

Journal

OF THE

ASSEMBLY OF THE STATE OF NEVADA

TWENTY-EIGHTH SPECIAL SESSION

THE FIRST DAY

CARSON CITY (Wednesday), September 10, 2014

Assembly called to order at 12:41 p.m.

Madam Speaker presiding.

Roll called.

All present except Assemblyman Hogan, who was excused, and one vacancy.

Prayer by Assemblyman Tyrone Thompson.

Dear Father, thank You for assembling us for this 28th Special Session of the Nevada State Legislature. We ask that You are in the midst of this open forum where we will explore new opportunities and make key decisions that may have significant economic impacts for the betterment of our state.

We thank You for our leadership, the great support of our Legislative Counsel Bureau, and most importantly, for the input from our residents and communities to better prepare and equip us with information and diverse perspectives for meaningful dialogue and critical thinking throughout this special session.

We ask that You touch each representative from the Senate and Assembly with open-mindedness, innovation, and the spirit of collaboration in order to vet this process and develop a shared vision and road map for the continued prosperity of Nevada's future. Thank You for allowing us to serve and for your many blessings. In Your Holy and Awesome Name we pray. Thank God.

AMEN.

Pledge of allegiance to the Flag.

MOTIONS, RESOLUTIONS AND NOTICES

Madam Speaker appointed Assemblymen Bobzien, Carlton, and Paul Anderson as a committee to inform the Senate that the Assembly was organized and ready for business.

Madam Speaker appointed Assemblymen Horne, Frierson, and Hickey as a committee to inform the Governor that the Assembly was organized and ready for business.

Madam Speaker announced if there were no objections, the Assembly would recess subject to the call of the Chair.

Assembly in recess at 12:50 p.m.

ASSEMBLY IN SESSION

At 1:07 p.m.

Madam Speaker presiding.

Quorum present.

A committee from the Senate composed of Senators Manendo, Woodhouse, and Hardy appeared before the bar of the Assembly and announced that the Senate was organized and ready for business.

Assemblyman Bobzien reported that his committee had informed the Senate that the Assembly was organized and ready for business.

Assemblyman Horne reported that his committee had informed the Governor that the Assembly was organized and ready for business.

MOTIONS, RESOLUTIONS AND NOTICES

Assemblyman Horne moved that the reading of the Proclamation by the Governor convening the Legislature into a Special Session be dispensed with and that the Proclamation be entered into the Journal.

Motion carried.

COMMUNICATIONS

STATE OF NEVADA
OFFICE OF THE GOVERNOR

A PROCLAMATION BY THE GOVERNOR

WHEREAS, Section 9 of Article V of the Constitution of the State of Nevada provides that "The Governor may, on extraordinary occasions, convene the Legislature by Proclamation and shall state to both houses, when organized, the business for which they have been specially convened. At a special session convened pursuant to this section, the Legislature shall not introduce, consider or pass any bills except those related to the business for which the Legislature has been specially convened and those necessary to provide for the expenses of the session;" and

WHEREAS, Nevada continues to feel the effects of the worst economic crisis in the history of the State; and

WHEREAS, to continue to emerge from this crisis, Nevada must expand its economic opportunities and provide greater diversification in the workforce; and

WHEREAS, Nevada has the opportunity to attract new types of business to this State which promises to provide more jobs, innovation and new technology; and

WHEREAS, believing that an extraordinary occasion exists, which requires immediate action by the Legislature;

NOW, THEREFORE, I, BRIAN SANDOVAL, GOVERNOR OF THE STATE OF NEVADA, by virtue of the authority vested in me by the Constitution of the State of Nevada, do hereby convene the Legislature into a special session to begin at 12:00 p.m. on Wednesday, September 10, 2014. During this special session, I ask the Legislature to consider the following:

1. Providing incentives in the form of tax abatements and transferable tax credits for businesses that propose to establish in this State and which agree to make a certain amount of new capital investments in this State;
2. Requiring a business receiving such incentives to pay back any tax abatements and tax credits if the eligibility requirements for receipt of the incentives are not satisfied;
3. Authorizing counties and cities to provide certain incentives to a business that proposes to establish a project which meets certain qualifications, including entering into agreements with such businesses to reimburse certain sales and use taxes and to waive fees for licenses and permits for a certain period which must be repaid if the business fails to meet its obligation set forth in the agreement;
4. Reducing the cumulative amount of transferable tax credits allowed to a producer that produces a film, television or other media production in this State;
5. Revising the provisions governing the general tax on premiums to eliminate the credit that is allowed for a domestic or foreign insurer that locates its home office or regional home office in this State;
6. Extending the duration of the Economic Development Electric Rate Rider Program; and
7. Authorizing manufacturers of passenger cars which are powered solely by one or more electric motors to sell their vehicles directly to the public and provide services and repairs for such vehicles.

The Legislature may also consider an appropriation to pay for the cost of the special session and any other matters brought to the attention of the Legislature by the Governor during the special session.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of Nevada to be affixed at the State Capitol in Carson City this 9th day of September, in the year two thousand fourteen.

Brian Sandoval
Governor

Ross Miller
Secretary of State

Scott Anderson
Deputy Secretary of State

MOTIONS, RESOLUTIONS AND NOTICES

By the Committee on Legislative Operations and Elections:

Assembly Resolution No. 1—Amending the Standing Rules of the Assembly of the 77th Session of the Nevada Legislature.

RESOLVED BY THE ASSEMBLY OF THE STATE OF NEVADA, That the Standing Rules of the Assembly of the 77th Session are hereby amended to read as follows:

I. OFFICERS AND EMPLOYEES**DUTIES OF OFFICERS****Rule No. 1. Speaker of the Assembly.**

1. All officers of the Assembly are subordinate to the Speaker in all that relates to the prompt, efficient and correct discharge of their official duties under the Speaker's supervision.

2. Possessing the powers and performing the duties described in this Rule, the Speaker shall:

(a) Take the chair at the hour to which the Assembly stands adjourned, call the members to order, and upon the appearance of a quorum, proceed to business.

(b) In the event an emergency occurs during a regular or special session of the Legislature which requires a meeting of the Assembly, call the members back to order before the hour to which the Assembly had adjourned.

(c) Preserve order and decorum and have general direction of the Chamber of the Assembly and the approaches thereto. In the event of any disturbance or disorderly conduct therein, order the same to be cleared.

(d) Decide all questions of order, subject to a member's right to appeal to the Assembly. On appeal from such decisions, the Speaker has the right, in the Speaker's place, to assign the reason for the decision.

(e) Have the right to name any member to perform the duties of the Chair, but such substitution must not extend beyond one legislative day.

(f) Have the power to accredit the persons who act as representatives of the news media and assign them seats.

(g) Sign all bills and resolutions passed by the Legislature as provided by law.

(h) Sign all subpoenas issued by the Assembly.

(i) Receive all messages and communications from other departments of the government and announce them to the Assembly.

(j) Represent the Assembly, declare its will and in all things obey its commands.

(k) Vote on final passage of a bill or resolution, but the Speaker shall not be required to vote in ordinary legislative proceedings except where the

Speaker's vote would be decisive. In all yea and nay votes, the Speaker's name must be called last.

(l) Appoint committees during the interim between regular sessions of the Legislature for any proper purpose, including, without limitation, taking testimony, compelling the attendance of witnesses, punishing persons or entities for contempt and reporting findings to the next session of the Legislature.

3. If a vacancy occurs in the office of Speaker, through death, resignation or disability of the Speaker, the Speaker Pro Tempore shall temporarily and for the period of vacancy or disability conduct the necessary business of the Assembly.

4. If a permanent vacancy occurs in the office of Speaker, the Assembly shall select a new Speaker.

5. This Rule shall remain in full force and effect throughout the interim between regular sessions of the Legislature and until new Standing Rules of the Assembly are adopted as part of the organization of a newly-constituted Assembly at the commencement of a session.

Rule No. 2. Continuation of Leadership and Standing Rules of the Assembly During the Interim Between Regular Sessions.

1. Except as otherwise provided in subsections 2, 3 and 4, the tenure of the Speaker, Speaker Pro Tempore, Majority Leader and Minority Leader of the Assembly extends during the interim between regular sessions of the Legislature.

2. The Assemblymen or Assemblywomen designated to be the Speaker, Speaker Pro Tempore, Majority Leader and Minority Leader for the next succeeding regular session shall perform any duty required of that officer by the Standing Rules of the Assembly and the Nevada Revised Statutes in the period between the time of their designation after the general election and the organization of the next succeeding regular session.

3. The Assemblyman or Assemblywoman designated to be the Speaker and the Assemblyman or Assemblywoman designated to be the Minority Leader for the next succeeding regular session shall appoint the regular and alternate members to the Select Committee on Ethics as set forth in Assembly Standing Rule No. 23.

4. The Assemblyman or Assemblywoman designated to be the Speaker for the next succeeding regular session shall:

(a) Determine the start time of the Assembly's organizational session.

(b) Have the right to name any person to call the Assembly to order and preside over the Assembly's organizational session until a presiding officer is elected.

(c) Refer prefiled bills and resolutions to committee, subject to ratification by a majority vote of the members of the Assembly once the Assembly is organized and ready for business.

5. ~~[This Rule]~~ *The Assembly Standing Rules set forth herein* shall remain in full force and effect throughout the interim between regular sessions of the Legislature and until new Standing Rules of the Assembly are adopted as part of the organization of a newly-constituted Assembly at the commencement of a session ~~[]~~, *unless a conflict exists with a rule adopted by the Assembly for a special session occurring between regular sessions.*

Rule No. 3. Chief Clerk.

1. The Chief Clerk is elected by the Assembly and is responsible to the Speaker.

2. The Chief Clerk shall recruit, select, train and supervise all attaches employed to assist with the work of the Assembly.

3. The Chief Clerk shall administer the daily business of the Assembly.

4. The Chief Clerk shall adopt such administrative policies as the Chief Clerk deems necessary to carry out the business of the Assembly.

5. The Speaker and the Chief Clerk are authorized to make any necessary corrections and additions to the final journal, history and committee minutes of the Assembly.

6. At the direction of the Speaker or Speaker Designate, the Chief Clerk shall attest and affix the seal of the Assembly to all writs, warrants, subpoenas and formal documents issued by the Assembly.

~~[7.—This Rule shall remain in full force and effect throughout the interim between regular sessions of the Legislature and until new Standing Rules of the Assembly are adopted as part of the organization of a newly-constituted Assembly at the commencement of a session.]~~

Rule No. 4. Reserved.

Rule No. 5. Reserved.

Rule No. 6. Reserved.

The next rule is 10.

II. SESSIONS AND MEETINGS

Rule No. 10. Time of Meeting.

The Assembly shall meet each day at 11:30 a.m., unless the Assembly adjourns to some other hour.

Rule No. 11. Open Meetings.

All meetings of the Assembly and its committees must be open to the public.

Rule No. 12. Reserved.

The next rule is 20.

III. DECORUM AND DEBATE

Rule No. 20. Points of Order.

If any member, in speaking or otherwise, transgresses the rules of the Assembly, the Speaker shall, or any member may, call to order, in which case the member so called to order shall immediately sit down, unless permitted to explain; and if called to order by a member, such member shall immediately state the point of order. If the point of order be sustained by the presiding officer, the member shall not be allowed to proceed; but if it be not sustained, then the member shall be permitted to go on. Every such decision from the presiding officer shall be subject to an appeal to the House; but no discussion of the question of order shall be allowed unless an appeal be taken from the decision of the presiding officer.

Rule No. 21. Portable Electronic Communication Devices.

1. A person who is within the Assembly Chambers shall not engage in a telephone conversation via the use of a portable telephone.

2. Before entering the Assembly Chambers, any person who possesses a portable electronic communication device, such as a pager or telephone, that emits an audible alert, such as a ringing or beeping sound, to signal an incoming message or call, shall turn the audible alert off. A device that contains a nonaudible alert, such as a silent vibration, may be operated in a nonaudible manner within the Assembly Chambers.

Rule No. 22. Reserved.

Rule No. 23. Select Committee on Ethics; Legislative Ethics.

1. The Select Committee on Ethics consists of:

(a) Two members of the Assembly appointed by the Speaker from the majority political party;

(b) One member of the Assembly appointed by the Minority Leader from the minority political party; and

(c) Three qualified electors of the State, two of whom are appointed by the Speaker and one who is appointed by the Minority Leader, and none of whom is a present member of the Legislature or employed by the State of Nevada.

2. The Speaker shall appoint the Chair and Vice Chair of the Committee. The Vice Chair shall serve as the acting Chair if the Chair is unable to serve for any reason during the consideration of a specific question.

3. The Speaker shall appoint an alternate member with the qualifications set forth in paragraph (a) of subsection 1 and an alternate member with the qualifications set forth in paragraph (c) of subsection 1. The Minority Leader

shall appoint an alternate member with the qualifications set forth in paragraph (b) of subsection 1 and an alternate member with the qualifications set forth in paragraph (c) of subsection 1. If a member of the Committee is unable to serve for any reason during the consideration of a specific question, the alternate appointed with the qualifications from the same paragraph in subsection 1 shall serve as a member of the Committee during the consideration of the specific question.

4. A member of the Committee is disqualified to serve during the consideration of a specific question if:

(a) The member is the requester of advice concerning the question of ethics or conflict of interest, or the member is the subject of the complaint concerning the specific question; or

(b) A reasonable person in the member's situation could not exercise independent judgment on the matter in question.

5. The members of the Committee shall perform any duty required in the period between the time of their appointment after the general election and the organization of the next succeeding regular session, or until the Speaker or the Speaker Designate or the Minority Leader or Minority Leader Designate appoint new members to the Committee, whichever occurs first.

6. The tenure of the members of the Committee shall extend during the interim between regular sessions of the Legislature.

7. The Committee:

(a) May hear requests brought by members of the Assembly for advice on specific questions of potential breaches of ethics and conflicts of interest; and

(b) Shall hear complaints brought by members of the Assembly and others on specific questions of alleged breaches of ethics and conflicts of interest.

8. All proceedings held to consider the character, alleged misconduct, professional competence or physical or mental health of any person by the Committee on matters of ethics or conflicts of interest are confidential unless a Legislator:

(a) Against whom a complaint is brought requests a public hearing;

(b) Discloses the content of an opinion of the Committee at any time after his or her hearing; or

(c) Discloses the content of an advisory opinion issued to him or her by the Committee.

9. A complaint which alleges a breach of ethics or a conflict of interest must be:

(a) Made in writing on a form provided by the Chief Clerk of the Assembly;

(b) Signed and verified under penalty of perjury by the person making the allegation; and

(c) Filed with the Chair of the Committee or, if the Chair is the subject of the complaint, with the Vice Chair. The Chair or Vice Chair, as appropriate, shall send a copy of the complaint, within 24 hours after receiving it, to the Legislator against whom the complaint is brought.

10. In determining whether a Legislator has a conflict of interest, the Legislator should consider whether the independence of judgment of a reasonable person in his or her situation upon the matter in question would be materially affected by the Legislator's:

- (a) Acceptance of a gift or loan;
- (b) Private economic interest; or
- (c) Commitment to a member of his or her household or immediate family.

↳ In interpreting and applying the provisions of this subsection, it must be presumed that the independence of judgment of a reasonable person in the Legislator's situation would not be materially affected by the Legislator's private economic interest or the Legislator's commitment to a member of his or her household or immediate family where the resulting benefit or detriment accruing to the Legislator, or if the Legislator has a commitment to a member of his or her household or immediate family, accruing to those other persons, is not greater than that accruing to any other member of the general business, profession, occupation or group that is affected by the matter.

11. Except as otherwise provided in subsection 12, if a Legislator knows he or she has a conflict of interest pursuant to subsection 10, the Legislator shall make a *general* disclosure of the conflict of interest on the record in a meeting of a committee or on the floor of the Assembly, as applicable. Such a disclosure must be entered:

- (a) If the Legislator makes the disclosure in a meeting of a committee, in the minutes for that meeting.
- (b) If the Legislator makes the disclosure on the floor of the Assembly, in the Journal.

12. If, on one or more prior occasions during the current session of the Legislature, a Legislator has made a general disclosure of a conflict of interest on the record in a meeting of a committee or on the floor of the Assembly, the Legislator is not required to make that general disclosure at length again regarding the same conflict of interest if, when the matter in question arises on subsequent occasions, the Legislator makes a reference on the record to the previous disclosure.

13. In determining whether to abstain from voting upon, advocating or opposing a matter concerning which a Legislator has a conflict of interest pursuant to subsection 10, the Legislator should consider whether:

- (a) The conflict impedes his or her independence of judgment; and
- (b) His or her interest is greater than the interests of an entire class of persons similarly situated.

14. The provisions of this Rule do not under any circumstances and regardless of any conflict of interest:

- (a) Prohibit a Legislator from requesting or introducing a legislative measure; or

(b) Require a Legislator to take any particular action before or while requesting or introducing a legislative measure.

15. If a Legislator who is a member of a committee declares on the record when a vote is to be taken by the committee that he or she will abstain from voting because of the requirements of this Rule, the necessary quorum to act upon and the number of votes necessary to act upon the matter is reduced as though the Legislator abstaining were not a member of the committee.

16. ~~[Except as otherwise provided in the Joint Standing Rules, the]~~ *The* standards and procedures set forth in this Rule which govern whether and to what extent a member of the Assembly has a conflict of interest, should disclose a conflict of interest or should abstain from voting upon, advocating or opposing a matter concerning which the member has a conflict of interest pursuant to subsection 10:

(a) Are exclusive and are the only standards and procedures that apply to members of the Assembly with regard to such matters; and

(b) Supersede and preempt all other standards and procedures with regard to such matters.

17. For purposes of this Rule, “immediate family” means a person who is related to the Legislator by blood, adoption or marriage within the first degree of consanguinity or affinity.

~~[18.—This Rule shall remain in full force and effect throughout the interim between regular sessions of the Legislature and until new Standing Rules of the Assembly are adopted as part of a newly constituted Assembly at the commencement of a session.]~~

The next rule is 30.

IV. QUORUM, VOTING, ELECTIONS

Rule No. 30. Manner of Voting.

1. The presiding officer shall declare all votes, but the yeas and nays must be taken when called for by three members present, and the names of those calling for the yeas and nays must be entered in the Journal by the Chief Clerk.

2. The presiding officer shall call for yeas and nays by a division or by a roll call, either electronic or oral.

3. When taking the yeas and nays on any question, the electronic roll call system may be used, and when so used shall have the force and effect of any roll call under these rules.

4. When taking the yeas and nays by oral roll call, the Chief Clerk shall take the names of members alphabetically, except that the Speaker’s name must be called last.

5. The electronic roll call system may be used to determine the presence of a quorum.

6. The yeas and nays must not be taken with the electronic roll call system until all members present are at their desks. The presiding officer may vote at the rostrum.

7. Only a member who:

(a) Has been certified by the Committee on Legislative Operations and Elections or a special committee of the Assembly; and

(b) Is physically present within the Assembly Chambers,

↪ may cast a vote in the Assembly.

8. A member shall not vote for another member on any roll call, either electronic or oral. Any member who votes for another member may be punished in any manner deemed appropriate by the Assembly.

Rule No. 31. Requirement of Voting.

1. A member shall vote on all questions that come before the body unless the member:

(a) Is excused; or

(b) Makes a full and complete disclosure of a conflict pursuant to Assembly Standing Rule No. 23.

2. A member found guilty by the House of a breach of this Rule shall not vote or speak on the floor, except to explain and apologize for the breach, until the member has made satisfaction to the House for the breach.

Rule No. 32. Announcement of the Vote.

1. A member may change his or her vote at any time before the announcement of the vote if the voting is by voice, or at any time before the votes are electronically recorded if the voting is conducted electronically.

2. The announcement of the result of any vote shall not be postponed.

Rule No. 33. Voting by Division.

Upon a division and count of the Assembly on any question, no person without the bar shall be counted.

The next rule is 40.

V. LEGISLATIVE BODIES

A. COMMITTEES

Rule No. 40. Standing Committees.

The standing committees of the Assembly *for the regular session, and for Legislative Operations and Elections for both the regular session pursuant to this Rule and for a special session pursuant to Assembly Standing Rule No. 142*, are as follows:

1. Ways and Means, fifteen members.
2. Judiciary, twelve members.
3. Taxation, twelve members.
4. Education, fourteen members.
5. Legislative Operations and Elections, nine members.
6. Natural Resources, Agriculture, and Mining, eleven members.
7. Transportation, fifteen members.
8. Commerce and Labor, fifteen members.
9. Health and Human Services, fourteen members.
10. Government Affairs, fourteen members.

Rule No. 41. Appointment of Committees.

1. Except as otherwise provided in Assembly Standing Rule No. 23, all committees must be appointed by the Speaker, unless otherwise directed by the Assembly. The Speaker shall designate the chair and vice chair of each committee.

2. To facilitate the full participation of the members during an adjournment called pursuant to Joint Standing Rule No. 9 of the Senate and Assembly ~~[]~~ *for the 77th Session of the Legislature or Joint Standing Rule No. 10 for the 28th Special Session of the Legislature, as applicable*, the Speaker may temporarily appoint a member to a ~~[standing]~~ committee that is scheduled to meet during the adjournment if none of the committees to which the member is regularly assigned will be meeting during the adjournment.

3. ~~[All]~~ *Except as otherwise provided in Assembly Standing Rule No. 45, all* committees will operate under the rules set forth herein and other uniform committee rules as determined by the Speaker and published on the Nevada Legislature's website. Each ~~[standing]~~ committee may adopt and file with the Chief Clerk's Office policies consistent with these rules.

Rule No. 41.5. Appointment of Alternates.

If the chair or any member of a committee is temporarily unable to perform his or her duties, the Speaker shall appoint an alternate of the same political party to serve in the chair's or the member's place for such time as is determined by the Speaker.

Rule No. 42. Subcommittees.

1. Subcommittees made up of committee members may be appointed by the chair to consider and report back on specific subjects or bills.

2. Subcommittee meetings will be scheduled by the subcommittee chair after consulting with the committee chair.

3. Members of a subcommittee are required to attend meetings of the subcommittee.

4. Subcommittees of standing committees shall follow the same rules as standing committees.

Rule No. 43. Concurrent Referrals.

When a bill or resolution is referred to two committees, the bill or resolution must go to the first committee named. If the first committee votes to amend the bill or resolution, it must be reprinted with amendments and then returned to the first committee or sent immediately to the next committee. If there is no amendment proposed by the first committee, or if the first committee acts upon the bill or resolution after amendment, the bill or resolution must be sent with the committee recommendation to the Chief Clerk for transmittal to the second committee.

Rule No. 44. Committee on Legislative Operations and Elections.

The Committee on Legislative Operations and Elections has jurisdiction over matters relating to personnel. It shall recommend by resolution the appointment of all attaches and employees of the Assembly not otherwise provided for by law.

Rule No. 45. Committee of the Whole.

If a Committee of the Whole is convened:

1. The Speaker shall preside as Chair of the Committee or name a Chair to preside.
2. A member of the Committee may speak not more than twice during the consideration of any one question, on the same day, and at the same stage of proceedings, without leave. Members who have once spoken shall not again be entitled to the floor (except for explanation) to the exclusion of others who have not spoken.
3. The Chair may require any vote of the Committee to be recorded in the manner designated by the Chair.
4. All amendments proposed by the Committee:
 - (a) Must first be approved by the Committee.
 - (b) Must be reported by the Chair to the Assembly.
5. *Insofar as they are applicable and not in conflict with this Rule, a Committee of the Whole will observe the committee rules set forth in Section V(A) of the Assembly Standing Rules and such other uniform committee rules as determined by the Speaker and published on the Nevada Legislature's website.*
6. *A quorum of the Committee of the Whole is the same as a quorum of the House, and in case a quorum is not present or other defect is observed, the Committee can take no other action than to rise.*
7. *It is permissible on motion to limit debate to a certain length of time, to close at a time certain, to limit the length of speeches, or to otherwise limit debate.*
8. *When a fixed duration is established for a Committee of the Whole, the time may be extended with consent of a majority of the members.*
9. *A motion for the previous question is not in order.*

10. A Committee of the Whole cannot:

- (a) Entertain any question of priority.*
- (b) Entertain any matter of privilege.*
- (c) Lay a question on the desk.*
- (d) Postpone consideration of any question.*
- (e) Reconsider a vote on a proposal no longer in possession of the Committee.*
- (f) Appoint a subcommittee.*
- (g) Punish members for disorderly conduct, but must report any misconduct to the body for its action.*

11. Seconds to motions are required.

12. The minutes of the meetings of the Committee of the Whole must be entered in the Assembly's final journal.

B. ELECTION CONTESTS

Rule No. 46. Procedure for Election Contests.

1. Upon receipt of a statement of contest from the Secretary of State pursuant to NRS 293.427, the Speaker shall, as soon as practicable, appoint a special committee to hear the contest or refer the contest to the Committee on Legislative Operations and Elections. The committee shall conduct a hearing to consider the contest. The committee shall keep written minutes of the hearing. The contestant has the burden of proving that any irregularities shown were of such a nature as to establish that the result of the election was changed thereby.

2. The contest must be submitted so far as may be possible upon depositions or by written or oral arguments as the Assembly may order. Any party to a contest may take the deposition of any witness at any time after the statement of contest is filed with the Secretary of State and before the contest is finally decided. At least 3 days' notice must be given to the prospective deponent and to the other party. If oral statements are made at any hearing before the Assembly or a committee thereof which purport to establish matters of fact, they must be made under oath. Strict rules of evidence do not apply.

3. The committee shall, not later than 5 calendar days after the contest was referred to the committee, report to the Assembly its findings on whether the contestant has met the burden of proving that any irregularities shown were of such a nature as to establish that the result of the election was changed thereby. The committee shall then report to the Assembly its recommendation on which person should be declared elected or report that it has no recommendation. The Assembly shall, as soon as practicable thereafter but not later than 7 calendar days after the Speaker received the statement of contest, vote whether to accept or reject the committee's recommendation without amendment, if a recommendation is made. If the recommendation is accepted, the Speaker shall declare the recommended

person elected. If the recommendation is rejected or the committee did not make a recommendation, the Assembly shall consider immediately which person should be declared elected. The Speaker shall not adjourn the Assembly until it has declared a person to be elected.

4. If a person other than the person initially seated as a member of the Assembly pursuant to subsection 2 of NRS 293.427 is declared to be elected by the Assembly as a result of the contest, the Speaker shall inform the Governor of the identity of the person declared to be elected by the Assembly.

C. DUTIES OF COMMITTEE OFFICERS, COMMITTEE MEMBERS AND COMMITTEE STAFF

Rule No. 47. Committee Chairs.

1. The chair has all authority necessary to ensure an efficient operation of the committee or subcommittee.

2. The chair shall have general direction of the committee room or other meeting place of the committee, and in case of any disturbance or disorderly conduct therein, or if the peace, good order, and proper conduct of the legislative business is hindered by any person or persons, the chair shall have power to exclude from the session any individual or individuals so hindering the legislative business.

3. Possessing the powers and performing the duties described in this Rule, each committee chair shall:

- (a) Preside over committee meetings and put all questions before the committee;
- (b) Preserve order and decorum and decide all questions of order;
- (c) Determine the order of bills for hearing;
- (d) Prepare and distribute the committee's agenda;
- (e) Prepare and distribute a work session document that contains a list of all measures on which the committee is ready to consider final action;
- (f) Call recesses of the committee as deemed necessary;
- (g) Request amendments to resolve conflicts;
- (h) Determine when final action is to be taken on measures, committee reports and other business of the committee;
- (i) Sign and submit bill draft requests on behalf of the committee;
- (j) Appoint subcommittees, as necessary;
- (k) Provide direction to committee support staff;
- (l) Prepare and submit committee reports;
- (m) Review and approve minutes of the committee;
- (n) Handle unfinished business for measures heard in the committee;
- (o) Inform the Speaker of committee activity; and
- (p) Maintain custody of all papers referred to the committee until they are turned over to the Chief Clerk.

4. In the absence of the chair, or upon the request of the chair, the vice chair of the committee shall assume the duties of the chair.

5. The chair may name any member of the committee to perform the duties of the chair if such substitution shall not extend beyond such meeting.

Rule No. 48. Attendance.

1. Members shall notify the chair of any absence. Excused absences will be so recorded at the direction of the chair.

2. A member shall advise the chair if he or she must leave a meeting for an extended period of time.

3. Members not in attendance when a final action is taken on a measure will be marked absent for the vote.

Rule No. 49. Committee Staff.

Duties of committee attaches shall be prescribed by the Chief Clerk and include, but are not limited to, the following:

1. The committee secretary shall call roll of the members at each meeting, with the chair being called last. The committee secretary shall record in the minutes the members present and the members not present.

2. The committee secretary shall record the meeting and draft committee minutes for the chair's approval.

3. On behalf of the chair, the committee secretary shall maintain all minutes and exhibits of the committee's meetings until released to the custody of the Chief Clerk.

4. The committee manager assigned to each committee shall be responsible to the chair of the committee for the proper and accurate preparation of all reports of the committee.

Rule No. 50. Committee Operations.

1. Each committee of the House shall be provided a committee manager who shall maintain a current record of all bills, resolutions, petitions, memorials or other matters filed in committee. A record of committee actions shall be filed with the Chief Clerk. The committee manager shall post, on a bulletin board and electronically, all meeting agendas.

2. The standing committees of the Assembly may coordinate with the standing committees of the Senate to meet jointly whenever agreed to by said committees for the purpose of holding public hearings or considering any proposed or pending legislation. Upon conclusion of the joint meeting of said committees, each standing committee of the Assembly may take such action as it determines appropriate. Whenever the committees of the Assembly and Senate hold joint hearings or meetings, the chair of the Assembly committee shall coordinate with the chair of the Senate committee to determine which of them shall preside at the joint meeting.

3. When a joint meeting is chaired by a Senator, the practices of the Senate that are inconsistent with those of the Assembly do not create a precedent for the same practice in the Assembly.

Rule No. 51. Committee Records.

1. The chair of each committee shall have custody of all bills, papers and other documents referred to the committee and shall make reports authorized by the committee and submit the same to the Chief Clerk.

2. The chair of each committee shall keep, or cause to be kept, a complete record of the committee proceedings in which there must be entered:

- (a) The time and place of each meeting;
- (b) The attendance and absence of members;
- (c) The names of all persons appearing before the committee, with the names of persons, firms, corporations or associations in whose behalf such appearance is made; and
- (d) The subjects or measures considered and action taken.

3. A person may obtain a recording of a meeting by paying a fee determined by the Director of the Legislative Counsel Bureau to cover the cost of the recording but, except as otherwise provided in this subsection, the official record of the ~~meeting~~ *committee* is the minutes of the committee meeting approved by the chair pursuant to paragraph (m) of subsection 3 of Assembly Standing Rule No. 47. Minutes of joint meetings prepared by non-Assembly staff are not official records of the Assembly.

4. The Speaker and the Chief Clerk are authorized to make any necessary corrections and additions to the minutes of committee meetings.

Rule No. 52. Final Disposition of Committee Minutes and Exhibits.

Upon their completion, the Chief Clerk shall turn over all original minutes and exhibits to the Research Library of the Legislative Counsel Bureau.

Rule No. 52.5. Notices of Bills, Topics and Public Hearings.

1. Except as otherwise provided in subsection 3, all committees shall provide adequate notice of public hearings on bills, resolutions or other topics which are to come before the committees. The notice must include the date, time, place and agenda to be covered. The notice must be posted conspicuously in the Legislative Building and be posted on the Nevada Legislature's website.

2. The noticing requirements of this Rule may be suspended for emergency situations but only after approval by a majority vote of a committee.

3. Subsection 1 does not apply to:

- (a) Committee meetings held *behind the bar* on the floor of the Assembly during a recess; ~~or~~
- (b) Conference committee meetings ~~or~~; *or*
- (c) *Meetings of the Committee of the Whole.*

D. COMMITTEE HEARINGS

Rule No. 53. Communications.

1. Out of respect for the privacy of committee members and staff, members are requested to hold conversations with lobbyists and members of the public at a location other than at the dais.
2. At the direction of the Chair, lobbyists, the press, and members of the public are not allowed at the dais.
3. All directions, assignments, or requests on behalf of the committee must be communicated to its staff and to the personnel of the Legislative Counsel Bureau by the chair of the committee. A member of the committee must submit such requests to the chair for transmittal to the staff of the committee or to the personnel of the Legislative Counsel Bureau.
4. The chair may report instances of misconduct or indecorum by any committee member or other person to the Assembly for its consideration and action.

Rule No. 54. Testimony, Witnesses and Exhibits.

1. All persons wishing to offer testimony to a committee shall be given a reasonable opportunity to do so as determined by the chair.
2. In addressing the committee, a person must state for the record whether he or she supports, opposes or is neutral to the bill or resolution before the committee. For purposes of legislative intent:
 - (a) "Support" of a bill or resolution shall be construed as:
 - (1) Approval of the measure as written; or
 - (2) Approval of the measure as written along with proposed amendments that have been approved by the sponsor of the measure.
 - (b) "Opposition" to a bill or resolution shall be construed as:
 - (1) Not supporting the measure as written; or
 - (2) Opposing the measure as revised by an amendment that has not been approved by the sponsor of the measure.
 - (c) A "neutral" position on a bill or resolution is one in which the person offers particular insight on the measure but expresses no position on the measure.
3. Persons addressing the committee shall keep their remarks to the point and avoid repetition and are subject to call to order by the chair for failure to do so.
4. A person shall not be excluded from a meeting or public hearing of a committee or subcommittee except in case of any disturbance or disorderly

conduct, or if the peace, good order, and proper conduct of the legislative business is hindered by the person or persons.

5. Questions from the committee will be restricted to relevant subject areas.

6. When the chair deems necessary, witnesses will be sworn in pursuant to NRS 218E.040 before providing testimony.

7. Unless waived or revised by the chair, handouts for hearings, including proposed amendments:

(a) Must be submitted to the committee's manager not later than 5 p.m. on the business day before the meeting unless an earlier submission date or time is set by the chair, and included on the agenda;

(b) Must include the name and contact information of the person providing the handouts;

(c) For proposed amendments, must include a brief statement of intent; and

(d) Must be submitted by electronic mail or other electronic means.

Rule No. 55. Hearings.

1. The presence of a quorum of the committee is desirable but not required to conduct a public hearing. At the discretion of the chair, members of the committee may attend, participate in and, if applicable, vote during the hearing via simultaneous telephone or video conference.

2. Public hearings are opened by the chair who announces the subject under consideration and provides an opportunity for persons wishing to address the committee to be heard. These persons shall rise in an order determined by the chair, address the chair and furnish their names, addresses and firms or other organizations represented.

3. Committee members may address the chair for permission to question the witness.

4. A committee meeting shall adjourn no later than 10 minutes preceding the hour of its next regularly scheduled meeting.

5. At the discretion of the chair, meeting may be held outside the regularly scheduled day(s) and time.

6. Meetings of the committee may be scheduled outside the Legislative Building in Carson City with prior written approval of the Speaker. Subcommittees must have the prior written approval of the chair of the committee and the Speaker in to order to conduct a meeting outside Carson City.

E. VOTING AND COMMITTEE ACTION

Rule No. 56. Manner of Voting.

1. The chair shall declare all votes and shall cause same to be entered on the records of the committee.

2. A member shall not vote for another member on any roll call. Any member who votes for another member may be punished in any manner deemed appropriate by the Assembly.

Rule No. 57. Committee Action.

1. The committee shall have regular meetings scheduled by the Assembly leadership. A quorum of the committee is a majority of its members and may transact business except as limited by this Rule.

2. Except as limited by this Rule, a simple majority of those present may move, second and pass a motion by voice vote.

3. All motions require a second. If no second is received, that motion shall be declared invalid.

4. A committee may not take final action on a bill or resolution until at least 24 hours after the close of the hearing on the bill or resolution.

5. Definite action on a bill or resolution will require a majority of the entire committee. A member shall vote on all questions that come before the committee unless the member:

(a) Is excused; or

(b) Makes a full and complete disclosure of a conflict pursuant to Assembly Standing Rule No. 23.

6. A majority of the entire committee is required to reconsider action on a bill or resolution.

7. Committee introduction of legislative measures which are not prefiled requires concurrence of a majority of the entire committee and does not imply commitment to support final passage.

8. Absent the consent of the chair and the approval of the Speaker, the chair must be present when the committee votes to take any final action regarding bills or resolutions.

9. No member of the committee may vote by proxy under any circumstances.

10. A committee shall not take a vote on the question of whether to exercise its statutory authority to issue a legislative subpoena unless the chair or other person approved by the Speaker has informed the Speaker of the intention of the committee to consider such a question.

11. Every committee vote on a matter pertaining to a bill or resolution must be recorded. The vote may be taken by roll call at the discretion of the chair.

12. A member may change his or her vote at any time before the announcement of the vote if the voting is by voice. The announcement of the result of any vote shall not be postponed.

13. Unless a committee member advises the chair otherwise, it will be presumed that the member will vote on an amendment or on a measure, during a floor session, consistent with his or her vote in the committee.

14. A bill, resolution, or amendment in a committee having been rejected twice may not be brought up again during the same legislative session.

15. The minority of a committee may not make a report or present to the House an alternative report.

F. PARLIAMENTARY AUTHORITY

Rule No. 58. Precedence of Parliamentary Authority for Committees.

The precedence of parliamentary authority for the purpose of actions in a committee is set forth in Assembly Standing Rule No. 100.

G. DECORUM AND DEBATE IN COMMITTEES

Rule No. 59. Portable Electronic Communication Devices.

1. A person who is within an Assembly committee room shall not engage in a telephone conversation via the use of a portable telephone.

2. No person shall engage in any conduct during a committee meeting which undermines the decorum of the meeting. Before entering an Assembly committee room, any person who possesses a portable electronic communication device, such as a pager or telephone, that emits an audible alert, such as a ringing or beeping sound, to signal an incoming message or call, shall turn the audible alert off. A device that contains a nonaudible alert, such as a silent vibration, may be operated in a nonaudible manner within an Assembly committee room. Failure to follow a warning issued by the chair may result in the device(s) being confiscated upon direction of the chair for the remainder of the meeting.

Rule No. 60. Reserved.

Rule No. 61. Privilege of Closing Debate.

The author of a bill, a resolution or a main question shall have the privilege of closing the debate, unless the previous question has been sustained.

Rule No. 62. Points of Order.

If any member, in speaking or otherwise, transgresses the rules of the Assembly, the chair shall, or any member may, call to order, in which case the member so called to order shall immediately yield to the floor, unless permitted to explain; and if called to order by a member, such member shall immediately state the point of order. If the point of order be sustained by the presiding officer, the member shall not be allowed to proceed; but if it be not sustained, then the member shall be permitted to go on. Every such decision from the presiding officer shall be subject to an appeal to the committee; but no discussion of the question of order shall be allowed unless an appeal be taken from the decision of the presiding officer.

Rule No. 63. Reserved.

VI. RULES GOVERNING MOTIONS

Rule No. 64. Entertaining.

No motion may be debated until it is distinctly announced by the presiding officer. The presiding officer, upon his or her own motion or at the request of a member, may direct that the motion be reduced to writing and be read by the Chief Clerk before the motion is debated. A motion may be withdrawn by the maker at any time before amendment or before the motion is put to vote.

PARTICULAR MOTIONS

Rule No. 65. Indefinite Postponement.

When a question is postponed indefinitely, the same question must not be considered again during the session and the question is not subject to a motion for reconsideration.

Rule No. 66. To Strike Enacting Clause.

A motion to strike out the enacting clause of a bill or resolution does not take precedence over any other subsidiary motion. If the motion is carried, it shall be considered equivalent to the rejection of such bill or resolution.

Rule No. 67. Division of Question.

Any member may call for a division of the question, which shall be divided, if it comprehends propositions in substance so distinct that, one being taken away, a substantive proposition shall remain for the decision of the Assembly. A motion to strike out being lost shall preclude neither amendment nor a motion to strike out and insert. A motion to strike out and insert shall be deemed indivisible.

Rule No. 68. Reserved.

The next rule is 80.

VII. DEBATE

Rule No. 80. Speaking on Question.

1. No member shall speak more than twice during the consideration of any one question, on the same day, and at the same stage of proceedings, without leave. Members who have once spoken shall not again be entitled to the floor (except for explanation) to the exclusion of others who have not spoken.

2. When a member speaks under Order of Business 11, 12, 13 or 14 of Assembly Standing Rule No. 120, the member must limit his or her remarks to an explanation of the issue or an explanation of the bill, resolution or amendment. If the member desires to speak on the importance of such issue, bill, resolution or amendment, the member must request permission to speak under Order of Business 15 of Assembly Standing Rule No. 120.

Rule No. 81. Previous Question.

The previous question shall be put only when demanded by three members. The previous question shall not be moved by the member last speaking on the question.

Rule No. 82. Privilege of Closing Debate.

The author of a bill, a resolution or a main question shall have the privilege of closing the debate, unless the previous question has been sustained.

The next rule is 91.

VIII. CONDUCT OF BUSINESS

A. RULES AND PROCEDURE

Rule No. 91. Rescission, Change or Suspension of Rule.

No standing rule or order of the Assembly shall be rescinded or changed without a vote of a majority of the members elected; but a rule or order may be suspended temporarily by a vote of a majority of the members present.

Rule No. 92. Reserved.

Rule No. 93. Reserved.

Rule No. 94. Privilege of the Floor and Lobbying.

1. Except as otherwise provided in subsection 2, no person, except Senators, former Assemblymen and Assemblywomen, and state officers, may be admitted at the bar of the Assembly, except by special invitation on the part of some member; but a majority may authorize the Speaker to have the Assembly cleared of all such persons. No person may do any lobbying upon the floor of the Assembly at any time, and it is the duty of the Sergeant at Arms to remove any person violating any of the provisions of this Rule.

2. A former Senator or former Assemblyman or Assemblywoman who is expelled from service in the Senate or the Assembly shall have the privilege of the floor only with permission of the Speaker . ~~[during the session from which he or she was expelled.]~~

Rule No. 95. Material Placed on Legislators' Desks.

All papers, letters, notes, pamphlets and other written material placed upon the desk of a member of the Assembly shall contain the signature of the Legislator requesting the placement of such material on the desk or shall contain a designation of the origin of such material. This Rule does not apply to Legislative Counsel Bureau material.

Rule No. 96. Peddling, Begging and Soliciting.

1. Peddling, begging and soliciting are strictly forbidden in the Assembly Chambers, and in the lobby, gallery and halls adjacent thereto.

2. No part of the Assembly Chambers may be used for, or occupied by signs or other devices for any kind of advertising.

3. No part of the hallways adjacent to the Assembly Chambers may be used for or occupied by signs or other devices for any kind of advertising for commercial or personal gain. Notices for nonprofit, nonpartisan, civic or special legislative events may be posted in a designated area of the hallways adjacent to the Assembly Chambers with the approval of the Chief Clerk.

Rule No. 97. Petitions and Other Papers.

Petitions and other papers addressed to the Assembly, shall be presented by the Speaker, or by a member in the Speaker's place. A brief statement of the contents thereof shall be read for information. They shall not be debated on the day of their being presented, but shall be on the table, or be referred, as the Assembly shall determine.

Rule No. 98. Request of Purpose.

A member may request the purpose of a bill or joint resolution upon its introduction.

Rule No. 99. Remarks.

The remarks of all members on final passage of bills or joint resolutions and on adoption of Assembly or concurrent resolutions shall be included in the day's journal. In addition, it shall be in order for members to make remarks under other orders of business and, subject to the approval of the majority of the members present, request that such remarks be entered in the Journal.

Rule No. 100. Precedence of Parliamentary Authority.

~~{1-}~~ The precedence of parliamentary authority in the Assembly is:

~~{(a)}~~ 1. The Constitution of the State of Nevada and judicial decisions thereon.

~~{(b)}~~ 2. The Standing Rules of the Assembly and the Joint Standing Rules of the Senate and Assembly.

~~{(c)}~~ 3. Custom, usage and precedence.

~~{(d)}~~ 4. The Statutes of the State of Nevada.

~~[(c)]~~ 5. Mason's Manual of Legislative Procedure.

~~[2.—This Rule shall remain in full force and effect throughout the interim between regular sessions of the Legislature and until new Standing Rules of the Assembly are adopted as part of the organization of a newly constituted Assembly at the commencement of a session.]~~

Rule No. 101. Reserved.

Rule No. 102. Privileged Questions.

Privileged questions have precedence over all others in the following order:

1. Motions to fix the time to which the Assembly shall adjourn.
2. Motions to adjourn.
3. Questions relating to the rights and privileges of the Assembly or any of its members.
4. A call of the House.
5. Motions for special orders.

Rule No. 103. Reserved.

B. BILLS

Rule No. 104. Reserved.

Rule No. 105. Reserved.

Rule No. 106. Skeleton Bills.

The introduction of skeleton bills is authorized when, in the opinion of the sponsor and the Legislative Counsel, the full drafting of the bill would entail extensive research or be of considerable length. A skeleton bill will be provided for purposes of introduction and committee referral. Such a bill will be a presentation of ideas or statements of purpose, sufficient in style and expression to enable the Legislature and the committee to which the bill may be referred to consider the substantive merits of the legislation proposed.

Rule No. 107. Reserved.

Rule No. 108. Reserved.

Rule No. 109. Reading of Bills.

The first reading of a bill or joint resolution shall be for information. If there is objection, the question shall be, "Shall the bill be rejected?" If the question to reject fails to receive a majority vote by the members present, or if there is no objection, the bill shall take the proper course. If the question to reject receives a majority vote of the members present, the bill or joint

resolution shall be rejected. The same question must not be considered again during the session, and the question is not subject to a motion for reconsideration. No bill shall be referred to a committee until after the first reading, nor amended until after the second reading.

Rule No. 110. Second Reading and Amendment of Bills.

1. All bills must be read the second time on the first legislative day after which they are reported by committee, unless a different day is designated by motion. Upon second reading, Assembly bills reported without amendments shall be placed on the General File and Senate bills reported without amendments shall be placed on the General File. Committee amendments reported with bills shall be considered upon their second reading or third reading, as appropriate, and such amendments may be adopted by a majority vote of the members present. Any amendment which is numbered and made available to all members must be moved and voted upon by number. Assembly bills so amended must be reprinted, then engrossed or reengrossed, as applicable, and placed on the General File. Senate bills so amended must be reprinted, then engrossed or reengrossed, as applicable, and placed on the General File.

2. Any member may move to amend a bill during its second or third reading, and such a motion to amend may be adopted by a majority vote of the members present. Bills so amended on second reading must be treated the same as bills with committee amendments. Any bill so amended upon the General File must be reprinted and then engrossed or reengrossed, as applicable. A member who moves to amend a bill during its second reading must limit his or her remarks to an explanation of the amendment. If the member desires to speak on the importance of the amendment, the member must request permission to speak under Order of Business 15 of Rule No. 120.

3. The reprinting of amended bills may be dispensed with upon a majority vote of the members present.

4. It shall not be in order to consider an amendment that removes all sponsors of a bill or resolution.

Rule No. 111. Consent Calendar.

1. A standing committee may by unanimous vote of the members present report a bill with the recommendation that it be placed on the Consent Calendar. The question of recommending a bill for the Consent Calendar may be voted upon in committee only after the bill has been recommended for passage and only if no amendment is recommended.

2. The Chief Clerk shall maintain a list of bills recommended for the Consent Calendar. The list must be printed in the Daily History and must include the summary of each bill, and the date the bill is scheduled for consideration on final passage.

3. At any time before the presiding officer calls for a vote on the passage of the Consent Calendar, a member may give written notice to the Chief Clerk or state orally from the floor of the Assembly in session that he or she requests the removal of a particular bill from the Consent Calendar. If a member so requests, the Chief Clerk shall remove the bill from the Consent Calendar and transfer it to the Second Reading File. A bill removed from the Consent Calendar may not be restored to that Calendar.

4. During floor consideration of the Consent Calendar, members may ask questions and offer explanations relating to the respective bills.

5. When the Consent Calendar is brought to a vote, the bills remaining on the Consent Calendar must be read by number and summary and the vote must be taken on their final passage as a group.

Rule No. 112. Reserved.

Rule No. 113. General File.

1. All bills and joint resolutions reported to the Assembly, by the Committee of the Whole, a standing committee, a conference committee or a special committee, after receiving their second readings must be placed upon the General File, to be kept by the Chief Clerk. The Chief Clerk shall post a daily statement of the bills on the General File. The Chief Clerk shall likewise post notices of special orders as made.

2. A member who moves to amend a bill or joint resolution during its third reading must limit his or her remarks to an explanation of the amendment. If the member desires to speak on the importance of the amendment, the member must request permission to speak under Order of Business 15 of Assembly Standing Rule No. 120.

3. A member who speaks on third reading regarding the final passage of a bill, joint resolution or initiative petition must limit his or her remarks to an explanation of the bill, joint resolution or initiative petition. If the member desires to speak on the importance of the bill, joint resolution or initiative petition, the member must request permission to speak under Order of Business 15 of Assembly Standing Rule No. 120.

Rule No. 114. Reserved.

Rule No. 115. Reconsideration of Vote on Bill.

1. A motion to reconsider a final vote on a bill or resolution shall be in order only on the day on which the final vote is taken, and the vote on such a motion to reconsider must be taken on the same day. The motion to reconsider can be made only by a member who voted with the prevailing side.

2. A motion to reconsider a vote on an amendment to a pending question must be made at once and can be made only by a member who voted with the prevailing side.

3. A motion to reconsider shall have precedence over every other motion, including a motion to adjourn, if the motion is to reconsider a final vote on a bill or resolution. If the motion to reconsider is for any other action, the motion has precedence over every other motion, except a motion to adjourn or to fix the time to adjourn; and when the Assembly adjourns while a motion to reconsider is pending, the right to move a reconsideration shall continue to the next day of sitting.

Rule No. 116. Vetoed Bills.

1. Bills that have passed both Houses of the Legislature and are transmitted to the Assembly accompanied by a message or statement of the Governor's disapproval or veto of the same must:

(a) Be taken up and considered immediately upon the coming in of the message transmitting the same; or

(b) Become the subject of a special order.

2. When the message is received, or if made a special order, when the special order is called, the said message or statement must be read together with the bill or bills so disapproved or vetoed. The message and bill must be read by the Chief Clerk without interruption, consecutively, one following the other, and not upon separate occasions. No such bill or message may be referred to any committee, or otherwise acted upon save as provided by law and custom; that is to say, that immediately following such reading the only question, except as hereinafter stated, which may be put by the Speaker is, "Shall the bill pass, notwithstanding the objections of the Governor?" It shall not be in order, at any time, to vote upon such a vetoed bill unless the same shall first have been read, from the first word of its title to and including the last word of its final section. No motion may be entertained after the Speaker has stated the question, save a motion to adjourn or a motion for the previous question, but the merits of the bill itself may be debated. The message or statement containing the objections of the Governor to the bill must be entered in the Journal of the Assembly.

Rule No. 117. Reserved.

C. RESOLUTIONS

Rule No. 118. Treated as Bills—Joint Resolutions.

The procedure of enacting joint resolutions must be identical to that of enacting bills, except that:

1. Joint resolutions, upon enrollment, must be delivered to the Secretary of State; and

2. Joint resolutions proposing amendments to the Constitution must be entered in the Journal in their entirety.

Rule No. 119. Return from the Secretary of State.

An Assembly resolution may be used to request the return from the Secretary of State of an enrolled Assembly resolution for further consideration.

D. ORDER OF BUSINESS**Rule No. 120. Order of Business.**

The Order of Business must be as follows:

1. Call to Order.
2. Reading and Approval of Journal.
3. Presentation of Petitions.
4. Reports of Standing Committees.
5. Reports of Select Committees.
6. Communications.
7. Messages from the Senate.
8. Motions, Resolutions and Notices.
9. Introduction, First Reading and Reference.
10. Consent Calendar.
11. Second Reading and Amendment.
12. General File and Third Reading.
13. Unfinished Business of Preceding Day.
14. Vetoed Bills and Special Orders of the Day.
15. Remarks from the Floor, limited to 10 minutes.

Rule No. 121. Reserved.

Rule No. 122. Reserved.

Rule No. 123. Reserved.

Rule No. 124. Reserved.

Rule No. 125. Reserved.

Rule No. 126. Reserved.

Rule No. 127. Reserved.

Rule No. 128. Reserved.

The next rule is 140.

**IX. LEGISLATIVE INVESTIGATIONS AND
MISCELLANEOUS**

Rule No. 140. Compensation of Witnesses.

Witnesses summoned to appear before the Assembly or any of its committees must be compensated as provided by law for witnesses required to attend in the courts of the State of Nevada.

Rule No. 141. Use of the Assembly Chamber.

~~{1.}~~ The Assembly Chamber shall not be used for any public or private business other than legislative, except by permission of the Assembly.

~~{2.—This Rule shall remain in full force and effect throughout the interim between regular sessions of the Legislature and until new Standing Rules of the Assembly are adopted as part of the organization of a newly constituted Assembly at the commencement of a session.}~~

X. SPECIAL SESSIONS

Rule No. 142. Request for Drafting of Bills, Resolutions or Amendments.

1. Except as otherwise provided in subsections 2 and 3, the Legislative Counsel shall not honor a request for the drafting of a bill or resolution to be introduced in the Assembly during a special session, or an amendment to a bill or resolution, unless it is submitted by the Speaker, the Committee of the Whole, such other committees as the Speaker may appoint for a special session, or a conference committee.

2. The standing Committee on Legislative Operations and Elections may request the drafting of three Assembly resolutions and one Assembly concurrent resolution necessary to establish the rules, staffing, operation and organization of the Assembly and the Legislature for a special session.

3. The Speaker may request the drafting of five bills for a special session without seeking the approval of the Assembly.

Assemblyman Frierson moved the adoption of the resolution.

Remarks by Assemblyman Frierson.

Resolution adopted.

By the Committee on Legislative Operations and Elections:

Assembly Resolution No. 2—Providing for the appointment of attachés.

RESOLVED BY THE ASSEMBLY OF THE STATE OF NEVADA, That the following persons are elected as attaches of the Assembly for the 28th Special Session of the Legislature of the State of Nevada: Carol Aiello-Sala, Cindy Benjamin, Bonnie Borda Hoffecker, Sylvia Brown, Robin Bates, Dennis Humphrey, Mary Matheus, Patty Manning and Cindy Southerland.

Assemblyman Horne moved the adoption of the resolution.

Remarks by Assemblyman Horne.

Resolution adopted.

By the Committee on Legislative Operations and Elections:

Assembly Resolution No. 3—Providing that no allowances will be paid for the 28th Special Session of the Nevada Legislature for periodicals, stamps, stationery or communications.

RESOLVED BY THE ASSEMBLY OF THE STATE OF NEVADA, That for the 28th Special Session of the Nevada Legislature, no allowances will be paid for members of the Assembly for periodicals, stamps, stationery or the use of telephones and no allowances will be paid for the Speaker, Speaker Pro Tempore, Majority Leader, Minority Leader or chair of a committee of the Assembly for postage, telephone tolls or other charges for communications.

Assemblyman Horne moved the adoption of the resolution.

Remarks by Assemblyman Horne.

Resolution adopted.

By the Committee on Legislative Operations and Elections:

Assembly Concurrent Resolution No. 1—Adopting the Joint Rules of the Senate and Assembly for the 28th Special Session of the Nevada Legislature.

RESOLVED BY THE ASSEMBLY OF THE STATE OF NEVADA, THE SENATE CONCURRING, That the following Joint Rules of the Senate and Assembly for the 28th Special Session of the Legislature are hereby adopted:

APPLICABILITY OF JOINT RULES

Rule No. 1. Generally.

The Joint Rules for the 28th Special Session of the Legislature are applicable only during the 28th Special Session of the Legislature.

CONFERENCE COMMITTEES

Rule No. 2. Procedure Concerning.

1. In every case of an amendment of a bill, or joint or concurrent resolution, agreed to in one House, dissented from in the other, and not receded from by the one making the amendment, each House shall appoint a committee to confer with a like committee to be appointed by the other; and the committee so appointed shall meet publicly at a convenient hour to be agreed upon by their respective chairs and announced publicly, and shall confer upon the differences between the two Houses as indicated by the amendments made in one and rejected in the other and report as early as convenient the result of their conference to their respective Houses. The report shall be made available to all members of both Houses. The whole subject matter embraced in the bill or resolution shall be considered by the

committee, and it may recommend recession by either House, new amendments, new bills or resolutions, or other changes as it sees fit. New bills or resolutions so reported shall be treated as amendments unless the bills or resolutions are composed entirely of original matter, in which case they shall receive the treatment required in the respective Houses for original bills, or resolutions, as the case may be.

2. The report of a conference committee may be adopted by acclamation. The report is not subject to amendment.

3. There shall be but one conference committee on any bill or resolution. A majority of the members of a conference committee from each House must be members who voted for the passage of the bill or resolution.

MESSAGES

Rule No. 3. Procedure Concerning.

1. Proclamations by the Governor convening the Legislature in special session must, by direction of the presiding officer of each House, be read immediately after the convening of the special session, and must be filed and entered in the Journal of proceedings.

2. Whenever a message from the Governor is received, it shall be read and entered in full in the Journal of proceedings.

3. Messages from the Senate to the Assembly shall be delivered by the Secretary or Assistant Secretary, and messages from the Assembly to the Senate shall be delivered by the Chief Clerk or a person designated by the Chief Clerk.

NOTICE OF FINAL ACTION

Rule No. 4. Communications.

Each House shall communicate its final action on any bill or resolution, or matter in which the other may be interested, by written notice. Each such notice sent by the Senate must be signed by the Secretary of the Senate, or a person designated by the Secretary. Each such notice sent by the Assembly must be signed by the Chief Clerk of the Assembly, or a person designated by the Chief Clerk.

BILLS AND JOINT RESOLUTIONS

Rule No. 5. Signature.

Each enrolled bill or joint resolution shall be presented to the presiding officers of both Houses for signature. They shall, after an announcement of their intention to do so is made in open session, sign the bill or joint resolution and their signatures shall be followed by those of the Secretary of the Senate and Chief Clerk of the Assembly.

Rule No. 6. Joint Sponsorship.

1. A bill or resolution introduced by a committee of the Senate or Assembly may, at the direction of the chair of the committee, set forth the name of a committee of the other House as a joint sponsor, if a majority of all members appointed to the committee of the other House votes in favor of becoming a joint sponsor of the bill or resolution. The name of the committee joint sponsor must be set forth on the face of the bill or resolution immediately below the date on which the bill or resolution is introduced.

2. The Legislative Counsel shall not cause to be printed the name of a committee as a joint sponsor on the face of a bill or resolution unless the chair of the committee has signed his or her name next to the name of the committee on the colored back of the introductory copy of the bill or resolution that was submitted to the front desk of the House of origin or the statement required by subsection 4.

3. Upon introduction, any bill or resolution that sets forth the names of primary joint sponsors must be numbered in the same numerical sequence as other bills and resolutions of the same House of origin are numbered.

4. Once a bill or resolution has been introduced, a primary joint sponsor or nonprimary joint sponsor may only be added or removed by amendment of the bill or resolution. An amendment which proposes to add or remove a primary joint sponsor must not be considered by the House of origin of the amendment unless a statement requesting the addition or removal is attached to the copy of the amendment submitted to the front desk of the House of origin of the amendment. If the amendment proposes to add or remove a committee as a primary joint sponsor, the statement must be signed by the chair of the committee. A copy of the statement must be transmitted to the Legislative Counsel if the amendment is adopted.

5. An amendment that proposes to add or remove a primary joint sponsor may include additional proposals to change the substantive provisions of the bill or resolution or may be limited only to the proposal to add or remove a primary joint sponsor.

PRINTING

Rule No. 7. Ordering and Distribution.

Each House may order the printing of bills introduced, reports of its own committees, and other matters pertaining to that House only; but no other printing may be ordered except by a concurrent resolution passed by both Houses. Each Senator is entitled to the free distribution of four copies of each bill introduced in each House, and each Assemblyman to such a distribution of two copies. Additional copies of such bills may be distributed at a charge to the person to whom they are addressed. The amount charged for distribution of the additional copies must be determined by the Director

of the Legislative Counsel Bureau to approximate the cost of handling and postage for the entire session.

RESOLUTIONS

Rule No. 8. Types, Usage and Approval.

1. A joint resolution must be used to:

- (a) Propose an amendment to the Nevada Constitution.*
- (b) Ratify a proposed amendment to the United States Constitution.*
- (c) Address the President of the United States, Congress, either House or any committee or member of Congress, any department or agency of the Federal Government, or any other state of the Union.*

2. A concurrent resolution must be used to:

- (a) Amend these joint rules, which requires a majority vote of each House for adoption.*
- (b) Request the return from the Governor of an enrolled bill for further consideration.*
- (c) Request the return from the Secretary of State of an enrolled joint or concurrent resolution for further consideration.*
- (d) Resolve that the return of a bill from one House to the other House is necessary and appropriate.*
- (e) Express facts, principles, opinion and purposes of the Senate and Assembly.*
- (f) Establish a joint committee of the two Houses.*
- (g) Direct the Legislative Commission to conduct an interim study.*

3. A concurrent resolution or a resolution of one House may be used to:

- (a) Memorialize a former member of the Legislature or other notable or distinguished person upon his or her death.*
- (b) Congratulate or commend any person or organization for a significant and meritorious accomplishment.*

4. A resolution of one House may be used to request the return from the Secretary of State of an enrolled resolution of the same House for further consideration.

VETOES

Rule No. 9. Special Order.

1. Bills which have passed the Legislature, and which are transmitted to the Legislature accompanied by a message or statement of the Governor's disapproval, or veto of the same, shall:

- (a) Be taken up and considered immediately upon the coming in of the message transmitting the same; or*
- (b) Become the subject of a special order.*

2. *When the message is received or, if made a special order, when the special order for their consideration is reached and called, the said message or statement shall be read, together with the bill or bills so disposed or vetoed; and the Secretary of the Senate and the Chief Clerk of the Assembly shall, without interruption, read the message and the bill consecutively, the bill following the message, and the message and the bill must not be read upon separate occasions; and no such bill or message shall be referred to any committee, or otherwise acted upon, save as provided by law and custom; that is to say, that immediately following such reading the only question (except as hereinafter stated) which shall be put by the Chair is, "Shall the bill pass, notwithstanding the objections of the Governor?" It shall not be in order, at any time, to vote upon such vetoed bill without the same shall have first been read; and no motion shall be entertained after the Chair has stated the question save a motion for "The previous question," but the merits of the bill itself may be debated.*

ADJOURNMENT

Rule No. 10. Limitations and Calculation of Duration.

1. *In calculating the permissible duration of an adjournment for 3 days or less, Sunday must not be counted.*
2. *The Legislature may adjourn for more than 3 days by motion based on mutual consent of the Houses or by concurrent resolution. One or more such adjournments may be taken to permit a committee or the Legislative Counsel Bureau to prepare the matters respectively entrusted to them for the consideration of the Legislature as a whole.*

EXPENDITURES FROM THE LEGISLATIVE FUND

Rule No. 11. Manner of authorization.

Except for routine salary, travel, equipment and operating expenses, no expenditures shall be made from the Legislative Fund without the authority of a concurrent resolution regularly adopted by the Senate and Assembly.

RECORDS OF COMMITTEE PROCEEDINGS

Rule No. 12. Duties of Secretary of Committees and Director.

1. *Each committee shall cause a record to be made of the proceedings of its meetings.*
2. *The secretary of a committee shall:*
 - (a) *Label each record with the date, time and place of the meeting and also indicate on the label the numerical sequence in which the record was made;*

(b) *Keep the records in chronological order; and*
(c) *Deposit the records upon their completion with the Director of the Legislative Counsel Bureau.*

3. *The Director of the Legislative Counsel Bureau shall:*

(a) *Make the records available for accessing by any person during office hours under such reasonable conditions as the Director may deem necessary; and*

(b) *Retain the records for two bienniums and at the end of that period keep some form or copy of the record in any manner the Director deems reasonable to ensure access to the record in the foreseeable future.*

Rule No. 13. Reserved.

ANTI-HARASSMENT POLICY

Rule No. 14. Maintenance of Working Environment; Procedure for Filing, Investigating and Taking Remedial Action on Complaints.

1. *The Legislature hereby declares that it is the policy of the Legislature to prohibit any conduct, whether intentional or unintentional, which results in sexual harassment or other unlawful harassment based upon any other protected category. The Legislature intends to maintain a working environment which is free from sexual harassment and other unlawful harassment. Each Legislator is responsible to conduct himself or herself in a manner which will ensure that others are able to work in such an environment.*

2. *In accordance with Title VII of the Civil Rights Act, for the purposes of this Rule, "sexual harassment" means unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when:*

(a) *Submission to such conduct is made either explicitly or implicitly a term or condition of a person's employment;*

(b) *Submission to or rejection of such conduct by a person is used as the basis for employment decisions affecting the person; or*

(c) *Such conduct has the purpose or effect of unreasonably interfering with a person's work performance or creating an intimidating, hostile or offensive working environment.*

3. *Each Legislator must exercise his or her own good judgment to avoid engaging in conduct that may be perceived by others as sexual harassment. The following noninclusive list provides illustrations of conduct that the Legislature deems to be inappropriate:*

(a) *Verbal conduct such as epithets, derogatory comments, slurs or unwanted sexual advances, invitations or comments;*

(b) *Visual conduct such as derogatory posters, photography, cartoons, drawings or gestures;*

(c) *Physical conduct such as unwanted touching, blocking normal movement or interfering with the work directed at a person because of his or her sex; and*

(d) *Threats and demands to submit to sexual requests to keep a person's job or avoid some other loss, and offers of employment benefits in return for sexual favors.*

4. *Retaliation against a person for engaging in protected activity is prohibited. Retaliation occurs when an adverse action is taken against a person which is reasonably likely to deter the person from engaging in the protected activity. Protected activity includes, without limitation:*

(a) *Opposing conduct that the person reasonably believes constitutes sexual harassment or other unlawful harassment;*

(b) *Filing a complaint about the conduct; or*

(c) *Testifying, assisting or participating in any manner in an investigation or other proceeding related to a complaint of sexual harassment or other unlawful harassment.*

5. *A Legislator who encounters conduct that the Legislator believes is sexual harassment, other unlawful harassment, retaliation or otherwise inconsistent with this policy may file a written complaint with:*

(a) *The Speaker of the Assembly;*

(b) *The Majority Leader of the Senate; or*

(c) *The Director of the Legislative Counsel Bureau, if the complaint involves the conduct of the Speaker of the Assembly or the Majority Leader of the Senate.*

↪ *The complaint must include the details of the incident or incidents, the names of the persons involved and the names of any witnesses.*

6. *The Speaker of the Assembly, the Majority Leader of the Senate or the Director of the Legislative Counsel Bureau, as appropriate, shall cause a discreet and impartial investigation to be conducted and may, when deemed necessary and appropriate, assign the complaint to a committee consisting of Legislators of the appropriate House.*

7. *If the investigation reveals that sexual harassment, other unlawful harassment, retaliation or other conduct in violation of this policy has occurred, appropriate disciplinary or remedial action, or both will be taken. The appropriate persons will be informed when any such action is taken. The Legislature will also take any action necessary to deter any future harassment.*

8. *The Legislature encourages a Legislator to report any incident of sexual harassment, other unlawful harassment, retaliation or other conduct inconsistent with this policy immediately so that the complaint can be quickly and fairly resolved.*

9. *All Legislators are responsible for adhering to the provisions of this policy. The prohibitions against engaging in sexual harassment and other unlawful harassment which are set forth in this Rule apply to employees,*

Legislators, lobbyists, vendors, contractors, customers and any other visitors to the Legislature.

10. This policy does not create any enforceable legal rights in any person.

Assemblyman Frierson moved the adoption of the resolution.

Remarks by Assemblyman Frierson.

Resolution adopted.

Resolution ordered immediately transmitted to the Senate.

Assemblyman Horne moved that all rules be suspended, reading so far had considered second reading, rules further suspended, all bills and resolutions considered engrossed, declared emergency measures under the constitution and placed on the appropriate file for final passage or adoption for the balance of the 28th Special Session.

Motion carried.

Assemblyman Horne moved that Standing Rule No. 52.5 of the Rules of the Assembly for the 77th Session, which pertains to notices of bills, topics, and public hearing, be suspended for the balance of the 28th Special Session.

Motion carried.

Assemblyman Horne moved that persons as set forth on the Nevada Legislature's Press Accreditation List of September 10, 2014, be accepted as accredited press representatives, that they be assigned space at the press table in the Assembly Chamber, that they be allowed use of appropriate broadcasting facilities, and the list be included in this day's Journal:

AHORA LATINO JOURNAL: Mario DelaRosa; "ANDE ENGLEMAN, FREELANCE JOURNALIST": Andrea Engleman; AP/NEVADA PHOTO SOURCE: Kevin Clifford; ASSOCIATED PRESS: Cathleen Allison, Scott Sonner, Matt Woolbright; COVEREDGE: Tracey Frohn, Mark Materne, Robert Noble, James Parker, Matthew Sherwood, Keith Taylor, Richard Travis; COX COMMUNICATIONS/CNN: Steve Schorr; ELKO DAILY FREE PRESS: Dylan Harris; ENTRAVISION COMMUNICATIONS: Anya Arechiga, Laura Calzada, Raul Delgado, Cesar Perez; FNB ENTERPRISES LLC - VIDEO CONTRACTOR TO COVEREDGE: Rhode Roberts; FORTUNE MAGAZINE: Peter Elkind; FOX 11 NEWS: Patrick Connolly, Jaime Hayden, Ryan Kern, Matt Rosenberg; HUMBOLDT SUN: Steve Lyon; JUSTASK KIM -- KIM CORDY: Kim Cordy; KLAS-TV: Nathan Baca, Alex Brauer, Richard Czarny; KNPB CHANNEL 5 PUBLIC BROADCASTING INC.: Ben Asnis, Jeremy Dunn, Alex Muench, David Santana, Chris Zangara; KNPB-TV: Brent Boynton, Ande Engleman; KOLO-TV: Wade Barnett, Samantha Boatman, Chris Buckley, Joe Harrington, Ray Kinney, Rebecca Kitchen, Sholeh Moll, Ed Pearce, Terri Russell, Kevin Thompson; KRNV NEWS 4: Kausik Bhakta, Brooke Boone, Ryan Coleman, Chuck King, Lawrence Vosper; KRXXI FOX11 NEWS: PJ Connolly; KSNV-TV NEWS 3: Reed Cowan, Dree de Clamecy, Elizabeth Donatelli, Brandon Dyer, Richard Gacovino, Erik Ho, Chris Jones, Scott Pinkerton, Kenny Ramis, George Romero, Jim Snyder, Neb Solomon, Eric Wiener; KTNV TV: Bradley Driver, Don Guevara, Jason Harvey, Ken Johnson, Jay Romano, Victoria Spilabotte; KTVN CHANNEL 2 NEWS: Arianna Bennett, Michelle Boehler, Erin Breen, Jennifer Burton, Christopher Ciarlo, Wendy Damonte, Byron Ellis, Jeffrey Foss, Brad Horn, Jeff Martinez, Rachel Mosley, Paul Nelson, John Potter, Adam Rasmussen, Gabriela Tafolla, Gene Vance; KUNR-FM: Kate McGee; KVVU-TV FOX 5, LAS VEGAS: Kevin Bolinger, Justin Grant, Robbie Hunt; LAS VEGAS REVIEW-JOURNAL: Laura Myers, Steve Sebelius, Sean Whaley;

LAS VEGAS SUN: Matt Hufman, Steve Marcus, Sam Morris, Kyle Roerink, Cy Ryan, Conor Shine; LISA J. PHOTOGRAPHY: Lisa Tolda; NEVADA APPEAL: John Barrette, Brad Cockman, Wheeler Cowperthwaite, Geoff Dornan, James Grant, Shannon Litz, Mark Raymond, Adam Trumble; NEVADA BROADCASTERS ASSOCIATION: Adrienne Abbott; NEVADA MEDIA ALLIANCE: Teri Chadwell, Paul George, Stephanie Glantz, Robert Jenkins, Michael Marcotte, Molly Moser, Shelby Olson, Alex Pompliano, Riley Snyder, Lindsay Toste, Natasha Vitale, Abbie Walker; RALSTON REPORTS: Jon Ralston; RENO GAZETTE JOURNAL: Andy Barron, Guy Clifton, Anjeanette Damon, Brian Duggan, Tim Dunn, Ray Hagar, John Maher, Geralda Miller, Marilyn Newton, Tom Smedes; RENO NEWS & REVIEW: John Murphy; RENO SPARKS VIDEO PRODUCTIONS: William Pearce; TASMAN PACIFIC MEDIA GROUP: Donna Andres, Peter Hutchinson; TELEMUNDO LAS VEGAS: Rosana Romero; THE RECORD-COURIER: Kurt Hildebrand; THE STEALTH REPORTER: Todd Bailey; THE WENDOVER TIMES: Deeanna Croasmun; THERENOGAYPAGE: Paco Poli; UNIVISION: Jose Gonzalez; VEGAS PBS: Mitch Fox; “WE THE PEOPLE /OUR STORY, INC.”: Shayne Del Cohen; WOMENSRADIO: Pat Lynch.

Motion carried.

INTRODUCTION, FIRST READING AND REFERENCE

By the Committee of the Whole:

Assembly Bill No. 1—AN ACT relating to commerce; extending the duration of the Economic Development Electric Rate Rider Program; requiring the Office of Economic Development to make certain determinations before approving an application for participation in the Program; and providing other matters properly relating thereto.

MOTIONS, RESOLUTIONS AND NOTICES

Assemblyman Frierson moved that Assembly Bill No. 1 be placed on the Chief Clerk’s Desk.

Motion carried.

INTRODUCTION, FIRST READING AND REFERENCE

By the Committee of the Whole:

Assembly Bill No. 2—AN ACT relating to commerce; exempting certain manufacturers of electric passenger cars from the requirements relating to franchises for the sale of motor vehicles and repairs or maintenance on motor vehicles owned by private persons; requiring the exempted manufacturers to be licensed and regulated as new vehicle dealers; and providing other matters properly relating thereto.

MOTIONS, RESOLUTIONS AND NOTICES

Assemblyman Frierson moved that Assembly Bill No. 2 be placed on the Chief Clerk’s Desk.

Motion carried.

INTRODUCTION, FIRST READING AND REFERENCE

By the Committee of the Whole:

Assembly Bill No. 3—AN ACT relating to commerce; limiting certain credits which may be used against an insurer’s liability for the general tax on

insurance premiums for a certain period and eliminating those credits after that period; and providing other matters properly relating thereto.

MOTIONS, RESOLUTIONS AND NOTICES

Assemblyman Frierson moved that Assembly Bill No. 3 be placed on the Chief Clerk's Desk.

Motion carried.

Madam Speaker announced if there were no objections, the Assembly would recess subject to the call of the Chair.

Assembly in recess at 1:18 p.m.

ASSEMBLY IN SESSION

At 1:20 p.m.

Madam Speaker presiding.

Quorum present.

MOTIONS, RESOLUTIONS AND NOTICES

Assemblyman Frierson moved that the Assembly resolve itself into a Committee of the Whole for the purpose of public comment.

Motion carried.

IN COMMITTEE OF THE WHOLE

At 1:21 p.m.

Chair Kirkpatrick presiding.

Quorum present.

(See Appendices for documents referenced
in Committee of the Whole.)

CHAIR KIRKPATRICK:

The Committee will now come to order. There are a couple of rules that I would like to go over, just so folks are comfortable. One, please turn on your mic if you want to be heard. This is just a much bigger committee, but it is no different than the committee format that we have on a regular basis. No cell phones. Please be mindful of other folks' comments. Every comment counts.

I am not going to ask you to stand because in committee we do not stand; we sit. We are having a regular discussion. For those who are listening on the Internet and those who are videoconferencing from Las Vegas or from Elko, the way to access the exhibits later in the day is to go to the Nevada Legislature's website, go to the 28th Special Session; go to the Committee of the Whole, and you will be able to see any exhibits that come before us.

LEE HOFFMAN, PRIVATE CITIZEN, ELKO, NEVADA:

Thank you very much to our Assembly for this opportunity. My name is Lee Hoffman. I am a longtime resident of Elko, retired after almost 40 years in the mining industry. To be clear, I want everybody to understand that I am currently the chairman of the Elko County Republican Party, and I am the Nevada National Committeeman of the Republican National Committee. However, also to be clear, today I am representing just myself as a citizen of the state of Nevada. I am not representing the Republican Party or my former employers in the mining industry.

I do not wish to address any single piece of legislation, because this is something I believe the Assembly is considering as a whole package, and I have not had the opportunity to review the specific pieces of legislation. So, I would really rather address this package as a whole, if that is alright.

First, I ask you, as a deliberative body, to make sure you take the necessary time and not rush through this process with these pieces of legislation, because this is a very complex deal and decision. I am sure you will do that, and I am sure that in the process of your discussion, there is going to be quite a bit of talk about whether this is a good business proposition. I would just ask that the deliberative body also consider very carefully not just whether this is a good business decision, but whether this is proper business for a state government to do: benefit one specific industry and one specific business and, in effect, pick winners and losers in business. That is an item that worries me quite a bit. I feel a little bit conflicted on this question because I think about what would have happened if that were the approach when the railroads were crossing this country. Government, in fact, did get involved and gave away land, and that changed the face of the nation. There are really arguments, both directions, on government involvement in business. I think you have to be very careful in doing this.

I am specifically concerned about a couple of features of this overall package. I certainly understand the argument that tax abatements bring productive real estate into use; actually, they are a good thing because otherwise, that real estate sits there not generating any revenues. I understand the argument that if this business does not come to Nevada, many of those revenues for the state will not be there anyway. As far as the property and sales tax portions of the abatement go, that seems to make sense. But there are a number of things that will, in fact, cost the state a great deal of money, including specifically the transferable tax credits. If I understand that correctly, that is on the order of \$200 million. The discounted electricity rates that generate \$8 million will not come out of the state coffers, but it will come from other users. The USA Parkway right-of-way for \$43 million and however much it is going to cost to extend that road—those are all things that will have to be made up from other revenues within the state. They will benefit this specific business, this specific industry, at the expense of other businesses, other taxpayers, other consumers.

I just ask that you please carefully consider all of that, and again, I am very concerned about the use of those public funds to benefit one industry, one specific company in an industry. I think, Madam Speaker, that those are the concerns I wanted to put before this body, and I thank you for this opportunity.

CHAIR KIRKPATRICK:

Thank you. What I hope is that, as language comes about, you can stay and give us some specifics when we take the merits of each bill one by one. Each bill is a stand-alone bill, but they all work for the long term going forward. I hope that you will stay and be part of that, but I did not want to miss the opportunity to hear from folks across the state. I appreciate you participating.

Is there anybody else under public comment that would like to speak? Welcome, Mr. Lawrence.

GEOFFREY LAWRENCE, DIRECTOR OF RESEARCH, NEVADA POLICY RESEARCH INSTITUTE:

For the record, this is Geoffrey Lawrence. I am Director of Research at Nevada Policy Research Institute.

As with the previous speaker, I would like to take a minute to address not a specific bill—I have not actually gotten a chance to see them all—but kind of in totality. I would like to, without rehashing what the previous speaker said, second his concerns, but also mention that I have spent a couple of hours this morning reviewing the economic impact analysis from the Governor's Office of Economic Development [GOED] that was made public late yesterday afternoon. I have to say that in my professional opinion, it is a pretty impressive body of work, and that the low cost, or the low end of the projections, seem plausible based on the assumptions, based on my background as an economist. However, there are a couple of things to be aware of in that report. One is that the high end makes some assumptions about the development of clusters and technology transfer that may not be applicable to a rural battery manufacturing facility. They are basing those estimates off assembly plants in other areas, and the author has

actually acknowledged explicitly that the high-end projections may be untenable. However, I would also like to highlight that even the low-end projections are highly dependent on what you assume to be the appropriate multiplier effect. They are assuming that the indirect and induced number of jobs would bring total job impact from 6,500 direct jobs up to 22,000 jobs.

Now, this deal has been examined based on what public information is available. It has also been examined by NYU Professor Robert Florida, who is an expert in the economic impact of high-tech manufacturing plants. He says:

The state of Nevada says the factory will ultimately create 22,000 jobs after the multiplier effect of the gigafactory is taken into account. That is a number of more than three times the number of direct jobs. A smaller multiplier, say around 1.5, is generally thought to be more in line with something like a high-tech battery plant.

If you are taking a multiplier of about 1.5—even assuming that the 6,500 direct jobs are created, which he also calls into question—that still leaves you with a total job impact of less than 10,000. Put another way, the total subsidy package per job in that analysis would be more than \$100,000. Even if it were a high-paying job, say \$25 an hour, it would then take a long time for that investment to break even.

These are concerns that you should probably take under consideration going forward because there has been only one analysis to date of this proposal, and there has been very limited time for other people to review that analysis or come up with competing analyses. The information available is sparse, and it is even more concerning that that GOED report has clearly been in existence for at least a week. It has been cited by the Administration. However, it only became a public document late yesterday afternoon. It is a very lengthy and technical document. It will take time to review in detail, and I am concerned that even members of this body who are being asked to vote on this package, based in part on that information, will not have time to review that information in detail. I think there are a lot of moving parts to consider here, but I think that the lack of timely information and the lack of transparency in this whole process should be disconcerting for everyone involved. Thank you.

CHAIR KIRKPATRICK:

Thank you, Mr. Lawrence. When we come back later in the afternoon, we will take public comment on every single bill, just so we can do exactly what you are talking about, walking through them.

BOB FULKERSON, PROGRESSIVE LEADERSHIP ALLIANCE OF NEVADA:

Madam Speaker, members of the Assembly, thank you very much for this opportunity to testify. My name is Bob Fulkerson. I am here on behalf of PLAN, the Progressive Leadership Alliance of Nevada. We sent a letter out this morning to you all. I will not read that, but I just want to reiterate one or two key points for your consideration.

I think the first key point is the so-called gamble-free return on investment of an 80-to-1 payoff that the Sandoval Administration is saying is a guarantee. We think that caution is very much urged on this and would urge you to ask your Legislative Counsel Bureau to verify this independently. Because if that is not true, then this house of cards could fall down. When we are betting the house—you know, my grandfather said, “Never bet more than you can afford to lose.” I do not know if we can afford to lose a gamble this big.

We do support taxpayer investments in education and infrastructure because they benefit all employers. This subsidy package is 14 times bigger than any prior deal in Nevada history, so it deserves 14 times more caution and safeguards to protect our taxpayers.

I thank you for your consideration, and I thank you for your service to our state.

CHAIR KIRKPATRICK:

Thank you, Mr. Fulkerson, and I hope you will stay around. I know that I have told everybody we will be here as long as it takes to go through bills and really understand, because folks own whatever happens.

JAN GILBERT, PRIVATE CITIZEN, CARSON CITY, NEVADA:

I am Jan Gilbert, representing myself, a citizen of this state. I have read practically every article on this issue that I can, from *The New York Times* and beyond, and I am slightly appalled that we are moving forward on this. I wish you would all take your time. Do not rush. I do not believe this is good for Nevada. I think there are a lot of reasons why we outbid everybody else. We gave away the farm. We are requiring them to put into our educational system, but for a very short time, knowing they are going to be getting tax breaks from us for 20 years. I had to come today because of this reason, and I hope you will be very careful. I think the public agrees with me, and I hope you are listening to them. I know there have been some forums where you are making yourselves available to the public. I would be very, very careful of what this is going to do to our state in the long run. Thank you.

CHAIR KIRKPATRICK:

Thank you, Ms. Gilbert. We appreciate that. Any other public comment at this time?

CHRISTINE KRAMER, PRIVATE CITIZEN, LAS VEGAS, NEVADA:

My name is Christine Kramer. I am from Las Vegas. I am testifying just for caution on this bill. I was a manager out at Tahoe Regional Industrial Center [TRIC] in Storey County. The tremendous number of social service resources that were necessary for employees who needed to work out there is of great concern to me. We are reporting that these wages are \$25 an hour. I would like to see that this bill is constructed in such a way that that is actually gross-to-check, that we have accounting methods in which there is a cut that the employees are actually paying to have themselves supervised, there is a cut to the management of the facility, and there is a cut to temporary service agencies.

Additionally, I am concerned about wage theft, which occurs when employees on a production line of work are instructed to show up 30 minutes to 45 minutes early and clock in, but that line does not start paying them until it is all started. Our employees out there also have an inadequate ability to access public transportation, and they are often at the mercy of temporary employment agencies. They get off their shift, but they are still paying for childcare and they are still waiting for another two to three hours to go home if the rest of those workers do not have work.

I support Bob Fulkerson's testimony that these should be direct hire jobs. If we are giving direct money and directly facilitating this company, we need to ensure that those are direct hire jobs and that these are quality jobs coming into our community. I spent a lot of time as a human resources manager out in TRIC signing forms so that hardworking Nevadans who work more than 40 hours a week—at Christmastime, they are out picking and packing 60 hours a week—still qualify for food banks. They still qualify for subsidized housing. We need to work as Nevadans to ensure that these are very good jobs. Thank you.

CHAIR KIRKPATRICK:

Thank you, Ms. Kramer. I hope you will stay around to see the language because I think the language will really let folks digest it.

KENNETH EVANS, PRESIDENT, URBAN CHAMBER OF COMMERCE:

For the record, Kenneth Evans, President, Urban Chamber of Commerce, 1951 Stella Lake Street here in Las Vegas, Nevada. For the record, I just wanted to say that from our perspective as a business chamber, we are happy to see this deliberation occurring. From our standpoint, the prospect of a \$5 billion factory being built is a very positive one. In addition to that, the Governor, in his proclamation and press conference, mentioned that ultimately there is the potential for \$100 billion worth of economic activity. From our standpoint, we are very supportive of that. At the same time, what we will be watching for and would like to see is participation on the part of DBEs, MBEs, and WBEs. For the record, by definition, DBEs are disadvantaged business enterprises, WBEs are women-owned business enterprises, and MBEs are minority-owned business enterprises. From our standpoint, given the level of economic activity that will occur, we would hope to encourage Mr. Musk and the other senior executives involved with Tesla to do some form of outreach to these types of firms and other small

businesses to ensure that we can participate and our members can participate in this economic activity.

Finally, since Tesla is relatively new to our business community, we—and I am sure there are other chambers as well—offer our support for the project as well as offer ourselves as a conduit to help identify DBEs, MBEs, and WBEs that may have some area of expertise, either directly as contractors, subcontractors, architects, and engineers, to get the initial development done for the factory or, on the back end, to participate in other procurement activities related to the actual production, distribution, and eventual sales of the batteries. Thank you very much.

CHAIR KIRKPATRICK:

Thank you, Mr. Evans. I appreciate that and I hope you will stick around as we deliberate later this afternoon. This Committee is adjourned.

On motion of Assemblyman Frierson, the Committee did rise and report back to the Assembly.

ASSEMBLY IN SESSION

At 1:46 p.m.

Madam Speaker presiding.

Quorum present.

Madam Speaker announced if there were no objections, the Assembly would recess until 3:30 p.m.

Assembly in recess at 1:48 p.m.

ASSEMBLY IN SESSION

At 4:32 p.m.

Madam Speaker presiding.

Quorum present.

MESSAGES FROM THE SENATE

SENATE CHAMBER, Carson City, September 10, 2014

To the Honorable the Assembly:

It is my pleasure to inform your esteemed body that the Senate on this day adopted Assembly Concurrent Resolution No. 1.

TIMOTHY K. TAYCHER
Assistant Secretary of the Senate

MOTIONS, RESOLUTIONS AND NOTICES

Assemblyman Frierson moved that Assembly Bills Nos. 1, 2, and 3 be taken from the Chief Clerk's desk and referred to the Committee of the Whole.

Motion carried.

Assemblyman Frierson moved that the Assembly resolve itself into a Committee of the Whole for the purpose of considering Assembly Bills Nos. 1, 2, and 3.

Motion carried.

IN COMMITTEE OF THE WHOLE

At 4:34 p.m.

Chair Kirkpatrick presiding.

Quorum present.

Assembly Bill No. 1 considered.

(See Appendices for documents referenced
in Committee of the Whole.)

CHAIR KIRKPATRICK:

The Assembly Committee of a Whole will come to order. At this time, I want to remind folks of the rules of the Committee of the Whole. You do not have to stand. You can hit your light, and we will make sure that your questions are answered. We will hear testimony on each bill and discussion will be had. We will take public comment at the end of every bill. At this time, on our agenda are Assembly Bill 1, Assembly Bill 2, and Assembly Bill 3, and we will start with A.B. 1.

If I could have the folks that would like to present A.B. 1 come forward, that would be great. I have one reminder for folks that are testifying. More public comment is the best. You are for the bill, you are against the bill, or you are neutral with an amendment or you are neutral by yourself. I like the record to be clean.

PAUL THOMSEN, DIRECTOR, GOVERNOR'S OFFICE OF ENERGY:

Good morning, Speaker Kirkpatrick, Minority Leader Hickey, and members of the Committee. Thank you for inviting me to speak today.

My name is Paul Thomsen, and I am the Director of the Governor's Office of Energy and serve as the Governor's energy advisor. In these positions, I am responsible for meeting the mission of the Governor's Office of Energy, which is to ensure the wise development of Nevada's energy resources in harmony with local economic needs and to position Nevada to lead the nation in renewable energy production, energy conservation, and the exportation of energy. The Governor's Office of Energy implements the laws of the state as defined in the *Nevada Revised Statutes*. It manages energy-related programs; facilitates cooperation among key stakeholders; advises the Governor on energy policy; and collaborates with our local, regional, and federal partners to ensure a reliable, sustainable energy system. I have a decade of experience in Nevada's energy sector, and before coming to the Governor's Office of Energy, I served as the director of policy and business development for a global, publicly-traded, renewable energy company headquartered right here in Nevada.

Last session, Speaker Kirkpatrick introduced the [Economic Development Electric] Rate Rider Program in A.B. 239 [Chapter 504, *Statutes of Nevada 2013*] to encourage the location or relocation of new commercial and industrial businesses in this state by providing discounted rates for electricity to eligible participants. Eligible participants for the Rate Rider Program will see a discount in their base tariff energy rate by the following amounts: In the first year, there was a 30 percent reduction in the effective rate period. In the second and third years, there was a 20 percent reduction in the effective rate period; in the fourth year, there was a 10 percent reduction in the effective rate period; and in the fifth year, there was a zero percent reduction in the effective rate period.

To be eligible for the Rate Rider Program, the business must satisfy these requirements: The business "is or intends to be a new commercial or industrial customer of an electric utility" in Nevada. Many of you have asked what that means. That means that the business "is not, and has not been during the immediately preceding 12 months, a customer of any electric utility" in Nevada. The new load to be served by the electric utility has to be more than 300 kilowatts, and the electric utility has to determine that the business' use of that load is not for a project, purpose, or facility that carries an abnormal risk, is seasonal, intermittent, or temporary. Finally, that business has had to apply "for each economic incentive, including, without limitation, any abatement or partial abatement of taxes, offered by the State or any local government for which

the applicant is eligible.” A business that desires to apply for the Rate Rider must first file an application with the Governor’s Office of Economic Development requesting a letter of eligibility. If the requirements are met, the Nevada Governor’s Office of Economic Development will provide that letter of eligibility to the Public Utilities Commission of Nevada for final approval to participate in the Rate Rider Program. Upon approval of the Public Utilities Commission of Nevada, the business will then enter into a contract with the applicable electric utility pursuant to that program.

Now, working since her first session on these issues, Speaker Kirkpatrick, with support from NV Energy, the Governor’s Office of Energy, the Governor’s Office of Economic Development, and a unanimous vote of this Chamber, was able to pass this program to see if developers would really come if we lowered rates. Well, I am happy to say that they are coming. This bill before you today simply takes the existing Rate Rider Program approved in A.B. 239 and extends it for five years, thus making the five-year program a ten-year program that provides developers the confidence and longevity needed to locate their facilities right here in Nevada.

A business that qualifies for the Rate Rider will now see a discount in its base tariff energy rate by the following amounts: In the first two years, they will see a reduction of 30 percent in the effective rate period; they will see 20 percent in the third through sixth years of the effective rate period; a 10 percent reduction in the seventh and eighth years of the effective rate period; and zero percent in the final two years of the effective rate period.

Many of you have asked what the impact is to Sierra Pacific ratepayers, and I am happy to say that the annual impact to residential ratepayers stays exactly the same as under the existing program, but will be in effect longer. Tony Sanchez from NV Energy is here to testify to the specifics of the rate structures for all rate classes.

This program was specifically designed to be administered by the Public Utilities Commission of Nevada in consultation with the Governor’s Office of Economic Development. On June 14, 2013, the Commission opened a rulemaking to address the Rate Rider Program. The rulemaking was designated by the Commission as Document No. 13-06022. Workshops were held; comments were filed; reply comments were filed; and appearances were made by the Bureau of Consumer Protection, NV Energy, Southwest Gas, the Public Utilities Commission staff, the City of Henderson, the Office of Economic Development, and others. Draft regulations were sent, investigations were conducted, notices of intent were issued, more workshops were held, and ultimately the Commission adopted as permanent the proposed regulations, LCB File No. R072-13, on December 3, 2013. I bring this up because I believe it is critically important to note that this program has previously passed unanimously by the Legislature and has been thoroughly reviewed and approved by the Public Utilities Commission of Nevada.

Finally, I would like to make it very clear that this program is a statewide program capped at 50 megawatts by statute. This is available to each electric utility in this state, and the Public Utilities Commission of Nevada made it very clear that each electric utility shall set aside 25 megawatts for capacity allocation to new customers pursuant to this program. So, should a company in Sierra Pacific’s territory apply, be approved, and receive a portion or all of the 25-megawatt allotment, only ratepayers in that service territory will be affected. Should a company in Nevada Power’s service territory apply, be approved, and receive a portion or all of the 25 megawatts, only ratepayers in that service territory would be affected.

As you all know, energy is a critical component to economic development. Nevada’s commitment to streamline permitting, modern infrastructure, and enhanced incentives have proven to companies around the world that Nevada means business. Programs such as the Economic Development Rate Rider are critical to supporting Nevada’s continued economic comeback.

I want to thank Speaker Kirkpatrick, Minority Leader Hickey, and members of this Committee. I look forward to answering any questions you may have.

CHAIR KIRKPATRICK:

Thank you, Mr. Thomsen. We do have questions. I will start with Mr. Eisen, who has some questions.

ASSEMBLYMAN EISEN:

Mr. Thomsen, if you could help clarify some of the language in the bill in section 1, subsection 4, the new language that reads, “if the approval, as determined by the Office of Economic Development, is in the best interests of the State.” What I would like you to do, if you can, is help me understand what the definition of that is, “in the best interests of the State,” and how that would be evaluated, how it would be measured, how it would be reported and documented.

PAUL THOMSEN:

Assemblyman Eisen, I do not think there is a specific definition of what is in the best interests of the state of Nevada, and I hate to speak for the Director of the Office of Economic Development, but I think this would consist of looking at things like the number of jobs created, future tax revenue generated, and overall economic impact of the project. This clause allows the Director to evaluate projects and try to triage them as they apply for what is a very limited amount of power that can be used under the Economic Development Rate Rider.

ASSEMBLYMAN EISEN:

Can you tell me a little bit more about how that would be assessed and how it would be documented? We want to make sure that this is clear and that we are measuring potential applicants by the same yardstick. Do we have a sense of how we are going to report that out, how we are going to make that transparent to the members of this body and to the public?

PAUL THOMSEN:

Again, not trying to speak for the Director of the Office of Economic Development, who is in the other chamber at the moment, but typically agencies—if this was the Office of Energy, for example, we would create criteria and try to follow that, and most of that is open to public records requests and open meeting laws. I believe that information would be available for what the criteria were and how a company was selected or, in this case, deemed to be in the best interest of the state of Nevada.

ASSEMBLYWOMAN SPIEGEL:

Mr. Thomsen, I have a question that is actually related back to the old language, but I am wondering if you could help clarify. In section 1, subsection 3(b), it says, “The applicant is not, and has not been during the immediately preceding 12 months, a customer of any other electric utility in this State.” As I was reading it, I was wondering if you thought it would be possible for the intent to be circumvented by a company doing a spinoff and having a new wholly owned subsidiary apply as a new customer if they had not been doing business under that name in the state in the immediate prior 12 months.

PAUL THOMSEN:

To Assemblywoman Spiegel, I think that is a very interesting question, and I think a very good one. The statute is quite clear that it cannot have been a company that has received electricity from the utility. I think you bring up a legal question. Can subsidiaries or special purpose subs apply as new companies? I think that is a legal interpretation that I do not have the answer to, but I think a company can have subsidiaries that are new companies, and if they have a new business license and want to purchase power for the first time in this state, I do not know if that is circumventing it, but I think that is something to closely evaluate.

CHAIR KIRKPATRICK:

I want to understand because, at least from the intent of the bill last session, there are some checks and balances, right? So you do work with the utility, Mr. Thomsen? Maybe Mr. Sanchez could elaborate on that partnership.

TONY SANCHEZ, SENIOR VICE PRESIDENT OF GOVERNMENT AND COMMUNITY STRATEGY, NV ENERGY:

That is something that we have looked at, Assemblywoman Spiegel. When we have somebody establish new power—for example, say they have a company in Las Vegas and then they have a subsidiary relocate to Reno—that would be considered a new customer for our

purposes. I concur with Mr. Thomsen's assessment that it is a legal question as to the structure of that new entity, that subsidiary of that company. I would point out that there is some discretion, with the Governor's Office of Economic Development working with the PUC, to also taking a look at those issues and having some checks and balances there. In terms of those issues, that could be brought up, especially if you were in a situation where you have multiple applicants for a limited pool of megawatts, as we have in this case.

CHAIR KIRKPATRICK:

I want to remind committee members, because we are in a committee, these are all stand-alone bills, and so these bills will be in place for a long time, unless, of course, the Legislature decides to change them next time.

ASSEMBLYMAN SPRINKLE:

Just a comment on a previous question. I am not totally sure I am okay with the answer as far as a definition of "best interests of the State." Some others may be asking that as well, but my question specifically to you is, Help me remember our legislative session when this was first passed. When these incentives are granted—once the whole process has gone through and these incentives are granted—is there some sort of transfer, then, of the rates on to the private consumers? Is there something that everybody else should expect as far as a bump in what they may be paying because we are granting these incentives?

PAUL THOMSEN:

Mr. Sanchez is going to testify specifically to the rate structure, but yes, when this Assembly unanimously passed it the first time, there was a very small incremental increase to the rates for all ratepayers to provide this incentive to any company that wanted to move to and start doing business in the state of Nevada. I would like to defer and let Tony try to take a shot at explaining it and then come back if that does not answer your question.

TONY SANCHEZ:

At the outset, I would like to state for the record that we concur with Mr. Thomsen's very thorough overview of the program as it exists today and how it will be expanded under the proposal in Assembly Bill 1. Not wanting to repeat everything that Mr. Thomsen indicated, I will focus my brief remarks by summarizing the rate aspects of the proposed changes to the program.

The bill before you today extends a discount that was approved in Assembly Bill 239 last session. Under that bill, which was passed unanimously in both houses, there is a discount to the base tariff energy rate—we refer to as the energy rate—for a customer that meets the requirements under the program. The energy rate I am referencing is the portion of a customer's bill that covers the fuel consumed by our power plants. By way of an analogy, let us say you own a car or a truck; the reduction proposed to be extended here would not subsidize the cost of the car or the truck or insurance or maintenance, but rather the gas costs of that vehicle.

During the last legislative session, we worked with Speaker Kirkpatrick and the Governor's Office of Economic Development to structure a rate that could help attract new commercial and industrial customers to Nevada. The measure passed both houses; the rulemaking, as Mr. Thomsen indicated, has been completed by the Public Utilities Commission of Nevada; and a tariff has been established as of two months ago.

As described by Mr. Thomsen, the bill today extends the 30 percent discount in the energy rate in the first year to two years; it extends the 20 percent discount in years three through six; and extends the 10 percent discount in years seven and eight. In addition, the customer would remain a customer of NV Energy for a ten-year instead of a five-year term. This means we are providing their energy needs beyond anything that they produce onsite for themselves. The amount of the discount is tied to the customer's energy use, or what we refer to as the load factor, and the energy rate. The load factor is a measure of how much power a customer uses. For example, if a customer uses the maximum amount of power they can over a one-year period, that customer would have, for example, a 100 percent load factor. High load factor customers are typically large customers such as mining, gaming, data centers, and large manufacturers.

CHAIR KIRKPATRICK:

Mr. Sanchez, can I stop you there? I tried for five sessions to get something like this, because we kept hearing from the manufacturing folks that this did not—we are not competitive with other states. So we have been hearing that for a long time. I do not see Mr. Bacon, but I hope he is here because he has been pounding that in my head for a long time.

I think Mr. Sprinkle is trying to understand for his constituents and the northern region what that means. Mr. Thomsen said that there is no residential impact. Are you trying to ask how that rate is calculated, Mr. Sprinkle? Because it is complicated. I think if you could clarify your question, that would be helpful.

ASSEMBLYMAN SPRINKLE:

Thank you, Madam Chair, and I think that you actually did. What I am trying to understand is specifically just that—questions that I have heard from my constituents. If these incentives are given out wherever, who is going to pick up the cost for these decreases and these incentives? Is it going to be the individual ratepayer?

TONY SANCHEZ:

We did an analysis at NV Energy of the impact with the extension of this program for an additional five years. To quantify exactly how much of the discounted power will be provided, there are a couple of variables that we need to know about: the load factor of the customer, how many megawatts they are applying for, and how many total project participants there are. In our analysis, we looked at three different types of potential customers: somebody with a 50 percent load factor, which is the minimum amount you have to have to qualify for this program—and a 50 percent load factor customer means they are using half of what they could use—as well as a customer that might use an 80 percent load factor, and then finally a 90 percent load factor. The results of that analysis show that in our northern service territory, for example, if there were one customer utilizing all 25 megawatts and they were at a 50 percent load factor, they would receive an additional discount of about \$3.8 million; at 80 percent, \$6.2 million; and at 90 percent, they would receive \$6.9 million. There is a similar analogy for southern Nevada as well. We do not know the actual load factor any particular customer is going to apply at this point. We did look at the 90 percent scenario because that is going to be the highest level that we could possibly anticipate.

So what does that mean for our customers? At a 90 percent load factor level, the impact to an individual residential customer, for example, in northern Nevada is going to be an average of about \$1.84 a year, or about 15 cents a month. For southern Nevada, it would be \$1.26 for the year, or about a little over 10 cents a month, for that customer over the eight years of the subsidy.

I would note that this body has passed, in previous legislative sessions, very similar electric rate riders for other industries. For example, not even ten years ago there was an interruptible water agriculture rate that was passed by this body, by both houses, and that is for large-scale farming, predominantly in northern Nevada, and that is currently being subsidized by northern Nevada customers to the tune of \$11 million a year. That is larger than this program.

ASSEMBLYMAN SPRINKLE:

Then just to summarize that, there would be some type of pass on to the individual rate customer. I do kind of recall this now from the session. It seems like it is very minimal and the trade-off, then, is simply going to be that we are giving these incentives to get new industry in here, and everybody is kind of coming together to help better the state. Is that correct?

TONY SANCHEZ:

I would concur with you Assemblyman, and I know Mr. Thomsen wants to elaborate on that point as well.

PAUL THOMSEN:

To Assemblyman Sprinkle, I want to try to simplify a complicated issue. When we looked at this analysis and in conversations with potential customers, there was a real desire to increase the amount of megawatts that would be eligible under this Economic Development Rate Rider, and the Governor's Office pushed back on that and said we did not want to increase the rate impact

that had already been approved by this Legislature. To oversimplify, because it affects the base tariff energy rate, the impact to your constituents would be about .0002 cent per kilowatt-hour—and this is an approximation, on average, based on how much they consume—if this new company consumes the maximum amount of power that it can under the 25-megawatt cap. If you look at your bill and know how many kilowatt-hours you consume, you can calculate this impact: .0002 cent per kilowatt-hour increase across all rate classes. If you are a large consumer and consume a lot of power, you obviously have a bigger percentage. Then what Tony gave you is if you take the average kilowatt-hours consumed in a year—let us call that 9,000—you get to this \$1.80 range, and this is an approximation based on those assumptions. That is about the highest impact that any residential ratepayer will pay in Sierra Pacific's territory.

ASSEMBLYMAN ELLISON:

There are a couple of questions that I was going to ask. Basically, from what I just understood, the rate increase is going to be on all of NV Energy's customers in the whole northern part of the state. Is that correct? That is my first question.

TONY SANCHEZ:

That is correct, Assemblyman.

ASSEMBLYMAN ELLISON:

Thank you. What happens if a project is phased in, for instance the facility we are looking at? What if this is phased in? Instead of them coming in and using 25 kilowatts of power, say they are going to phase this thing in in sections. So they are going to use a smaller amount of power until they get this thing up to speed, but Nevada Energy is going to have to invest millions of dollars to get into the infrastructure, no matter if they use a small one or a big one. Is that rate increase going to be increased higher? Because you are basing everything on a higher rate right now, but from what I understand, they are going to phase this project in. Is that not correct? Maybe I am wrong.

CHAIR KIRKPATRICK:

Mr. Sanchez, can you give the folks a visual of what 25 megawatts looks like? I think energy is a little bit complicated. It would be super hard to phase in 5 kilowatts and then 1 kilowatt, right?

PAUL THOMSEN:

Madam Chair, to give you kind of a metric on the size of a megawatt, that is enough power to power approximately a thousand homes. The total amount of power allocated to the Sierra service territory is 25 megawatts. An applicant can apply for the entire 25 megawatts or a portion of that. Now, if they are going to phase in power, I guess the good part about this bill is that those incentive dates do not change. If they use a smaller amount of power when there is a 30 percent incentive and a larger amount of power when there is only a 10 or a zero percent incentive, all that has done is reduce the rate impact that we talked about for all your residents, because we are only giving incentive for the power consumed during that period of time. If you remember, in years one and two, it is a 30 percent incentive; in years three through six, it is a 20 percent incentive; in years seven and eight, it is a 10 percent incentive; and in nine and ten, zero. So, if they finally ramp up and start using the most amount of power in year nine or ten, there is no incentive.

ASSEMBLYMAN ELLISON:

What happens if you have a company that defaults? At that point in time, does the incentive program stop? Where do we go at that point in time if you do have a company out there that defaults?

TONY SANCHEZ:

In the current regulation—and again, we cannot emphasize enough that this is a five-year extension to a program that has already been developed, the rulemaking has been developed—and under the existing rulemaking, there is a clawback feature so the Public Utilities

Commission of Nevada would be able to go and get those dollars back if they default during that ten-year contract.

ASSEMBLYWOMAN BENITEZ-THOMPSON:

My question is specific to section 2, subsection 4 there on page 4 where it is talking about the contract that is entered into between the applicant and the PUC, and then it is approved by the Office of Economic Development. It looks like the contract is seen by a couple different sets of eyes, but is that contract something that is a public document with all provisions therein public as well?

STEVE HILL, EXECUTIVE DIRECTOR, GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT:

I am the Director of the Governor's Office of Economic Development, and I am happy to say your bill worked. It is intended to help manufacturing companies. It was important and very helpful. If I understand the question correctly, the contracts that will be signed between the company and our office will be public documents, yes.

ASSEMBLYMAN HICKEY:

Mr. Hill, you just answered part of my question, but I would like a little more detail. This bill is working, and I realize we have not had a lot of time, but do you already see indications that companies have been more interested and, in effect, incentivized by this as a result of this discounted rate? Secondly, we have heard in this context this bill is applying to certain manufacturing companies, but is it not also the case that a new gaming institution or a mining company could also apply in Nevada for this same discounted rate, if applicable?

STEVE HILL:

The program is very new. The regulations that were processed through the Public Utilities Commission were issued six weeks ago, eight weeks ago, something along those lines. We have seen interest as a result of the legislation passing. We have been keeping track of that interest. We have two applications that have been filled out. As I think was mentioned earlier, the program, through regulation, was divided 25 megawatts in northern Nevada, 25 megawatts in southern Nevada. The proposed agreement with Tesla would utilize these 25 megawatts in northern Nevada. We have seen interest in southern Nevada as well. We think it will be successful down there. But you are right. The program is relatively new, so it is a little bit hard to measure at this point.

TONY SANCHEZ:

And if I might expand on that, Madam Speaker, under the current regulations, if the northern Nevada 25 megawatts were fully subscribed and there were no takers for the southern Nevada 25 megawatts, the PUC, working with Mr. Hill's office, has the ability to reallocate those on a best-interest-of-the-state policy.

ASSEMBLYWOMAN BUSTAMANTE ADAMS:

Mr. Hill, in section 1, subsection 4 where the Office of Economic Development determines whether the applicant satisfies the criteria for eligibility, is that determined by you as the Director or does it go through the same process? Could remind me again the process that GOED follows for other types of eligibility for abatement?

TONY SANCHEZ:

If I might start, Assemblywoman Bustamante Adams, the criteria is also on page 3, subsections (a) through (e). Those are the criteria set forth in the law: that they are a new commercial or industrial customer for the state; that they have not been a customer of NV Energy's energy in the previous 12 months; that the new load to be served by the utility to that customer is more than 300 kilowatts; that the use of the load is not for a project or purpose or facility which carries an abnormal risk; and that the applicant has applied for each of those economic incentives that are offered through other programs for the state. Those are the five things that Mr. Hill's office looks at and deems whether those have been met. That is very straightforward in that provision. I think then at that point, the Public Utilities Commission also takes a look at the contract and calculates the rate and works closely with his office.

STEVE HILL:

During discussion in the last session when this bill was heard, one of the points that we made was for the technical aspects—for example, determining that the company will use at least 300 kilowatts of power—that we would work with the utility that is affected here to make sure that from a technical aspect, that determination was correct. For a determination of whether they are a new customer, we have the ability to do that internally.

ASSEMBLYWOMAN SWANK:

This question is directed to Mr. Hill. I just wanted to turn to section 1, subsection 4, this phrase, “the best interests of the State.” Mr. Thomsen mentioned the economic best interest, but it seems to me that is a much more complex idea about what are the best interests. It could include things like the environment or our historical resources. I am wondering if you could talk a little bit more about what is meant by the best interests. What are the criteria for that?

STEVE HILL:

It is certainly a phrase and a determination that can have a number of variables involved, and if some of those variables that we do not typically analyze would stand out, then they would have an impact, I think, on that determination. Typically—and I heard Mr. Thomsen address this question a little bit earlier—we are looking for, through the Office of Economic Development, economic growth. We are looking for the number of jobs; we are looking for good jobs. We require that companies in Nevada, regardless of the size or type of abatement, have a health insurance program that does not require the state to pick up the cost of providing health insurance when that job is actually created, so we analyze that. Investment in the state is helpful and important. That is a criterion. And the overall direct and indirect economic impacts as well as the fiscal—the direct fiscal and indirect impacts, which basically means tax revenue generation—are all a part of that calculation. With that many variables, it becomes a good part science and some part art, but once a certain threshold is achieved and there are not standout detrimental issues or potentially standout very positive issues, we have kind of a standard there that determines that the company moving here or expanding here would be in the best interests of the state.

ASSEMBLYMAN PAUL ANDERSON:

I just wanted to clarify the incentives that were potentially transferrable. If there were a greater need in the north for those 50 megawatts that were sort of split between southern Nevada and northern Nevada, are those surcharges strictly tied to the region that those incentives are used for? You also spoke briefly about the best interests of the state language, but could you also clarify the PUC’s and GOED’s and other entities’ involvement in the approval processes of the incentives?

STEVE HILL:

The megawatts that have been separated, north and south, through regulation are pretty strongly segregated. The intent is if you just cannot find a use that is in the best interests, frankly, of the region at that point, then the opportunity to move those megawatts, either north or south, would be available. I would be very reticent to move the megawatts that have been allocated to southern Nevada to northern Nevada. We feel very strongly that we will be able to put them to good use, and we will give them more than an adequate amount of time to make sure that happens.

As far as the process—how we work with the Public Utilities Commission on this—when we do that soon, that will be the first time that happens. We know what we have in mind. What is important to understand in the process here is that in order to work to attract a company to either expand or move to Nevada, they need a single point of contact. They need someone who they know can make that deal work. Our office is responsible for the allocation and the initial approval, the preapproval actually; it is a certificate of eligibility for that company. That company then can take that certificate to the Public Utilities Commission, and the Public Utilities Commission’s real role is to do the technical work to implement that eligibility certificate and to price what that percentage discount means to that customer’s invoice. Then that contract comes back through us, and we work through that the way it was discussed earlier.

PAUL THOMSEN:

If I could just add to that, Assemblyman Anderson. The Public Utilities Commission would have to reallocate those megawatts, and so that would go through a public process through the Public Utilities Commission of Nevada if that were to occur.

ASSEMBLYWOMAN DONDERO LOOP:

I do not know who wants to answer this question, but it goes back to when we first started talking about the rate differences. I would like to know what counties we are actually including in this service territory and who will be affected.

TONY SANCHEZ:

This bill as drafted and currently in law applies only to NV Energy today. Our service territory extends throughout Nevada, and we serve approximately 90 percent of the citizens of the state. In the southern Nevada territory, that is predominantly Clark County. In northern Nevada, it is everywhere from Reno, Sparks, Winnemucca, all the way to Elko. In terms of large cities that we do not serve, the largest cities would probably be the City of Ely and the city of Pahrump in southern Nevada. Those are in cooperative service territories that we currently do not serve.

ASSEMBLYWOMAN DONDERO LOOP:

Just as a clarification, we are saying that White Pine and Nye would be the only counties not involved in this?

TONY SANCHEZ:

I would not just limit it to White Pine and Nye, but those are the two largest population centers that we do not serve, but we do touch most of the other counties. I could not tell you if we hit all 15 other counties exactly, but those are the large population centers that we do not serve.

CHAIR KIRKPATRICK:

But you are talking about the northern piece of this, right? Regarding the 25 megawatts, about which you said there is no residential impact at the end of the program, you are talking about the Sierra Pacific boundaries, right?

TONY SANCHEZ:

We are talking about Sierra Pacific Power in the north in terms of no residential impact. I think Mr. Thomsen indicated earlier there is no additional residential impact with what is proposed before you today. When you passed this bill last year, there was a residential impact, a very small one, which is basically just being extended from four years of rebate to eight years of economic incentive.

PAUL THOMSEN:

I think if your constituents receive a Sierra Pacific Power bill, they are affected. I think it is hard to draw a geographical line because there can be some residents in a county that are serviced by Sierra Pacific Power and some that are not, depending on the city and town and if they are part of a cooperative, but all residents who have a Sierra Pacific Power bill are a part of this program. Does that clarify it?

ASSEMBLYWOMAN DONDERO LOOP:

It does, but I need a little clarification because in Clark County, we do not have anybody that has a Sierra Pacific bill. Am I correct, Mr. Sanchez or Mr. Thomsen?

PAUL THOMSEN:

Correct. And that goes to the point that if the 25 megawatts that is allocated to Sierra Pacific service territory is utilized, that impact is only put upon Sierra Pacific ratepayers. If a project were to locate in Nevada Power service territory and use a portion or all of that 25 megawatt Economic Development Rate Rider, that impact would then be spread upon anyone with a Nevada Power bill as an incentive to lure businesses into the service territories there. That is

why if the project is in Sierra Pacific's territory, only Sierra Pacific ratepayers are affected. If the project is in Nevada Power service territory, only Nevada Power ratepayers are affected.

ASSEMBLYWOMAN DONDERO LOOP:

Thank you. It is NV Energy dba Nevada Power, am I correct?

PAUL THOMSEN:

In the southern part of the state, yes.

ASSEMBLYMAN GRADY:

I talked to Mr. Sanchez about this a little earlier, but just for the record, since this is Nevada Power or Sierra Pacific, Nevada Energy, however we want to look at it, it does not include any cooperatives or any other power company. I am not sure that there are any that could supply this kind of a load, but if there was—we have things change in Fallon, which has its own electrical. They just got a melt plant, and other things may move in. We have mining looking at our area. But this would just be for NV Energy, no other electrical company in the state?

TONY SANCHEZ:

Assemblyman Grady, that is correct. Under the current definition of the bill, it applies to NV Energy and does not apply to cooperatives outside of our service territory.

CHAIR KIRKPATRICK:

I want to point out a couple of things, because I did work on a bill similar to this for a long time with the regulated power company. They go through the PUC, which has the consumer protection piece. This piece was a must because we wanted to make sure that as the rates were going up, people were aware of it. When I started in 2005, we did agricultural rates and we did some different things. This is not anything new. Understand that the reason we worked with the regulated PUC is because the PUC is truly the consumer advocate for many of our folks. As I have said in Commerce, it is all about the ratepayer and how much it is. This has truly started as a pilot program. That is why it was at 25 megawatts, so that we could see if it would entice folks to look at the manufacturing component of it. I just want folks to understand this was not thought up overnight. When we looked at it last session, it was because we had done some agricultural rates and were trying to build manufacturing, and we wanted consumer protection.

Mr. Sanchez, did you want add to that?

TONY SANCHEZ:

I would concur with Speaker Kirkpatrick. This body has long passed different rate structures to facilitate different industries. For example, when the portfolio standard was created and the SolarGenerations program was created, a \$255 million fund was created that our customers pay, the customers of NV Energy, so folks that would like to have rooftop solar can get a rebate. That portion of that \$255 million is being paid for by our customers, so they, in effect, are subsidizing participants in that program as well. The same thing with the tread program that was passed ten years ago to help start up renewable energy projects. The Universal Energy Charge is also another aspect passed by this body that creates a fund to assist low-income customers and folks in need with their power bills. These are certainly not new to the body. They have been used successfully in the past, and this would be an extension of a program that we anticipate is going to be very successful.

ASSEMBLYMAN OHRENSCHALL:

My question is for Mr. Hill. Going to section 1, subsections 4 and 5, what scenarios would you see where you would deny an applicant? Do you currently have a procedure, if the applicant is denied, to inform them about what was lacking in their application, and is there a time period that you require the applicant to wait to reapply?

STEVE HILL:

The best economic interest of the state would be one standard that could lead to denial if we did not feel that they met that standard. That company could fail to meet that for a number of reasons. The quality of the jobs that were being produced is not at a high enough level that we feel that utilization of this program would merit the use. The number of jobs in comparison to

the number of kilowatt-hours used is an important component as well. Those types of ratios and comparisons would be the reasons that we would feel potentially compelled to reject an application. I am sorry; I forget the second part of that question.

ASSEMBLYMAN OHRENSCHALL:

If the applicant is rejected, do you have any current procedure to inform them of what was lacking in their application, why they were rejected, and can they reapply? Do they have to wait a certain amount of time before they can reapply?

STEVE HILL:

We would certainly inform the applicant of the reason for the rejection and encourage them to reapply if the reasons for the rejection of the application could be remedied.

ASSEMBLYMAN DALY:

I agree that this is a program that was put in as a pilot and is apparently starting to work, so I think those are all positive things. But we did have a sunset date on that so that there was a recheck, a revisit. In subsection 4(a)(3) on page 5, it appears that that language now extends it out to eight years. If one person takes all 25 megawatts, when that is over, that would sunset the program. But if there were people who took 20 megawatts or 5 megawatts, or increments of 5 megawatts, whatever it might be, then it would be a continuing, rolling eight years, wherever that last contract is. When somebody ends their eight-year period, that would free up 5 megawatts. Now, we would hope there would be a new business that comes in before the next contract or the subsequent contract runs out and terminates the program. I just wanted to make sure that on these types of things, there would be an opportunity to revisit it—and not 40 years later. What I suspect, based on what I am hearing and what I hope happens with the incentive program, is that we continually have new businesses always using power as it becomes available, so it is a successful program, and that you might want to up the megawatt or the amount that can be abated. Can you explain that and tell me if I have analyzed it correctly? Then I have one follow-up question.

STEVE HILL:

Certainly I know that I do not need to point this out, but when this issue is revisited, as determined by this body, we hope that we have helped to make it successful so that we can continue it and potentially look to expand it in the future, provided that success is there and we do see that it is in the best interest of the state. We think there will be that interest. It is certainly early in the program. We are fortunate, given the timing and recent events, that this program was in place, because it was helpful and that is great. But, I think we will see other projects as a result of that as well.

PAUL THOMSEN:

In the original bill under section 19, the last applicant has to file prior to December 31, 2017. That is the last project that the Governor's Office of Economic Development can start the process on, but it has to be approved by that deadline. The change that you see in your bill was recommended by the Legislative Counsel Bureau to make sure that all the provisions in this bill now cover a ten-year contract that was signed prior to December 31, 2017, to enable all the clawback provisions and the requirements of this bill for any contract that goes into the future. That is why you see the new language on page 5 of the bill saying it is active until the end of the last contract term, if that makes sense.

CHAIR KIRKPATRICK:

So that is page 5, section 4, lines 26 through 30, correct?

PAUL THOMSEN:

That is correct.

ASSEMBLYMAN DALY:

The real limitation now is the 25 megawatts instead of a date and a time. You can have all these different contracts that go out, and we hope that there are businesses that come in when there is power available because somebody's contract ended. They would not be a new business so they could not re-up it. Is the 25 megawatts a statewide number or is that 25 per service territory and 50 total? What is it? Just remind me from the bill last session.

PAUL THOMSEN:

The statewide cap is 50 megawatts, and the Public Utilities Commission, through regulation, allocated 25 megawatts to each service territory, so there is a 25-megawatt cap. But for projects additionally trying to apply, just to be clear, they cannot apply after December 31, 2017. Projects need to look at that, and if we want to change that date, it would need to be revisited during the regular legislative session.

CHAIR KIRKPATRICK:

Years ago we started with 150 megawatts, and we decided to make sure things work. It will be two years before we really see it, so you might want to wait to ensure that there are no project hiccups in either the north or the south before you bring that bill draft.

ASSEMBLYMAN FRIERSON:

I want to revisit section 1, subsection 4, and the best interests language that is being proposed to be added. I appreciate that this is actually increasing scrutiny of applicants, and so this is adding to our ability to make certain that this is in the state's best interests. My question is—and Mr. Thomsen alluded to the typical practice—will criteria be created? What I am concerned about is if there is a letter that says you are eligible because I determined it is in the state's best interests without elaborating on what determinations were made in that regard. The following section directs a letter to be sent to the Commission indicating eligibility. Is that where there would be a description of what actually was considered in determining best interests, or would there be a separate document that would be accessible?

STEVE HILL:

Yes. That letter would contain what was analyzed during the process of determining what was in the best interests of the state. We would include that in that letter.

ASSEMBLYWOMAN FLORES:

In line with that same questioning, I am curious. On the front end, throughout the existing language, it says that all of these determinations are to be made by the Office of Economic Development. You spoke a little bit earlier, Mr. Hill, about the various criteria that you would take into account in order to determine eligibility, a little bit about what those best interests would be. What does that mean exactly when it says the Office of Economic Development? Does that mean it is a board process or does it mean there is one person that looks at this and determines yea or nay? Where are the accountability and the transparency on the front end when those applications are going through and what does it really mean when we say the Office of Economic Development will make these determinations?

STEVE HILL:

Thank you for the question. In fact, I had that conversation yesterday with your staff to make sure we were clear on that. When it says the Office, it means through the authority of our board. When it says the Director, it means the person in my position. In this case, that would be through our board. Our statute says—and probably the way we would deal with this is if the contract that we would enter into with a company for any incentive is over \$100,000, or \$250,000 in this case—we take that to our board for approval. The statute says that if it is less than \$250,000, I have the authority to approve that through our standard process.

ASSEMBLYWOMAN FLORES:

You mentioned a little bit earlier that in terms of accessibility to information and what that process would look like, someone could do a public records request or something along those lines. If anyone has ever tried to do a public records request, they recognize that it is not that

easy. In terms of some other form in which information is available to people, do you ever post these things? Do you make them available online? You said that for less than \$250,000 you singularly have the power to say yea or nay based on your own determinations. That is a whole lot of authority over a significant amount of money. Is there some other process by which information can be more readily and easily available to folks who want to know what it is the state of Nevada is doing with \$239,000 in incentives?

STEVE HILL:

There are a couple of answers to your question. First, even though I have the authority to approve those contracts under that amount, we take those contracts to the board for their advice and recommendation, so that is heard in a public hearing. Our website does have postings, both for upcoming meetings and for historical meetings, and then we report on each one of these incentive programs or abatement programs annually. The annual reports are now on our website. We have a report section where people can go and see what has been done in the past and then what is coming up in the future. The applications and the backup information are public as well.

ASSEMBLYMAN LIVERMORE:

How would this appear on a utility bill? Is it a government service charge or an adjustment in kilowatt-hour charge?

TONY SANCHEZ:

This would be collected through the deferred energy accounting mechanism on our bills. It is not through a general rate case or anything, so it would be a quarterly adjustment. It is a quarterly adjustment that would be made to the bill, and those traditionally go up and down, depending on what our fuel and purchase power rates are. That is where it would reflect, depending on which service territory you are in.

CHAIR KIRKPATRICK:

Mr. Livermore, you are asking if there is a line item on the bill? Is that what you are trying to ask?

ASSEMBLYMAN LIVERMORE:

Yes, Madam Chair. I wonder how the consumer is going to know that they are paying and what they are paying for.

CHAIR KIRKPATRICK:

We have already had the deferred energy line item on all of our bills for a very long time, and that rate does fluctuate depending on what is going on, regardless. Is that correct?

TONY SANCHEZ:

That is correct. Those lines are on your bill, and those are reviewed and monitored by the Nevada Public Utilities Commission.

CHAIR KIRKPATRICK:

That is done every couple of years just to ensure that we are staying on top of it.

ASSEMBLYMAN THOMPSON:

My question is regarding section 1, subsection 3(d) on page 3. I understand that the whole idea is for us definitely not to have seasonal, intermittent, or temporary projects. We want permanency. We want people that want to come to Nevada or are already here in Nevada, and they want to allow their project to be here on a permanent basis. But, I do have a question. I would like some clarification where it talks about a project that would be an abnormal risk. Can you give us some ideas of attributes of a project that would be considered an abnormal risk?

TONY SANCHEZ:

Typically, when we look at that term of abnormal risk, it could be in the context of any business. In a mining situation, for example, sometimes they are considered to be an abnormal risk due to the amount of ore or whatever it is that they are mining there. Sometimes in the past,

casinos have carried that as well. I think that is part of the process that the Governor's Office of Economic Development will weigh, take a look at, and take into consideration when they are making the determination if they meet those five criteria. Those are two that have been characterized as abnormal risk in the past. It is not a blanket statement by any means regarding those two types of industries.

ASSEMBLYWOMAN NEAL:

I just need a small clarification. I guess this question would go to Mr. Hill. You used an example earlier relating to a potential circumstance where kilowatts could be reallocated considering the best interests of the state. Do you believe there is a potential that ratepayers in a particular territory could get a double hit or an increase in that particular territory? If that did occur, what then would be the best interests analysis if the ratepayers had a double hit in their rate?

STEVE HILL:

As Mr. Thomsen pointed out, that decision ultimately would be made by the Public Utilities Commission. So while I said I would be reticent to move those, what I meant to say was I would be reticent to recommend that that allocation be changed. The reason for the program—and the Speaker can speak to this more eloquently than me—is this is in the best economic interests of the state and all those ratepayers in the state. Increasing the allocation also should increase the economic prosperity in that region. I do not anticipate that to happen, but that is the purpose of the program. We would consider that a benefit as we look at it and would hope to help make that happen.

ASSEMBLYWOMAN NEAL:

I know what the PUC's responsibility is, but ultimately we always should maintain a balance between our economic interests and the people who have to pay the rate. In the northern counties where income does not necessarily grow as fast as it may in the south, you have a stagnant group of people who may be affected and poverty and other things that may come into play when you look at the best interests of the state. People are very much wrapped into that concept, so that is why I wanted clarification.

PAUL THOMSEN:

And for the record, in the regulations passed by the Public Utilities Commission, the best interests clause does not come into effect. They say, "Each electric utility shall set aside 25 megawatts of capacity for allocation to new customers pursuant to the program. If an electric utility enters into one or more contracts with an applicant for the program for the full allocation of 25 megawatts of capacity set aside by the electric utility, then any unused capacity allocated to another electric utility could be reallocated by the Commission to maximize participation in the program." And it is for that very reason. You have to have consumed all of the existing allocation in that service territory, and then the Public Utilities Commission's role is to protect ratepayers and to make sure that a monopoly utility is doing what is in the best case for ratepayers. They are going to make that exact judgment, which is if they want to reallocate that power, they are going to recognize there is going to be a rate burden for doing so in that service territory, and they are going to weigh that through a public setting with public comment. It is not a willy-nilly reallocation of 25 megawatts. It has to be done by the Public Utilities Commission, who has lots of analysts to make sure that a reallocation of power, if it is going to be reallocated, is done so for the absolute best reasons. I am just building on what some others have asked.

There were discussions about increasing the megawatts under this program and the Governor's Office recognized that by doing that, there would be a significant rate increase. One of the goals in the pushback from the Governor was we did not want to create a new burden on ratepayers, whether they are commercial or residential, in the state of Nevada. That is why we kept that cap, approved by both chambers unanimously, at 50 megawatts statewide and just extended the time period so that the annual rate impact is exactly the same and very, very low. It is just that we have it for a longer duration. We were very cognizant of that, and it was very important to us to keep that cap in place.

ASSEMBLYMAN AIZLEY:

Earlier you mentioned something about where the rate increase amounted to .07 percent or there was a multiplier of .0007. Well, that is really not the point. The question is, Did you also compute what the rate would be if you did not assess the nonresidential ratepayers? I attended a Public Utilities Commission meeting recently and listened to several complaints by the ratepayers that felt they were paying for things, and they did not see why they had to pay for them.

PAUL THOMSEN:

For the record, the number I put out there was—and this was analysis done by NV Energy—.0002 cent per kilowatt-hour. So if you know how many kilowatt-hours you used, multiply that by .0002 and you will see the impact. We absolutely looked at the commercial impact and the residential impact. That same rate impact applies to the commercial rates, as well, so all rate classes are paying exactly the same. If you remember Mr. Sanchez's analogy, we are just deducting the gasoline price from the truck, if you will, or the fuel price, and that BTER, base tariff energy rate, is uniform across all rate classes. The differences in percentages that you heard are because there are different rates for different rate classes. It is a smaller percentage of an impact for residential ratepayers. Typically, commercial ratepayers pay a lower rate because they consume a much more massive amount of power, and that is what changes—that percentage. But uniformly across, it is .0002.

TONY SANCHEZ:

If I might expand on that, to answer your question, Assemblyman Aizley, we did not run the rate excluding residential. I was there with you at that consumer session and sitting up at the dais. Rate structure and how rates are assessed is the art of what our general rate cases are that take six months in front of the Utilities Commission. The Utilities Commission takes into account several factors across the spectrum, whether it is large customers or whether it is small customers. It is a matter of fact that there are different rate class subsidies across the board, including residential, which are subsidized extensively by business throughout the state when it comes to residential rate impact. All those are taken into account, but we did not do that analysis this time with respect to residential because this was just an extension of what had already passed a year and a half ago.

ASSEMBLYMAN BOBZIEN:

This has been a fascinating discussion and examination of this law as well as the proposed changes to it, and I think it bears repeating that there is a wide range of policy goals that the Legislature has pursued over many, many, many sessions that have impacts on rates. We have rate impacts because of attempts to incentivize renewable energy; we have rate impacts to benefit rural agricultural users that are spread across the wide base, and I think it is good to hear that there was prudence in the discussion about lifting the cap from 25 to higher. That said, I think it is also a very positive development—what we have in section 1, subsection 4 with this new requirement of a finding of economic benefit on an application by the Governor's Office for Economic Development. That said, this is exactly the time for us to try to get some intent on the record, and we have certainly been asking some pointed questions of Mr. Hill as to what would constitute benefit. There is some hazard in getting too prescriptive, but we do want to hear that there is some thought and some rigor that is going to be applied to this.

To see if I can stretch that definition of what public benefit would be, if you have a project that is seeking to use this application to achieve a future goal of being net energy zero—I believe that is the term—I could make the argument that that sort of innovation and that goal has benefit to the economy, benefit to the state, as an innovation hub, et cetera. Is that something that you would be taking into account under an application? This is a temporary use of the program, obviously for an extended period under this bill, but it is an acknowledgement that not only is the applicant getting this program, but in the end, it is less reliance on the grid, it is possibly development of technologies that support further efficiencies, renewable energy development, et cetera. Would that be something that you would consider for benefit to the state?

STEVE HILL:

The short answer is yes, it would be. Those are the type of situations that stand out and should be a consideration in our view.

CHAIR KIRKPATRICK:

Are there any other questions? At this time, I am going to take testimony. I have folks in Clark County who want to testify. State your name for the record. Are you in favor, in opposition, or neutral at this time?

ANGIE SULLIVAN, PRIVATE CITIZEN, LAS VEGAS, NEVADA:

My name is Angie Sullivan and I am in opposition. My opposition is I am a schoolteacher, and I have testified on a regular basis for, and advocated for, kids in the state of Nevada and for education to be fully funded or adequately funded in our state. I understand that you wanted to provide an incentive or a subsidy to a corporation to provide jobs for people, and I fully support that. I have been following what has been going on, and I feel like there are numerous, probably too many, incentives and subsidies being given to Tesla and maybe, after I have heard this testimony, other corporations in the state. I have to advocate for kids. I feel like I have been told over and over there is no money, there is no money, there is no money. I watched \$400 million in education bills lay on the table and not be financed. I understand that this may be small in the grand scheme of things, but my heart is broken that for 6,500 jobs, we are going to do all sorts of crazy things to get Tesla to come here, when I feel like if we fully funded education—

CHAIR KIRKPATRICK:

Ms. Sullivan, I appreciate you sticking around, and there are a couple more bills, but the particular three bills that we are hearing today are stand-alone bills, so they apply no matter whether anybody uses them today, tomorrow, or next month. I just want to keep the record clear that this is not specific. This is legislation that was passed last time that is being revisited at this time. I understand your point; you would not be the first one to hate incentives altogether. I want to keep any particular names out because I do not know that we have talked about the 25 megawatts that are still available in southern Nevada. Please go ahead.

ANGIE SULLIVAN:

Just to continue, I am from northern Nevada and I understand how valuable jobs are. I have also watched my state basically give away the farm to be able to have a few jobs, and I do not believe this is a wise use of resources. Electricity is another thing that we are giving away, and I am just speaking about part. I know a lot of people are currently struggling to pay their summer electric bill. This really hits home at this time of year when you are getting that huge bill. I have actually been involved with action to bring attention to just normal, everyday people paying their electric bills. I am worried about the huge incentives that we are giving to Tesla or whoever else for what I see as a few jobs. I am worried about the long-term impact on the state, when I know that funding education is a thing that research has shown would really drive our economy and even business. I wanted to mention that because it seems like education, in particular, has been kind of abandoned, and it is just shocking that in a week, we can be sitting here willing to do so much for one company when 300,000 kids in Vegas have no voice. Thank you.

CHAIR KIRKPATRICK:

Thank you, Ms. Sullivan, and we appreciate you coming to the table.

Is there anybody else who would like to testify? Seeing none, I will close the public hearing on A.B. 1 and I will open the hearing on A.B. 2.

Assembly Bill No. 2 considered.

(See Appendices for documents referenced
in Committee of the Whole.)

TROY DILLARD, DIRECTOR, NEVADA'S DEPARTMENT OF MOTOR VEHICLES:

Good evening, Madam Chair, members of the Committee. It is a pleasure to be with you on this historic day for our great state. Troy Dillard, Director of the Department of Motor Vehicles, and it is my pleasure to introduce Assembly Bill 2 to you today.

Assembly Bill 2 is a fairly straightforward bill. It clearly delineates automobile manufacturers that exclusively manufacture electric vehicles may choose to sell their vehicles at retail through traditional means of utilizing the services of a franchise dealer or they may forego a franchise agreement and sell to the general public only new and used vehicles that they have manufactured.

As Nevada continues to be in the forefront of emerging technologies, such as autonomous vehicles, unmanned aerial vehicles, and renewable energy, it only makes sense to position itself in the best possible light to attract new industries with modernized business practices and forward-thinking initiatives. Assembly Bill 2 is one way in which to further that mission.

Electric vehicles are significant up-and-coming technology and industry. As we look to the future, electric vehicles will clearly play a part in the transportation picture. Electric vehicles are zero-emission vehicles. In the current market, electric vehicle purchases make up approximately .005 percent of the total market sales. In a time when light duty vehicles account for in excess of 60 percent of the nation's transportation emissions and modern automobiles account for one-third of all carbon dioxide emissions produced in the United States, electric vehicles are one technology that can help reduce that overall percentage. In addition, electric vehicles in the United States are powered with domestically produced energy sources. Nevada has a great advantage, through our climate and local resources, to maximize clean, renewable sources of energy, which in turn can be used to power electric vehicles and keep harmful emissions to a minimum.

Assembly Bill 2 is targeting this next leap in the marriage of transportation and technology and positions Nevada at the front of innovative thinking and providing an inviting environment for economic growth and investment, while protecting existing and established business structures. As A.B. 2 is rather short, I would like to walk you through the sections of the bill quickly.

Section 1 exempts manufacturers who only manufacture purely electric-drive vehicles from being required to use franchise dealers to sell their vehicles on the retail market. The bill allows for manufacturers who choose to utilize the franchise network to do so in the traditional sense as well. It also restricts those manufacturers who choose to retail directly their vehicles from being authorized to sell any other brand of new or used vehicles. This section also allows manufacturers that qualify under these guidelines to provide service and maintenance for their vehicles that are owned by members of the public.

Section 2 clarifies that manufacturers that meet the requirements under section 1 are then considered as a new vehicle dealer for legal and regulatory purposes. Sections 3 through 7 provide for technical changes to enact the provisions of sections 1 and 2. Finally, section 8 simply makes the bill effective upon passage and approval. I would be happy to address any questions you may have.

ASSEMBLYWOMAN COHEN:

In reference to section 2, subsection 2 about the manufacturer not being required to have a repair facility, I am just wondering where consumers in Nevada go to get these electric cars repaired.

TROY DILLARD:

To the Assemblywoman, the current law within the franchise dealer structure for franchise purposes prohibits the manufacturer from having a facility to repair vehicles. Because section 1 is exempting vehicles that are run strictly on electric power, if that manufacturer chooses to sell under that provision, then it allows them to have the ability to repair and service those vehicles.

CHAIR KIRKPATRICK:

Can you say it in layman's terms?

TROY DILLARD:

What the bill does is allow that manufacturer to do just that—to be able to maintain and service their vehicles.

CHAIR KIRKPATRICK:

To Ms. Cohen's point, it does not exempt them from anything with repairs; it actually ensures that they stay with everybody else, correct?

TROY DILLARD:

Correct. It puts them on the same playing field as an existing franchise dealer.

ASSEMBLYMAN SPRINKLE:

In reference to subsection 3 of section 1, could you go over this with me one more time so I can understand exactly what is sought to be accomplished here and what implications this has in the state currently on any dealer franchise groups?

TROY DILLARD:

Section 1 limits this exception under the franchise dealership law requirement to manufacturers who solely produce electric vehicles that are completely electric-powered, so hybrid vehicles would not qualify under this section. It is purely an electric manufacturing process, and they can manufacture no other vehicles that meet the requirements.

As far as it goes today, we do not have a complete count of how many types of electric vehicles are out there. We know there is one, potentially two manufacturers that would be producing vehicles that would qualify as passenger vehicles, but one of those would require a legal exemption as to whether it actually becomes a passenger vehicle or not.

ASSEMBLYMAN SPRINKLE:

Then specifically to subsections 1 through 3, I guess that was the point that I was really trying to get at. Does that exist today, or what are we trying to do in the future with this change in statute?

TROY DILLARD:

Subsections 1 through 3 allow the manufacturer who does produce solely electric vehicles to continue to use the service model that exists today. If they choose to enter into a franchise agreement with a dealer, they still have the ability to do that.

ASSEMBLYMAN KIRNER:

Right now, we do not have another manufacturer, but suppose China decided to manufacture such vehicles. Would they also be exempt from this requirement of franchise dealership?

TROY DILLARD:

The response to your question is it applies to any legitimate manufacturer approved to manufacture vehicles in the United States that meet all of the requirements. If a Chinese company is certified by US DOT [United States Department of Transportation] to do so, under this bill, it would meet that requirement.

ASSEMBLYMAN KIRNER:

They would have to manufacture the vehicles in America. Is that what you are saying?

TROY DILLARD:

Assemblyman Kirner, I do not specifically know the answer to that. They would have to be approved by the United States Department of Transportation so that they meet U.S. standards for the manufacture of vehicles. I do not specifically know if they would be required to manufacture them here. That would have to be a legal review on that.

CHAIR KIRKPATRICK:

It is never good not to have that answer, because interpretation is everything. We want it very clear how this works, because sometimes we do not stick to what we believe. I need that answer, sooner rather than later, whomever you have to talk to. I think you have a deputy Attorney General that is probably on call that you could get it from. Any other questions? I think, Mr. Dillard, you have some marching orders.

ASSEMBLYMAN ELLIOT ANDERSON:

Good evening, Mr. Dillard. I was hoping you could point me to the provisions of the bill that—I thought you said the bill requires the manufacturer to have repair provisions. That is not at all what the digest says. I am looking at the specific section, and it looks like it is only taking them out of the provisions of Chapter 42. I was hoping you could clarify that for me because I am now pretty confused.

TROY DILLARD:

Certainly. There is no statute in Nevada that requires a manufacturer or a franchise dealer to provide that service. That is a typical business decision that everybody makes. The current law under the exemption today would prohibit a manufacturer from doing that, so what the bill is doing is allowing them to do that very thing.

CHAIR KIRKPATRICK:

Do we have any more questions from anybody? At this time, Mr. Dillard, I am going to see if you can go get that answer for us. I know that we have some folks that want to testify on this, but it is rather important that we get everybody's questions answered. I am going to excuse you for now.

ANGIE SULLIVAN:

I guess from what I just heard that this would allow Tesla to fix their cars, or no?

CHAIR KIRKPATRICK:

No. Mr. Dillard, could you just give Ms. Sullivan a three-line summary of what this is actually allowing someone to do. I think currently if you manufacture your own cars within our state, you can be exempt from a franchise, is that correct? Or can you give her a quick summary?

TROY DILLARD:

Yes. The franchise laws today prohibit manufacturers from having service centers for vehicles because it is a competitive clause with their franchise dealerships. That is something that is empowered to the dealers to provide, and the manufacturers are not allowed to do that. This bill, because we are exempting a specific type of vehicle manufacturer, also gives that manufacturer the ability to do that with their vehicles.

CHAIR KIRKPATRICK:

So let me also ask this question. There are currently other states that have worked in this direction in some form or another, so it is consistent. So we are not the only state that is trying to put this legislation in, but we are working on legislation that is beneficial for Nevadans, correct?

TROY DILLARD:

Madam Speaker, that is correct.

CHAIR KIRKPATRICK:

Ms. Sullivan, does that help at all?

ANGIE SULLIVAN:

That helps. I did have an understanding that Texas—this is one of the things that prevented Tesla from going to Texas. So this is one special thing that we are doing for Tesla to be able to operate in Nevada, is that right?

CHAIR KIRKPATRICK:

I am going to go back to remind folks this is a stand-alone bill. So regardless whether any other company comes and does things, this bill stands all by itself from here to eternity unless somebody—the Legislature—changes it. Assembly Bill 1, and now A.B. 2 and A.B. 3, are all stand-alone. They exist by themselves if we decide to vote on them at this time.

ANGIE SULLIVAN:

So one last question: I do not see it, but does this give any advantage to Tesla versus our other car sales people or car dealerships in Nevada?

CHAIR KIRKPATRICK:

Mr. Dillard, this is just allowing for a new type of manufacturer to have the same kind of franchise that others have, correct? Or close?

TROY DILLARD:

That is correct, Madam Speaker. Only if they are purely electric-driven vehicles.

CHAIR KIRKPATRICK:

Does that help, Ms. Sullivan?

ANGIE SULLIVAN:

Okay, thank you.

CHAIR KIRKPATRICK:

Are you still in opposition? I believe Mr. Alonso has an amendment, so if I could have my clerk hand them out to everybody.

ALFREDO ALONSO, REPRESENTING ALLIANCE OF AUTOMOBILE MANUFACTURERS:

Madam Chair, members of this body, Alfredo Alonso with the law firm of Lewis & Roca, today on behalf of the Alliance of Automobile Manufacturers. With me today is John Sande representing the Nevada Franchised Auto Dealers Association, and we have an amendment that we hope answers some of the questions that were just asked. Unfortunately, it is in black and white, so I will have to walk you through it, if that is okay.

In section 1, subsection 3 is simply moving down to subsection 4, so the new subsection 3 would say, “On or before January 1, 2016, was selling or otherwise distributing in this State passenger cars powered solely by one or more electric motors.” What we are doing is narrowing the scope to prevent some of the issues that Mr. Kirner just spoke about, which would allow Tesla to operate in the manner that they are hoping to operate without allowing an entire universe in, if that makes sense.

JOHN SANDE, III, REPRESENTING NEVADA FRANCHISED AUTO DEALERS ASSOCIATION:

For the record, John Sande with the firm Fennemore Craig Jones Vargas, and I am here representing the Nevada Franchised Auto Dealers Association. We agree with what is being proposed here.

CHAIR KIRKPATRICK:

Everyone has a copy of the amendment that is out there. Mr. Alonso proposed an amendment, and Mr. Sande is in concurrence with the amendment. Mr. Dillard, have you seen the amendment to your bill? I am pretty sure they talked to you. I would like to make sure that the bill sponsor has seen it.

TROY DILLARD:

Yes. In fact, we have seen the amendment and we are accepting of the amendment.

ASSEMBLYMAN KIRNER:

I just got the amendment here, and it seems to say that a new manufacturer of exclusively electric vehicles from anywhere, whether it is in the United States or anywhere in the world, would not be qualified under this amendment. Is that correct? Am I reading it correctly?

ALFREDO ALONSO:

Mr. Kirner, what it would do is allow only those that were licensed before that date, so obviously we are narrowing that universe significantly.

ASSEMBLYWOMAN NEAL:

Mr. Alonso, I guess I am confused. I need an example. You say you are narrowing the universe in the amendment on section 1, subsection 3, so there is only a time period for a manufacturer who is doing electric vehicles to become licensed before January 1, 2016. What law applies to anyone who enters the state after January 1, 2016? They are under what rule?

JOHN SANDE:

Basically, they would be under the rules that we have today, which state that a manufacturer must do business through a dealer. We are giving an exemption here where a franchise for the sale of electric vehicles can sell directly to the consumer. We changed the law in 1999, because there were some problems, to make sure that we had a franchise system where you have to go and sell through a dealer and the dealer would take care of and service the vehicles. So we are making some changes here, but we are trying to limit it and see how it works, and then you can always make changes in 2017.

ASSEMBLYWOMAN NEAL:

I am not trying to throw a monkey wrench into anything, but I now need some legal clarification that this is not special legislation, that it has a general application for future entities that are going to come to and be functioning in the state. That narrowing language is so narrow.

CHAIR KIRKPATRICK:

In the past when I have chaired things, we have a cooling-off period so people can chew on amendments. We did not have much time to work through the amendment. So not to worry; we are not going anywhere. You have time to work with Legal to see if this works. My understanding, Mr. Dillard, is we currently have a practice in place. This would be clarifying what we are currently doing in the interim so that we can revisit it when we get to session, if necessary. That is my understanding. What we are trying to do is clarify the language so that we are sure on the role and the rules.

TROY DILLARD:

That is exactly correct.

ASSEMBLYWOMAN FLORES:

I was actually thinking along the same lines as my colleague. If this is looking at vehicles that are solely powered by electricity, then we are barring other future companies, in a sense, because they would be subject to a different regulatory scheme. I guess I do not understand how this is supporting the industry of electric cars if we are putting this date on here so that any future companies coming who would want to look at Nevada for the direct distribution of their electric cars could not do so, but anyone who is doing that now could. If we are looking at this to try something new, then maybe it needs a sunset date. I am just a little confused as to what this is trying to achieve.

CHAIR KIRKPATRICK:

My understanding is that we currently have a practice in place, and the law is not clear on how that is supposed to work. So the intent of the date was to give the Legislature time to come back and vet what is currently going on and to ensure the statute is clear that we are in that position. Do any of you want to add to it?

ALFREDO ALONSO:

I think what the amendment attempts to do is strike a balance between allowing a new company to try a new method of sales while still protecting our dealers. While difficult, I think this is an attempt at striking that balance.

ASSEMBLYWOMAN CARLTON:

I appreciate that comment, Mr. Alonso. In reference to my colleague from Assembly District 26, he started to go down the pathway of American-made cars, and I was hoping that we could have a further discussion about that. I realize that could cause some problems, but I still think we should have that discussion and make sure that everyone understands on the record. If we were only making this apply to American-made cars, I would be much more comfortable with it. But this particular amendment as it has been presented literally opens the door for a very small period of time and then closes the door again to future endeavors, whether they be domestic or foreign. I would have concern about such a small window and the optics of that applying to whoever would want to come to the state of Nevada.

This is a very short time frame. It goes until just January and here we are in mid-September. I do not think anybody would get up and running that quickly. I would understand you if it was going a bit further out so that we could give it a real trial test to see how it actually worked for a year or two, but it seems as though we are fixing a problem that already exists then closing the door so that we do not ever have to find out if the whole procedure is actually going to work. I have concerns with the very short time frame that is in this amendment, and I would hope we could have a discussion about that, Madam Chair.

ASSEMBLYMAN AIZLEY:

I probably should have asked the question earlier to Mr. Dillard, but I still would like clarification. The current Nevada law requires that any motor vehicle dealer carries a \$100,000 bond to protect consumers. I do not know that it is clear whether this bill is exempting or not exempting the future manufacturers.

TROY DILLARD:

To Assemblyman Aizley, there is no impact to that. The manufacturer producing purely electric vehicles that would elect to follow this newly created exemption is subject to all of the exact same requirements as a dealer in the state of Nevada. So all bonding requirements and all consumer protections are still in place.

ASSEMBLYMAN SPRINKLE:

I certainly want to mimic some of the concerns that you have already heard from my colleagues with this amendment. However specifically I know you have already said it, I just have to be really crystal clear with all of you that you understand that this is simply a stopgap until we get to the session, and we are going to address this issue in full during the next legislative session. Is that what I am hearing from all of you sitting up there?

ALFREDO ALONSO:

That would be up to the Legislature. Obviously, if there are tweaks that need to be made, we will be here to have those discussions, but yes, it would be up to the Legislature to make that determination.

ASSEMBLYMAN SPRINKLE:

I must have misunderstood, because I thought that was what I heard you say in response to a question.

CHAIR KIRKPATRICK:

I think I said that.

ASSEMBLYMAN SPRINKLE:

Was that you, Madam Speaker?

CHAIR KIRKPATRICK:

Yes, because we get bill drafts, correct?

ASSEMBLYMAN SPRINKLE:

Okay. Thank you.

ASSEMBLYMAN BOBZIEN:

This one is kind of interesting. It is almost as if it is a reverse sunset, and certainly this bill represents a pretty major policy shift for the state. I understand interests and their concerns about making this kind of shift, and I have not made up my own mind about the best way to go on this. I think Mr. Sprinkle kind of alluded to the fact that we will definitely get another shot at this in a future session. I guess I just have a question about the date itself. We always think of sunsets aligning with our sessions that happen every two years. January 1, 2016—was there any consideration in the negotiations of giving this another view in a future session? Is there any magic to 2016 versus any other year, any other date?

CHAIR KIRKPATRICK:

Like any other amendment in any other committee, people need time to digest it, talk about it, and think about it. That is why I always do a cooling off period. I think these three gentlemen will be around for the next few hours if you have any questions. You could probably understand how things work. Let me see if there are any more questions so that we can get them on the record, and we can try and work through this piece at a later time.

Anybody else who would like to come in the neutral position? Seeing none, I am going to close the hearing on A.B. 2.

Without objection, the Committee of the Whole recessed at 6:34 p.m.

IN COMMITTEE OF THE WHOLE

At 8:09 p.m.

Chair Kirkpatrick presiding.

Quorum present.

Assembly Bill No. 3 considered.

(See Appendices for documents referenced
in Committee of the Whole.)

SCOTT KIPPER, NEVADA'S COMMISSIONER OF INSURANCE:

Thank you, Madam Chair and Minority Leader Hickey. I am Scott Kipper, Nevada's Insurance Commissioner, and we are here to talk about A.B. 3. I will let my colleagues introduce themselves as well.

CHRISTOPHER NIELSEN, EXECUTIVE DIRECTOR, NEVADA'S DEPARTMENT OF TAXATION:

Good evening, Madam Chair and members of the Committee. My name is Christopher Nielsen. I am the Executive Director of Nevada's Department of Taxation.

DEONNE CONTINE, CHIEF DEPUTY DIRECTOR, NEVADA'S DEPARTMENT OF TAXATION:

Good evening. My name is Deonne Contine, and I am the Chief Deputy Director at the Department of Taxation.

SCOTT KIPPER:

We will start right in and talk about A.B. 3, which is the discussion on the insurance home office tax credit. A little bit about the bill and how this operates currently will help facilitate an understanding of the bill.

To qualify for a home office tax credit, an insurer—either a domestic insurer that is situated in the state of Nevada or a foreign insurer—must own the building that they operate out of and they must also substantially occupy that building for at least an entire tax year in order to take the benefit. Very simply, the home office tax benefit has two parts: a 50 percent decrease in the aggregate amount of the tax determined per NRS 680B.025 through NRS 680B.039 and an amount equal to the full amount of the ad valorem taxes paid by the insurer during the calendar year. Very simply, what this bill in front of you does is diminish the tax credit that would be available to insurers. Currently, the cumulative home office tax credit is approximately

\$27 million. This bill would limit that to \$5 million, and it would be spread pro rata to carriers based on the amount of the home office tax credit they receive now.

CHRISTOPHER NIELSEN:

I would like to add a few words to Commissioner Kipper's testimony. Just to give a perspective, this tax type—the insurance premium tax type—is the fourth largest tax revenue stream that we have here in our state. For example, the Fiscal Year 2013 revenue was \$248 million to General Fund revenue, and in Fiscal Year 2014, which we are just closing out now, it is approximately \$263 million. As Commissioner Kipper pointed out, currently the aggregate amount of credits taken via the existing home and regional office credit is approximately \$27 million. However, to put this in perspective, this is a credit scheme that has been existing law for over 30 years. The Department of Taxation began administering it only in 1998. Prior to that, it was with Commissioner Kipper's predecessors over at the Division of Insurance. To put it into perspective, from 1998 to 2013, the cumulative amount of tax credits that have been taken by a handful of insurers is \$380 million, and again, that is General Fund revenue.

Currently, the number of insurers that are eligible and have been approved to take this credit is 12 in Fiscal Year 2013. This is out of over 1,200 insurance companies that were actually paying tax liability in 2013, so it is approximately 1 percent of the current taxpaying insurance companies that are eligible for this tax credit.

In Fiscal Year 2014—we are still in Calendar Year 2014, which obviously is not over yet—based on the preliminary first two quarters of tax returns that have been filed, we estimate that this credit in Calendar Year 2014 will be \$30 million.

I would be happy to answer any questions.

CHAIR KIRKPATRICK:

Okay, so let's open it up for questions from the Committee. I have one. In 1971 this came about, so it has progressively grown over time from where we thought we were in 1971 to today, which puts us at about 43 years on this subsidy. Is that correct, Mr. Kipper?

SCOTT KIPPER:

I believe that is correct, that that has been in place for over 43 years.

CHAIR KIRKPATRICK:

I have another question. I usually try to let the Committee go first, but I introduced this bill in 2009, so I want to see if much has changed since I introduced this back then. I know that folks that use this currently are state employees, maybe folks that are out there. There is no jeopardy that rates would go up today or tomorrow if this bill were to go in place, is that correct?

SCOTT KIPPER:

The effective date of this proposed piece of legislation is January 1, 2016, so this would not affect rates that would be approved or looked at for products that will be available starting on January 1, 2015.

ASSEMBLYMAN HORNE:

I have a question about section 2 of the bill where it says “substantially occupies and uses any building in the state.” I understand from the repealed section of the statute that used to be occupy 70 percent of usable space and occupy 100 percent of its ownership interest in the building. So how is that measure going to be made going forward? Basically, how will you define “substantially occupies?”

SCOTT KIPPER:

I am looking for it in a subsequent section, but you have to occupy 70 percent of the usable space and transact a business of insurance or the insurer is a general limited partner. Transacting the business of insurance is essentially underwriting sales. There is generally a customer service component. There are a number of functions that an insurance company must perform, and those functions must be done inside that building.

ASSEMBLYMAN HORNE:

I apologize. I missed that. That is in—it is still section 2, but it is now in paragraph 6(b). So that language is still there?

SCOTT KIPPER:

That is correct.

ASSEMBLYWOMAN BUSTAMANTE ADAMS:

I am not sure which person could answer this question, but in section 4, it talks about eliminating the credits beginning on January 1, 2021. If you did the math, what would be the aggregate amount of those credits available?

CHAIR KIRKPATRICK:

Can I clarify that question for myself? In section 4, subsection 2, it says section 1 and 3 of this bill become effective in 2021. Is that what you are referring to and trying to figure the math of the amount of dollars that are available, or are you asking what is the amount that is currently projected?

ASSEMBLYWOMAN BUSTAMANTE ADAMS:

The current amount that is projected.

CHAIR KIRKPATRICK:

I think we are looking for assurance, Mr. Nielsen, that there is \$25 million, and you project that there is going to be more based on your projections today. Did you say something like that?

CHRISTOPHER NIELSEN:

Absolutely, Madam Chair. As I stated earlier, the 2013 numbers are \$27 million. The 2012 numbers, I believe, are \$25 million, and the numbers in 2011 are less than that. Based on the partial reporting that we have received so far this year, we are going to be at least \$30 million this year. Given that insurance has significantly ramped up through many mechanisms like the Affordable Care Act, the Economic Forum projected, in the total amount of revenue for this tax type last year, a jump up in premium tax generally. When the premium tax jumps up, the credit jumps up, assuming that there are a constant number of companies that are eligible and take advantage of this credit. Based on our calculation, Madam Chair and Assemblywoman Bustamante Adams, we are confident that there will be \$30 million, at a minimum.

ASSEMBLYWOMAN BUSTAMANTE ADAMS:

If you could help me, Mr. Nielsen, then in totality, over a five-year period, we would take the \$30 million and multiply that by five.

CHRISTOPHER NIELSEN:

Absolutely, Assemblywoman Bustamante Adams. For the year 2016, when this change would become effective, through the year 2021, that is five years. So, five times \$25 million would be \$125 million during that five-year period.

ASSEMBLYMAN HICKEY:

The Speaker pointed out, looking at the history of this bill, that the health insurance industry has grown dramatically as has the number of people covered, and that is why we are seeing such higher numbers generated even with these discounts, if you will. Is it safe to say that we are going to continue to see growth in terms of what these insurance companies who are enjoying these benefits are? Is that why—even though we may in another bill be looking at moving some of the transferrable tax credits in another direction—we are fairly confident that for this five-year period as we make a transition, these numbers are going to remain stable and possibly even grow? Is that accurate?

SCOTT KIPPER:

I would say that is a fair assumption. Certainly the premiums for insurance, where they have stabilized, are not decreasing. The number of Nevadans who are becoming insured commercially is increasing, and that includes Medicaid. So, I think it is a fair assumption to say that those numbers are constant and will enjoy a slight increase.

CHAIR KIRKPATRICK:

My recollection is in 2009, I looked at this because I was trying to ensure that we always went back and revisited our tax structure. This is about the policy change that will now be good only for ten years, and if future legislatures determine to extend it at that time, they can. This does give the current users the ability for one whole year to change their business model, and this also allows for a portion, up to \$5 million, to stay in the fund to keep it going forward. But at the end of the day, the truth of the whole matter is this is a policy change. This goes away after ten years instead of letting the Legislature have to find out that this exists in 2050. Is that a fair statement?

SCOTT KIPPER:

You are absolutely right that this program does not change through the end of 2015. Starting January 1, 2016, the cap on the amount of the credit is limited to \$5 million. That will last for five more years, and this program will go away at the end of—well, it would be effective on January 1, 2021.

CHAIR KIRKPATRICK:

That is where section 4, subsection 2 comes in, correct? Trying to clarify sections 1 and 3 of the bill?

SCOTT KIPPER:

I believe that is correct.

ASSEMBLYWOMAN CARLTON:

A couple of the questions have already been answered, but I think it is important for us as Mr. Kipper is our regulator and sort of the gatekeeper on insurance rates. Since insurance can be one of the biggest ticket items for a family—between car insurance, homeowner's insurance, health insurance especially—as this credit goes away for this 1 percent of companies that are eligible for it, I would like to hear some assurances that they may be able to pass it through using a process that is appropriate and fair. Also, how does the medical loss ratio laid over the top of the Affordable Care Act help protect our consumers?

SCOTT KIPPER:

Assemblywoman Carlton, you touch on a number of good points. Certainly when insurance companies set rates, they take into consideration quite a number of different factors. Nevada and the Nevada Division of Insurance enjoy the status of an adequate rate-oversight entity. In other words, we have been certified by the federal government as having all the tools in place to make sure that the rates that are delivered to our consumers in the state of Nevada meet actuarial guidelines. On top of that, you mentioned the minimum loss ratio of either 80 or 85 percent, depending on whether it is a group policy or an individual policy. Carriers will still have to meet those loss ratios. If they do not meet those loss ratios, then they are required to rebate money back to the consumer.

ASSEMBLYWOMAN CARLTON:

As this moves forward, will we be able to get some information from you and follow this, either through one of the standing committees or just individually? We know this is going to be a five- to six-year process, and it would be very nice to be able to compare the numbers. The money that is going into the General Fund will be very good, but if it ends up being cost shifted over to premiums, then we may need to take a second look at it. I do not believe that will happen, but I think we should be vigilant in watching for it.

SCOTT KIPPER:

We share your vigilance in making sure that those rates are adequate and correct for Nevadans.

ASSEMBLYMAN MARTIN:

I am looking at section 2, subsection 3. I am a little confused on the total aggregate amount of the credits, what the baseline of the proration is going to be for the credits, and how you can actually verify that it is correct because, obviously, a lot of information is private, and it comes down to a disclosure issue with how you are going to get cooperation with this. But I am wondering first what the baseline is for the proration. Is it gross sales, is it net tax, or is it based on some other method? Also, how many insurers do you think are involved in this calculation and who is going to verify it?

DEONNE CONTINE:

I will just briefly explain the way that it currently works and then kind of explain how we see administering it going forward.

This is a quarterly tax the taxpayers file and report. It is self-reporting, like many of the taxes in Nevada. There is also a part of this tax, an annual reconciliation, and that is done on March 15 for the preceding year. The insurance companies who are entitled to take the Home Office Credit calculate their credit and include it on their returns, and then during the annual reconciliation process, it is reviewed, and occasionally additional information is requested from the taxpayer. They have not done their own annual reconciliation process, and so there is a period of time where the taxpayer and the Department are working together to get the finalized numbers.

So the way that we see this, there would be a second step in the process of the reconciliation. The Department would have access to the total number of credits because the taxpayer is still going to calculate their tax credit the same way, and then they will submit that information to the Department and the Department will do the pro rata analysis. As Mr. Nielsen said earlier, currently there are 12 taxpayers who take this, so it will not be too onerous to do that. The example that I have is if there is \$30 million in total credits that a taxpayer would be entitled to under the 50 percent plus the part for the property taxes, and one company has \$15 million of credit, it would get half of the \$5 million that was available.

ASSEMBLYMAN SPRINKLE:

Undoubtedly you guys have already said this and I must have just missed it. If you could clarify for me again, under section 3 with the \$5 million cap, is that for the duration until this ends? That is the change? Or is it per year? Then secondly, once that cap is met, then everything reverts back to I think it is the 3.5 percent of premiums. Is that correct?

CHRISTOPHER NIELSEN:

Assemblyman Sprinkle, that is correct. It is a total of \$5 million per year computed in the aggregate for every eligible insurer who has been approved for this credit. That five-year cap would begin in 2016 and go for five years, then there would be no insurance premium tax credit available after that. I think you had two questions in there, but I think that answers one of your questions.

ASSEMBLYMAN SPRINKLE:

Yes, thank you. Once that cap is met, then all of it reverts back to the 3.5 percent of premiums that is in section 1?

CHRISTOPHER NIELSEN:

Yes. In fact, the rate never changes in the tax rule, but the effective rate would go back to the 3.5 percent. So yes, that is correct.

CHAIR KIRKPATRICK:

Are there any other questions? I think this is good to get this record out there, because I think it has been a long time since it has been discussed—what our current process is, how this is

meant to be implemented going forward, and the sunset of all of that. I think that is important for future legislatures going forward.

STEVE HILL:

Madam Speaker, members of the Committee, my name is Steve Hill. I am the Director of the Governor's Office of Economic Development. I will be brief, but I just wanted to add a few comments that can amplify the Speaker's point that this is a policy decision that we feel is important, both in terms of the program itself and also in terms of the agreement that we have made with Tesla.

The home office tax credit has been in place since 1971; it has been in place for 43 years. When we look at economic development incentives, we feel that it is important that they end. We do feel that it is important that as an incentive, it is temporary. Something that lasts for 43 years or longer is not an incentive; in our view, it is a subsidy. Then we looked at the efficiency of the use of those funds, and in this particular program, the reporting is not very strong. I believe you call that accountability most of time. It is a little bit difficult to run the numbers, so these are estimates, but we feel that they are relatively close.

Currently the program is in the neighborhood of subsidizing each employee at the rate of approximately \$19,000 a year, each year, and has been for a long period of time. As you look at the agreement that we made with Tesla, for example, there is a one-time transferrable tax credit per job of \$12,500. When we look up at the end of 20 years, those jobs will still be here when it comes to the gigafactory manufacturing plant. If we do not change the home office tax credit program, we will have to continue to pay that amount each year with no end in sight.

We also looked at it in terms of the percentage of estimated pay—or in the case of Tesla, the guaranteed pay—that this incentive or subsidy provides. It is approximately 32 percent if that \$19,000 is exactly right and the home office tax credit of the payroll that is generated by those jobs. In the agreement with Tesla, both of the transferrable tax credit programs, one for employees and the other for investment, amount to 2.7 percent of generated payroll over the course of 20 years. Again, at the end of that 20-year period, these jobs will continue, so we feel that this is more efficient use of funding. The results will bear that out. This is not in any way meant as a negative toward the insurance industry. Obviously, it is an important industry in the state, but we do feel, from a policy decision, that this use of funding is substantially more effective and efficient than the way we are currently putting that money to work.

CHAIR KIRKPATRICK:

Thank you, Mr. Hill. I think you asked the question everybody has been wondering: Why this particular one? Anytime you can sunset things so people can revisit it, that is much better so future legislators can reevaluate things. I am a big proponent of that, and it is no secret.

ASSEMBLYMAN STEWART:

Can one of you tell us what has been the benefit to the state from these 12 companies over the years? Is there any indication they are going to leave the state because of this reduction in this benefit? And why did more not apply for it?

STEVE HILL:

Certainly these companies are important in Nevada, and each job that we have in Nevada is important. Our estimate of the benefits that we have received from jobs in relation to the home office tax credit is about 1,400 in total, not to say that those jobs would necessarily be lost if that home office tax credit did not exist. I will submit—and I think the agreement that we have made with Tesla is an example—that having to incentivize 32 percent or so of that pay at the rate of about \$19,000 a year in order to have those jobs remains not good policy. We think this is a more efficient use of the money. We value each of those jobs; we value each of those companies. I assume, but I do not know, that the reason additional insurance companies have not applied is that their home office is not here in the state, and they do not meet that definition. I can tell you that we have tried to talk about this incentive with insurance companies in an attempt to attract them to move their home offices to Nevada, and to date we have not had success with that.

CHAIR KIRKPATRICK:

Incentives or subsidies only work as long as there is growth and performance. We have talked about that in the past. There are still state contracts that some of these folks have that are still in place. Employees are still needed, correct? There is still a need, there are still customers, and there are still patients. I would hope that this is the reason why the proposal is to give folks time to work through this and to keep a piece of it so that people can make different business plans. I think we have seen that in other legislation over the years. I think I can talk about leasing agreements with MBT [modified business tax]. I think I could talk about outdoor festivals. This is not the first time that we have had this discussion, folks. I am excited about it myself, but I like good policy and I like sunsets.

ANGIE SULLIVAN:

I am living in Vegas. I guess I have heard numerous times Tesla mentioned in reply, so I am assuming that this is, again, a special concession we are making for 12 companies, plus Tesla, and I just question the wisdom of doing that.

CHAIR KIRKPATRICK:

Here is what I will tell you, Ms. Sullivan. I tried to do this in 2009, and I would have done it every session in between because it is good tax policy for our state to sunset things. I am happy we are having this discussion. That is one of the things that you talked about as far as where do we get funding, and this is a way for us to go back and start revisiting all of the different tax structures that we have in our state. I am glad that we are having the discussion. In ten years those dollars are available for future legislatures to look at. That is my perspective on it. Did you have anything else, Ms. Sullivan?

ANGIE SULLIVAN:

No. I guess if there are 12 people participating and it has been used to try to attract business, I guess I am just thinking that that is a very small percentage of people that benefit from this.

CHAIR KIRKPATRICK:

Okay. Thank you.

ANGIE SULLIVAN:

I am all for revisiting it.

CHAIR KIRKPATRICK:

Well, that would be my reason for revisiting it. If it has not grown and has become stagnant over time, I think that is what legislators should do—revisit it. I appreciate you staying and being part of the discussion. We have been open to Elko today, we have been open via email, we have been open via fax, we have been open via telephone, and we have been open in Clark County. Any public input is always important. We appreciate it.

Without objection, the Committee of the Whole recessed at 8:46 p.m.

IN COMMITTEE OF THE WHOLE

At 8:49 p.m.

Chair Kirkpatrick presiding.

Quorum present.

CHAIR KIRKPATRICK:

Here is what we are going to do. We are going to take public comment. We have had some folks ask if we could do public comment again. I am happy to do that on any of the bills that were considered today. We are going to rise and report, and we will take a motion that we have considered these bills today and send them to the floor. It is just one less step than we normally have in committee. We vote, we would have to vote twice, so rather than be redundant, we are not voting tonight. I think that everybody should go home, ponder things, rest, and think about all the dialogue we have had. That is consistently the way that I have done things in the past to

give it a cooling off time. Hopefully after we do all this, in the next 15 minutes the language will be out on the last bill so that people have something to read tonight.

At this time, I would like to ask for any public comment.

DAN KLAICH, CHANCELLOR, NEVADA SYSTEM OF HIGHER EDUCATION:

Good evening, Madam Chair and members of the Committee. For the record, my name is Dan Klaich. I am the Chancellor at the Nevada System of Higher Education. I am not here to address specifically the content of the bills, but I would like to make a couple of general comments about matters relating to this bill that have also related to the higher education system.

I have heard issues with respect to the transaction concerning policies on diversity, hiring, and issues surrounding diversity with Tesla. I have spoken with representatives of Tesla today, and we have offered to make our offices of diversity—all our policies, training, and procedures available to them, to the extent that that would be of any assistance to the company in developing appropriate policies to address questions that we have heard from this body.

The second question, and maybe more major question, concerns the workforce that will be necessary and the actions at the Nevada System of Higher Education in regard to that. I would like to make just a couple of comments in that regard. First—and we did not know at the time this action was taken that we would even be here today—but I have hired probably the best workforce guy in the state, Frank Woodbeck, to assist with community colleges and training programs that are going to be necessary to staff up and train the consistent workforce for Tesla or any other company that would come as a result of the legislation that you are considering.

Secondly, I met this afternoon with the senior project manager of the gigafactory, and he and I discussed putting together a group of our presidents and action officers in the Nevada System of Higher Education. He would invite them to come down to their Palo Alto headquarters and start working immediately on curriculum that would be necessary for the training of workers in the factory, from certificates in manufacturing to Ph.D.s in engineering. He related to me a similar program that they have with Stanford University that takes students directly out of the university into their employment pipeline, and something that he wanted to recreate here in Nevada. We are looking forward to immediately taking our presidents from the colleges and universities down to meet with the folks at Tesla, talking about curriculum that is necessary, and doing everything we can as quickly as we can to meet the workforce needs so that we can help our folks get to work.

Madam Chair, we are very much in favor of this and stand ready to assist in any way we can to make this a successful venture.

ASSEMBLYMAN HICKEY:

I have a question. I know it is not customary to do that in public comment.

CHAIR KIRKPATRICK:

We are all about transparency today.

ASSEMBLYMAN HICKEY:

You are part of the public, but you are something else as well, Chancellor. Just for the record, the programs, the curriculum, those things—and this is exciting news, obviously—that would be inclusive of programs that would relate to the community college system and not just the two universities, I assume?

DAN KLAICH:

Absolutely, Mr. Hickey. As a matter of fact, I think it starts with the community colleges the way this will ramp up, and it will work through the curriculum of the entire system, in addition to the workforce that we are likely to assist in training for this project. I am convinced that there is a real opportunity to create an entire new culture, greater value jobs through every status, every work level. Not just this project, but I think we are potentially going to create a new culture around this project that we intend to be a significant part of.

CHAIR KIRKPATRICK:

I am going to wait for Mr. Horne to make a motion to adjourn until 9:30 tomorrow. What I have been told by the Senate is they believe that the language will be ready in a bit. So what I would say to folks is stay up late and look for it, or get up early and look for it. My understanding is it will be as it was with the Assembly, how we had those prefiled bills so that the public and everybody else can see it. It should be on the Legislature's website: the 28th Special Session, go to the Committee of the Whole for the Senate or go to the bill information, depending on how the Senate decides to do it.

On motion of Assemblyman Frierson, the Committee did rise and report back to the Assembly.

Motion carried.

ASSEMBLY IN SESSION

At 8:58 p.m.

Madam Speaker presiding.

Quorum present.

REPORTS OF COMMITTEES

Madam Speaker:

Your Committee of the Whole, to which were referred Assembly Bills Nos. 1, 2, and 3 has had the same under consideration, and begs leave to report the same back with the recommendation: Considered.

MARILYN K. KIRKPATRICK, *Chair*

Assemblyman Horne moved that the Assembly adjourn until Thursday, September 11, at 9:30 a.m.

Motion carried.

Assembly adjourned at 9:03 p.m.

Approved:

MARILYN K. KIRKPATRICK
Speaker of the Assembly

Attest: SUSAN FURLONG

Chief Clerk of the Assembly