyman Oscarson agreed the regulation might need to go before the full Legislature.

Chair Kirkpatrick called for public comment regarding R009-12.

Gene Temen, previously identified, stated there are only eight commercial coach licensees in the State. Five of the companies are publicly traded, and he suggested the Division must communicate with them in a different way than it does with companies owned by individuals. He opined sending out 440 questionnaires represents the root of the problem with the Division. Mr. Temen disagreed with Mr. deProsse's comment that no suggestions were offered by the industry at the March 27, 2014, meeting. He said many people brought up questions and concerns regarding the regulation, yet the industry was unsuccessful in changing even one of the Division's ideas. Mr. Temen stated he is currently in Las Vegas to participate in a roundtable discussion with four of the dealers regarding the regulation, and the Division declined an invitation to join the meeting. Mr. Temen said the industry seeks help from the Legislature because it is at an impasse with the Division.

Senator Roberson reminded Commission members the last time they heard R009-12, they made it clear to the Division the regulation would not be approved unless it had been changed. Since that has not happened, he suggested the Commission reject R009-12.

SENATOR ROBERSON MOVED TO REJECT R009-12.

ASSEMBLYMAN OSCARSON SECONDED THE MOTION

THE MOTION CARRIED. (Senators Denis and Kihuen were absent for the vote.)

Chair Kirkpatrick directed the Division to start over with the regulation, and she repeated her suggestion that the full Legislature might have to address R009-12.

Mr. deProse requested the Commission's reason for the rejection in writing.

Chair Kirkpatrick affirmed the Commission rejected the regulation because the Division made no changes to it. She emphasized the Commission has been clear about its expectations from the beginning. Chair Kirkpatrick reminded Mr. deProse that he sent an e-mail to the Commission members stating his opinion no changes had to be made and the Division would be moving forward with the regulation despite the Commission's request to work with the industry at resolving the issues and making appropriate changes to the regulation. She requested the Legal Division prepare a written explanation of the rejection.

C. Approval of Transfer of \$113,625 Appropriated for Fiscal Year 2013–2014 to Fiscal Year 2014–2015 for Budget Analysis System of Nevada Upgrades Necessary to Implement the Priorities and Performance-Based Budget Project—Rick Combs, Director, LCB

Mr. Combs requested to transfer General Fund appropriations from FY 2014 to FY 2015 due to delays in implementing the Priorities and Performance-Based Budgeting module in the Budget Analysis System of Nevada used by the Fiscal Analysis Division. He explained the request is not for additional money, but due to delays outside the LCB's control, it had to schedule the work for FY 2015. (Please see [Exhibit EE.](#))

VICE CHAIR FRIERSON MOVED APPROVAL OF THE TRANSFER OF \$113,625 FROM FY 2014 TO FY 2015 FOR NECESSARY UPGRADES TO THE BUDGET ANALYSIS SYSTEM OF NEVADA TO IMPLEMENT THE PRIORITIES AND PERFORMANCE-BASED BUDGETING MODULE.

SENATOR ROBERSON SECONDED THE MOTION.

THE MOTION CARRIED. (Senators Denis and Kihuen were absent for the vote.)

D. Approval to Request a Bill Draft Concerning the Legislature and the Legislative Counsel Bureau—Rick Combs, Director, LCB

Mr. Combs requested a single, generic BDR concerning minor issues related to the LCB and the Legislature.

ASSEMBLYMAN STEWART MOVED APPROVAL OF A GENERIC BDR CONCERNING THE LEGISLATURE AND THE LCB.

VICE CHAIR FRIERSON SECONDED THE MOTION.

THE MOTION CARRIED. (Senators Denis and Kihuen were absent for the vote.)

E. Amendments to Rules and Policies of the Legislative Counsel Bureau Concerning Employee Sick Leave—Rick Combs, Director, LCB

Mr. Combs requested the authority to amend Rule No. 36 of the Rules and Policies of the LCB regarding employee sick leave. Currently, LCB employees can use ten days of their accumulated sick leave in any calendar year to care for ill family members. Several years ago, the Executive Branch amended its number of days to 15, but the LCB rules were never changed. He said this change also allows the limit to exceed 15 days if the employee qualifies for leave under the Family and Medical Leave Act. (Please see [Exhibit FF](#).)

ASSEMBLYMAN OSCARSON MOVED APPROVAL OF AMENDING RULE NO. 36 OF THE RULES AND POLICIES OF THE LCB CONCERNING EMPLOYEE SICK LEAVE.

VICE CHAIR FRIERSON SECONDED THE MOTION.

THE MOTION CARRIED. (Senators Denis and Kihuen were absent for the vote.)

F. Approval of Early Session Hires for the 2015 Legislative Session—
Rick Combs, Director, LCB

Mr. Combs requested approval of early session hires for the 2015 Session. He directed the Commission's attention to a memorandum that identifies the positions requested and the length of time for employment. (Please see [Exhibit GG](#).) Mr. Combs requested the addition of a Project Specialist Clerk, grade 24, to the list of positions for the Legal Division, which brings the total number of early session hires to 67. The number of early session hires is higher than usual, he said, because 21 Legislative Police Officer positions have been included in the early hire list instead of the regular list due to a number of testing and background requirements that need to be completed.

ASSEMBLYMAN OSCARSON MOVED APPROVAL OF THE
EARLY SESSION HIRES FOR THE 2015 LEGISLATIVE SESSION.

SENATOR ROBERSON SECONDED THE MOTION.

THE MOTION CARRIED. (Senators Denis and Kihuen were
absent for the vote.)

LEGISLATIVE AUDITOR

A. Summary of Audit Reports Presented to the Audit Subcommittee—
Paul V. Townsend, Legislative Auditor, Audit Division, LCB

Paul V. Townsend, Legislative Auditor, Audit Division, LCB, presented a letter from Assemblywoman Maggie Carlton, Chair, Audit Subcommittee of the Legislative Commission, dated April 28, 2014, regarding the Subcommittee's acceptance of five audit reports from the Legislative Auditor. (Please see [Exhibit HH](#).) Mr. Townsend presented a summary of each audit report.

State of Nevada, Single Audit Report

Mr. Townsend said the State's Single Audit Report, prepared under contract by the accounting firm of Kafoury, Armstrong & Co., covered FY 2013 and included an audit of Nevada's financial statements and its compliance with federal program requirements. The financial statements received a clean opinion, and the audit of federal program compliance indicated the schedule is fairly stated. The report contained 34 findings related to internal control over federal program expenditures. He noted the total expenditure of federal awards was \$4.06 billion. The entire report is available on the Audit Division's website at: <http://www.leg.state.nv.us/audit>. (Please see [Exhibit II](#).)

Information Technology Security, Department of Corrections (DOC)

Mr. Townsend recommended the DOC strengthen its information controls to ensure adequate protection of information systems and the data processed therein. Of the 211 desktop computers tested, 52 had not received their Windows updates in over three months or showed large gaps between prior update installations. Some of the DOC's computers do not have current virus protection, and controls were not in place to ensure that sensitive information stored in DOC photocopiers is erased. He stated the DOC accepted all six recommendations of the report. (Please see [Exhibit JJ.](#))

Nevada Athletic Commission, Department of Business and Industry

According to the report, Mr. Townsend stated the Nevada Athletic Commission should improve its financial and administrative practices regarding license fees and deposits of money. The Commission did not always calculate license fees correctly nor did it deposit money received from promoters with the State Treasurer as required by statute. The report recommends the Commission better protect sensitive information; the server used for file storage was not physically secured as required by State security standards. In addition, unencrypted personal identifying information was accessible through the server. He said the Commission should strengthen its oversight for the reliability of performance measures used in the State budget process. The Commission accepted all 11 recommendations of the report. (Please see [Exhibit KK.](#))

Division of Tourism, Department of Tourism and Cultural Affairs

Mr. Townsend reported the Division did not always follow State requirements when procuring contracts for services. For two of the ten contractors tested, the Division did not have formal State contracts. In addition, the Division did not select the contractors through a formal, competitive process as required by law. The report also found: (1) inadequate management of contracts; (2) inadequate supporting documentation for contractor payments; (3) contractor payments exceeded contract maximums; and (4) improper review of contractor invoices. He noted the *Nevada Magazine* could improve its controls over cash receipts. Mr. Townsend stated the report included ten recommendations, and the Division accepted nine. The rejected recommendation stated, "Ensure future contracts include terms that clearly specify deliverable requirements and when possible, tie payments to acceptance of those deliverables." He explained that clearly specifying deliverables is a best practice in contracting. Mr. Townsend said the Audit Subcommittee asked the Director of the Division to reconsider the rejected recommendation and include it as part of its plan for corrective action regarding the other nine recommendations, which is due on July 23, 2014. He will report the results of the plan's review to the Audit Subcommittee. (Please see [Exhibit LL.](#))

Review of Governmental and Private Facilities for Children, April 2014

Mr. Townsend explained the Audit Division has a statutory responsibility to conduct reviews of certain governmental and private facilities that have physical custody of children pursuant to a court order. The report includes the results of reviewing 9 children's facilities, performing 7 unannounced site visits, and surveying 63 facilities. Seven of the nine facilities reviewed provided reasonable assurance they adequately protect the health, safety, and welfare of the youths at the facilities, and they respect the civil and other rights of the youths in their care. One entity did not provide assurance of adequately protecting the safety of the youths in its care by not properly administering and following up on background checks. Another facility did not sufficiently define contraband, which may have contributed to the presence of various contraband items and the failure to enforce rules, resulting in an unsafe and dirty environment. (Please see [Exhibit MM.](#))

Concluding his presentation, Mr. Townsend shared the Audit Subcommittee's recommendation for the Commission to accept the reports.

SENATOR DENIS MOVED APPROVAL OF THE SUMMARY
OF THE AUDIT REPORTS.

VICE CHAIR FRIERSON SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

B. Summary of Six-Month Status Reports on the Implementation of the
Audit Recommendations by the Legislative Auditor—Paul V. Townsend,
Legislative Auditor, Audit Division, LCB

Mr. Townsend presented a letter from Assemblywoman Maggie Carlton, Chair, Audit Subcommittee of the Legislative Commission, dated April 28, 2014, which indicated the Audit Subcommittee's acceptance of three, six-month reports regarding the implementation of audit recommendations made by the Legislative Auditor. (Please see [Exhibit NN.](#)) He directed the Commission's attention to Schedule 1, which identified the implementation status of the reports. (Please see [Exhibit OO.](#)) Mr. Townsend shared the Audit Subcommittee's recommendation that the Commission approve the six-month status reports.

SENATOR DENIS MOVED APPROVAL OF THE SIX-MONTH
STATUS REPORTS ON THE IMPLEMENTATION OF THE AUDIT
RECOMMENDATIONS BY THE LEGISLATIVE AUDITOR.

SENATOR ROBERSON SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

C. Request for Approval of Basic Audit Program Pursuant to NRS 218E.205 and NRS 218G.120—Paul V. Townsend, Legislative Auditor, Audit Division, LCB

Mr. Townsend presented audit schedules and a letter dated June 6, 2014, to members of the Commission requesting approval of the Audit Division's plan for the next two years. He explained that Schedule 1 lists the audits currently in progress. Schedule 2 is a list of proposed audits for July 2014 through December 2016 developed from a risk assessment process that includes: (1) length of time since the last audit; (2) the amount of revenues and expenditures flowing through the agency; (3) legislative or public interest; (4) a history of prior problems; and (5) the complexity of the agency. (Please see [Exhibit PP.](#)) Mr. Townsend requested the Commission's approval of the audit program.

Senator Kieckhefer requested the addition of the Aging and Disability Services Division to the proposed audits for the DHHS.

Mr. Townsend verified the Aging and Disability Services Division could be added to the audit plan.

SENATOR KIECKHEFER MOVED APPROVAL OF THE PROPOSED AUDIT PLAN WITH THE ADDITION OF THE AGING AND DISABILITY SERVICES DIVISION TO SCHEDULE 2.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

PROGRESS REPORTS AND APPOINTMENTS

A. Litigation Currently in Progress—Brenda J. Erdoes, Legislative Counsel, Legal Division, LCB

Kevin C. Powers, previously identified, presented summaries of the following five cases currently in litigation:

1. The federal case of *People's Legislature v. Miller* is stayed and waiting resolution of the State case.
2. In the State case of *People's Legislature v. Miller*, the plaintiffs are challenging the statutes that require a single subject for ballot questions and a certain number of signatures to be taken from specific petition districts. Oral arguments were heard on March 4, 2014, and the State is awaiting a decision from the Supreme Court of Nevada.

3. In the case of *City of Fernley v. State, Dept. of Taxation*, the plaintiffs are challenging the consolidated tax distribution formula. Discovery was completed in May, and the parties have filed motions for summary judgment, which are currently being briefed. The District Court has scheduled a hearing on those summary judgment motions for September 2, 2014.
4. Prisoners are challenging the validity of the NRS in *Black v. State of Nevada, Eighth Judicial District Court (Clark County)*. On May 15, 2014, the District Court granted a motion to dismiss. The case is now closed unless the prisoners file a notice of appeal within the required period, which is still open.
5. *Little v. State of Nevada, First Judicial District Court (Carson City)*, challenges the statutes involving the Catalyst Account for the promotion of economic development. The case is currently in discovery, which the State anticipates completing by November 2014.

Senator Denis asked whether any of the current cases might require additional costs, such as outside consultants.

Brenda J. Erdoes, previously identified, replied unless something unique happens, those types of costs have been included in the Legal Division's budget. She said the Legal Division has been able to handle everything regarding the cases, but suggested it might have to seek outside consultants if the State continues to acquire more cases.

Responding to Senator Denis's request for the ramifications of the outcomes of these cases, Ms. Erdoes stated the Legal Division would provide that information to the Commission.

B. Nominations to the Commission on Nuclear Projects—Rick Combs, Director, LCB

Chair Kirkpatrick said the Commission must submit three names to the Office of the Governor. (Please see [Exhibit QQ.](#))

Rick Combs, previously identified, directed the Commission's attention to the resumes of three applicants, pointing out that Marie I. Boutté, Ph.D., and Paul Workman are current members of the Commission on Nuclear Projects, with Dennis A. Bechtel recommended as the third member. (Please see [Exhibit RR.](#))

SENATOR KIHUEN MOVED APPROVAL OF THE NOMINATIONS
TO THE COMMISSION ON NUCLEAR PROJECTS.

ASSEMBLYMAN OSCARSON SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

C. Recommendations for the Elimination of Obsolete or Redundant Reports
to the Legislature and the Revisions of Reporting Requirements, Pursuant
to NRS 218D.385—Rick Combs, Director, LCB

Mr. Combs said this is a new item for the Commission's consideration directed by A.B. 350 (Chapter 30, *Statutes of Nevada 2013*) and S.B. 405 (Chapter 337, *Statutes of Nevada 2013*), which require the Commission to review certain reports submitted from State or local agencies, boards, or commissions for elimination or modification. The director of the LCB is required to make recommendations to the Commission no later than July 1 of even-numbered years. Mr. Combs presented a list of reports recommended by himself and Susan Scholley, Chief Principal Research Analyst, Research Division, LCB, for consideration of elimination. (Please see [Exhibit SS.](#)) From the list presented, Mr. Combs recommended eliminating all the reports except the one on annual crime statistics from the Department of Public Safety (DPS); he recommended eliminating the general report and modifying the due date for the domestic violence orders report. In addition, Mr. Combs recommended eliminating or modifying the biennial report on the economic development zone from the Office of Economic Development, Office of the Governor. He said he would present additional reports for consideration at the Commission's next meeting. Mr. Combs advised the Commission it could accept the recommendations today and approve them for elimination, with any additional reports, at the Commission's next meeting.

Chair Kirkpatrick stated her preference to accept the reports today and have one recommendation for elimination. She pointed out Item No. 7 from the Office of Economic Development is covered within the tax expenditure report, and it might be eliminated altogether.

Responding to Assemblyman Stewart's question regarding Item No. 3, Mr. Combs said crime rate statistics are included in an FBI report, which is available on the DPS website. He offered to provide further follow-up.

If the Commission accepts the elimination of Item No. 10, Assemblyman Stewart asked whether the State would have a report regarding children's facilities, to which Mr. Combs replied the information is already on the DHHS website, making the report duplicative.

ASSEMBLYMAN STEWART MOVED APPROVAL OF THE RECOMMENDATIONS FOR THE ELIMINATION OF OBSOLETE OR REDUNDANT REPORTS.

SENATOR KIHUEN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

INFORMATIONAL ITEMS

A. Interim Committee Reports

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

C. Miscellaneous Reports or Correspondence from State Agencies and Others:

1. Nevada System of Higher Education Report on Differential Program Fees Pursuant to NRS 396.542(3)
2. More Cops Revenue and Expenditure Reports Submitted Pursuant to Sections 13.5 and 13.7 of the Clark County Sales and Use Tax Act of 2005
3. Nevada State Contractors Board 3rd Quarter Disciplinary Actions Pursuant to NRS 622.100
4. Department of Taxation's Tourism Improvement District Report Pursuant to NRS 271A.105 (A.B. 376, [Chapter 505, *Statutes of Nevada 2011*])

Chair Kirkpatrick asked for discussion on the Informational Items; however, Commission members offered no testimony.

PUBLIC COMMENT

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

There being no further business to come before the Commission, Chair Kirkpatrick adjourned the meeting at 2:47 p.m.

Respectfully submitted,

Janet Coons
Secretary for Minutes

APPROVED BY:

Assemblywoman Marilyn Kirkpatrick, 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 dated June 23, 2014, from Las Vegas, Nevada, and Carson City, Nevada.

[Exhibit C](#) is the Adopted Regulation of the State Board of Education, LCB File No. R084-13, effective June 23, 2014, furnished by the Legal Division, LCB.

[Exhibit D](#) is the Adopted Regulation of the Administrator of the Manufactured Housing Division of the Department of Business and Industry (DBI), LCB File No. R009-12, effective June 23, 2014, submitted by the Legal Division, LCB.

[Exhibit E](#) is a letter dated June 20, 2014, to Marilyn Kirkpatrick, Chair, Legislative Commission, regarding the commercial coach and portable building industry in Nevada, from Tom Hardiman, Executive Director, Modular Building Institute.

[Exhibit F](#) is the Adopted Regulation of the Division of Child and Family Services (DCFS) of the Department of Health and Human Services (DHHS), LCB File No. R110-13, effective June 23, 2014, presented by the Legal Division, LCB.

[Exhibit G](#) is the Adopted Regulation of the DCFS of the DHHS, LCB File No. R092-14, effective June 23, 2014, furnished by the Legal Division, LCB.

[Exhibit H](#) is the LCB’s Draft Ballot Question Language for Senate Joint Resolution No. 14 of the 76th Session (File No. 47, *Statutes of Nevada 2013*) (Court of Appeals) for Consideration by the Legislative Commission, submitted by Rick Combs, Director, LCB.

[Exhibit I](#) is the LCB’s Draft Ballot Question Language for S.J.R. No. 15 of the 76th Session (File No. 40, *Statutes of Nevada 2013*) (Taxation of Mines and Minerals) for Consideration by the Legislative Commission, furnished by Rick Combs, Director, LCB.

[Exhibit J](#) is proposed language for the ballot question regarding S.J.R. 15 of the 76th Session, submitted by Senator Michael Roberson, Senate District No. 20, Clark County (part).

[Exhibit K](#) is the list of State Agency Regulations to be Reviewed by the Legislative Commission, dated June 23, 2014, furnished by Brenda J. Erdoes, Legislative Counsel, Legal Division, LCB.

[Exhibit L](#) is the Adopted Regulation of the Board of Wildlife Commissioners, LCB File No. R155-12, effective June 23, 2014, submitted by the Legal Division, LCB.

[Exhibit M](#) is the Adopted Regulation of the Commission of Appraisers of Real Estate, LCB File No. R011-13, Sections 1-3, 7, and 9-11 become effective on June 23, 2014, and Sections 4-6 and 8 become effective on January 1, 2015, furnished by the Legal Division, LCB.

[Exhibit N](#) is the Adopted Regulation of the Local Government Employee-Management Relations Board, LCB File No. R043-13, effective June 23, 2014, presented by the Legal Division, LCB.

[Exhibit O](#) is the Adopted Regulation of the Board of Wildlife Commissioners, LCB File No. R053-13, effective June 23, 2014, furnished by the Legal Division, LCB.

[Exhibit P](#) is the Adopted Regulation of the Director of the DBI, LCB File No. R103-13, effective June 23, 2014, submitted by the Legal Division, LCB.

[Exhibit Q](#) is the Adopted Regulation of the State Dairy Commission, LCB File No. R109-13, effective June 23, 2014, presented by the Legal Division, LCB.

[Exhibit R](#) is a letter dated December 3, 2013, to Valerie and Brian Wilson, from Kevin Smedley, Foster Care Licensing Supervisor, Clark County Department of Family Services, regarding a denial of initial license to operate a foster home, offered by Brian Wilson, private citizen, Las Vegas, Nevada.

[Exhibit S](#) is the Adopted Regulation of the Director of the Office of Energy, LCB File No. R127-13, effective June 23, 2014, furnished by the Legal Division, LCB.

[Exhibit T](#) is the Adopted Regulation of the Nevada Interscholastic Activities Association, LCB File No. R128-13, effective June 23, 2014, submitted by the Legal Division, LCB.

[Exhibit U](#) is the Adopted Regulation of the Personnel Commission, LCB File No. R137-13, effective June 23, 2014, presented by the Legal Division, LCB.

[Exhibit V](#) is the Adopted Regulation of the Personnel Commission, LCB File No. R138-13, effective June 23, 2014, submitted by the Legal Division, LCB.

[Exhibit W](#) is the Adopted Regulation of the State Conservation Commission in the State Department of Conservation and Natural Resources, LCB File No. R139-13, effective June 23, 2014, furnished by the Legal Division, LCB.

[Exhibit X](#) is the Adopted Regulation of the Colorado River Commission of Nevada, LCB File No. R148-13, Sections 1 to 39, inclusive, and 41 to 44, inclusive, become effective on June 23, 2014, and Section 40 becomes effective on October 1, 2017, presented by the Legal Division, LCB.

[Exhibit Y](#) is the Adopted Regulation of the State Board of Education, LCB File No. R155-13, effective June 23, 2014, submitted by the Legal Division, LCB.

[Exhibit Z](#) is the Adopted Regulation of the Personnel Commission, LCB File No. R008-14, effective June 23, 2014, presented by the Legal Division, LCB.

[Exhibit AA](#) is the Adopted Regulation of the Personnel Commission, LCB File No. R009-14, effective June 23, 2014, submitted by the Legal Division, LCB.

[Exhibit BB](#) is the Adopted Regulation of the Personnel Commission, LCB File No. R010-14, effective June 23, 2014, furnished by the Legal Division, LCB.

[Exhibit CC](#) is the Adopted Regulation of the Board of Dental Examiners of Nevada, LCB File No. R020-14, effective June 23, 2014, submitted by the Legal Division, LCB.

[Exhibit DD](#) is the Adopted Regulation of the State Board of Education, LCB File No. R053-14, effective June 23, 2014, presented by the Legal Division, LCB.

[Exhibit EE](#) is a memorandum with attachments, dated June 16, 2014, to Rick Combs, Director, LCB, from Cathy Crocket, Program Analyst, Fiscal Analysis Division, LCB, regarding a request to transfer general fund appropriations from Fiscal Year (FY) 2004 to FY 2015, submitted by Rick Combs, Director, LCB.

[Exhibit FF](#) is a document titled "Amendments to the Rules and Policies of the Legislative Counsel Bureau Concerning Employee Sick Leave," presented by Rick Combs, Director, LCB.

[Exhibit GG](#) is a memorandum dated June 16, 2014, to the Chair and Members of the Legislative Commission, from Rick Combs, Director, LCB, regarding early session hires for the 2015 Legislative Session.

[Exhibit HH](#) is a letter dated April 28, 2014, to Members of the Legislative Commission, from Assemblywoman Maggie Carlton, Chair, Audit Subcommittee of the Legislative Commission, regarding five audit reports of the Legislative Auditor, offered by Paul V. Townsend, Legislative Auditor, Audit Division, LCB.

[Exhibit II](#) is a letter dated April 28, 2014, to the Audit Subcommittee of the Legislative Commission, from Paul V. Townsend, Legislative Auditor, Audit Division, LCB, regarding the Single Audit of the State of Nevada.

[Exhibit JJ](#) is a document containing the highlights of the performance audit report of the Information Technology Security, Department of Corrections, Report #LA14-14, issued on April 28, 2014, submitted by Paul V. Townsend, Legislative Auditor, Audit Division, LCB.

[Exhibit KK](#) is a document containing the highlights of the performance audit report of the Nevada State Athletic Commission, DBI, Report #LA14-17, issued on April 28, 2014, furnished by Paul V. Townsend, Legislative Auditor, Audit Division, LCB.

[Exhibit LL](#) is a document containing the highlights of the performance audit report of the Division of Tourism, Department of Tourism and Cultural Affairs, Report #LA14-15, issued on April 28, 2014, presented by Paul V. Townsend, Legislative Auditor, Audit Division, LCB.

[Exhibit MM](#) is a document containing the highlights of the performance audit report of the Review of Governmental and Private Facilities for Children, Report #LA14-16, issued on April 28, 2014, submitted by Paul V. Townsend, Legislative Auditor, Audit Division, LCB.

[Exhibit NN](#) is a letter dated April 28, 2014, to Members of the Legislative Commission, from Assemblywoman Maggie Carlton, Chair, Audit Subcommittee of the Legislative Commission, regarding the six-month reports on the implementation of the audit recommendations made by the Legislative Auditor, presented by Paul V. Townsend, Legislative Auditor, Audit Division, LCB.

[Exhibit OO](#) is the Legislative Auditor Analysis of Six-Month Reports Presented to the Audit Subcommittee, dated April 28, 2014, offered by Paul V. Townsend, Legislative Auditor, Audit Division, LCB.

[Exhibit PP](#) is a letter with enclosures, dated June 6, 2014, to Members of the Legislative Commission, from Paul V. Townsend, Legislative Auditor, Audit Division, LCB, regarding the audits in progress and proposed audits for July 2014 through December 2016.

[Exhibit QQ](#) is a copy of *Nevada Revised Statutes* (NRS) 459.0091 and recommendations regarding the nominations to the Commission on Nuclear Projects, Office of the Governor, presented by Rick Combs, Director, LCB.

[Exhibit RR](#) is the personal information for the candidates to the Commission on Nuclear Projects, Office of the Governor, submitted by Rick Combs, Director, LCB.

[Exhibit SS](#) is the Recommendations for the Elimination of Obsolete or Redundant Reports to the Legislature and the Revisions of Reporting Requirements, Pursuant to NRS 218D.385, presented by Rick Combs, Director, LCB.

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