

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON WAYS AND MEANS**

**Seventy-Third Session
June 2, 2005**

The Committee on Ways and Means was called to order at 8:00 a.m., on Thursday, June 2, 2005. Chairman Morse Arberry Jr. presided in Room 3137 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. All exhibits are available and on file at the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Mr. Morse Arberry Jr., Chairman
Ms. Chris Giunchigliani, Vice Chairwoman
Mr. Mo Denis
Mrs. Heidi S. Gansert
Mr. Lynn Hettrick
Mr. Joseph M. Hogan
Mrs. Ellen Koivisto
Ms. Sheila Leslie
Mr. John Marvel
Ms. Kathy McClain
Mr. Richard Perkins
Mr. Bob Seale
Mrs. Debbie Smith
Ms. Valerie Weber

COMMITTEE MEMBERS ABSENT:

None

STAFF MEMBERS PRESENT:

Mark Stevens, Assembly Fiscal Analyst
Steve Abba, Principal Deputy Fiscal Analyst
Connie Davis, Committee Attaché
Carol Thomsen, Committee Attaché

**Assembly Bill 570: Prevents issuance of additional allodial titles.
(BDR 32 1477)**

Assemblyman Bob Seale advised that A.B. 570 would remove the provision for allodial titles that allowed for the prepayment of property taxes in perpetuity from the State Treasurer's Office. In 1997, the Legislature created *Nevada Revised Statutes* (NRS) 361.900 to 361.920 entitled, "Allodial Title," which became effective July 1, 1998.

Mr. Seale indicated that only one family had established allodial title, and it was determined that a significant unfunded liability could be created with the increase and decrease of property taxes. While passage of A.B. 570 would prevent the issuance of additional allodial titles, the one family utilizing allodial title would be protected, and the funds would be placed in an escrow account.

There were no questions from members of the Committee. Chairman Arberry closed the hearing on A.B. 570 and opened the hearing on A.B. 571.

Assembly Bill 571: Establishes for next biennium amount to be paid to Public Employees' Benefits Program for group insurance for certain active and retired public officers and employees. (BDR S-1468)

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, advised that A.B. 571, Section 1, established the State's share of the cost of premiums or contributions for group insurance for each public officer or employee who participated in the Public Employees' Benefits Program. Subsection 2 provided that a portion of the monthly premium was utilized to pay for a portion of the premiums or contributions for eligible dependents. Additionally, Mr. Stevens advised that Section 2 established the base amount for the State's share of the cost of premiums or contributions for group insurance for each person who had retired with state service and continued to participate in the Public Employees' Benefits Program. Those amounts were \$321.27 per month for the first year of the biennium and \$336.97 for the second year.

Mr. Stevens advised that a bill was approved each session to establish the amount to be paid to the Public Employees' Benefits Program, and the amounts were based on the way the Public Employees' Benefits Program budget was closed by the Senate Committee on Finance and the Assembly Committee on Ways and Means.

There were no questions from members of the Committee. Chairman Arberry closed the hearing on A.B. 571 and opened the hearing on S.B. 391.

Senate Bill 391 (1st Reprint): Revises provisions governing liability for tax on financial institutions. (BDR 32-716)

Alfredo Alonso, a lobbyist representing Cash America International, Inc., appeared before the Committee to testify in support of S.B. 391. Mr. Alonso advised that one of the provisions in the bill excluded pawnshops from a tax on financial institutions. Although it was believed pawnshops were not intended to be identified as financial institutions in S.B. 8, 2003 Legislature, 20th Special Session, Mr. Alonso said pawnshops had to absorb the 2 percent increase imposed by passage of the bill after the 2003 Legislative Session.

Mr. Alonso explained that S.B. 391 simply excluded pawnshops from a tax on financial institutions since half of their business was related to retail sales, which made it impossible to treat them in a manner consistent with financial institutions.

In response to a question Ms. Giunchigliani asked regarding the inclusion of pawnshops in S.B. 8, Mr. Alonso advised that pawnshops were inadvertently identified as financial institutions in S.B. 8 and a provision in S.B. 391 would exclude pawnshops from being taxed as financial institutions.

Ms. Giunchigliani asked if mortgage brokers were subject to the tax.

Carole Vilardo, Executive Director, Nevada Taxpayers Association, speaking in support of S.B. 391, advised that mortgage brokers had been captured. Ms. Vilardo explained that S.B. 8 was an act approved to provide for the imposition of certain excise taxes on financial institutions, and banks were singled out to be taxed, but not to the point to allow unfair competition from businesses that were not being taxed at the 2 percent rate. Collection agencies and credit reporting agencies were also captured, but Ms. Vilardo indicated some confusion occurred regarding the use of the North American Classification System (NACS) versus the Standard Industry Classification (SIC) code during the time S.B. 8 was drafted.

Another issue Ms. Vilardo explained was the problem that occurred within S.B. 8, Section 5.5 (c), that defined credit card companies as financial institutions and Section 5.5 (d), that included any other business that extended credit. Ms. Vilardo pointed out that the language including any other business that extended credit could literally mean every business, thus language in S.B. 391 distinguished between companies that provided credit and companies that were excluded from the tax because the credit they extended was provided for their own goods and services. Additionally, Ms. Vilardo indicated a narrative description in S.B. 391 rather than the way S.B. 8 was written was determined more acceptable and several variations had been tried, from attempting to correct the way the sections had been written for financial institutions, to two different variations on legal descriptions of what a financial institution might be. Ms. Vilardo asked for the Committee's favorable consideration of S.B. 391, which she said indicated was intended to "clean up" unintended consequences of S.B. 8.

In response to a question Ms. Giunchigliani asked regarding the reference in S.B. 391, Section 1, line 7, to *Nevada Revised Statutes*, Chapter 645E, Ms. Vilardo advised that Chapter 645E related to credit and collection agencies.

Bill Uffelman, President and CEO, Nevada Bankers Association, suggested a correction to the language in Section 1, line 7, in which he noted it appeared Chapter 649 had been inadvertently struck.

Correcting her previous testimony, Ms. Vilardo advised that Chapter 649 dealt with collection agencies and Chapter 645E dealt with mortgage brokers, and credit card companies were listed on page 4, line 14.

In response to questions Ms. Giunchigliani asked regarding whether "payday" loans were included in S.B. 391, Ms. Vilardo indicated she could not recall any testimony from "payday" loan companies during the hearings.

Dino DiCianno, Deputy Executive Director, Department of Taxation, advised that any entity that provided an extension of credit or cash advance loans, such as "payday" loan companies, were included in the provisions governing liability for the tax on financial institutions. Mr. DiCianno referred to S.B. 391, page 1, line 7, and indicated that Chapter 645E provided for mortgage brokers and agents, and "payday" loan companies would be either under Title 55 or Title 56 of NRS.

In response to additional questions from Ms. Giunchigliani, Mr. Uffelman said that under the provisions of S.B. 391, pawnbrokers, credit reporting companies, and collection agencies would be excluded from the tax on financial institutions.

On behalf of the Nevada Bankers Association, Mr. Uffelman asked for the Committee's favorable consideration of S.B. 391 and advised that pages 3 and 4 of the bill listed the institutions that were intended to be taxed.

John Vergiels, a lobbyist representing the Nevada Association of Mortgage Brokers, indicated the Association would support the bill provided the bill was amended on page 1, line 7, Chapter 645B, to exclude licensed mortgage brokers from the 2 percent tax levy and move them to a rate of .65 percent.

In response to a question from Ms. Giunchigliani, Mr. Alonso clarified that "payday" loan companies were included in the companies that were subject to the 2 percent tax levy.

In response to additional questions from Ms. Giunchigliani regarding a tax revenue gain or loss under the provisions of the bill, Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, indicated the bill, as currently written, would cost \$1.2 million in the first year of the biennium and \$1.4 million in the second year of the biennium.

Cathie Jackson, President, Nevada Association of Mortgage Professionals, and a small business owner, testified that the 2 percent tax imposed on mortgage brokers, licensed under *Nevada Revised Statutes* (NRS) 645B, was unfair because mortgage brokers were not financial institutions. Ms. Jackson advised that under the provisions of A.B. 490 of the 72nd Legislative Session, mortgage brokers, licensed under the provisions of NRS 645B, were moved from the Division of Financial Institutions, Department of Business and Industry, to the Division of Mortgage Lending, Department of Business and Industry, and NRS 363A.050 defined mortgage brokers licensed under NRS 645B as financial institutions, which she said needed to be corrected.

Comparing mortgage brokers to insurance brokers, Ms. Jackson said that mortgage brokers received no deposits, nor did they fund their own loans, and the definition of a mortgage broker was one who used his/her own money to fund a loan. Additionally, Ms. Jackson said that most mortgage brokers were small businesses that typically employed one to six employees with the broker/owner usually the main source of income. Ms. Jackson explained that when the broker paid himself or herself within the payroll system, the 2 percent tax was a direct tax on the employee, who was in actuality the employer.

Concluding her remarks, Ms. Jackson told the members of the Committee that mortgage brokers did not have a problem paying taxes at 65 basis points but considered the 2 percent tax unfair and a burden on small business owners.

Chairman Arberry closed the hearing on S.B. 391 and opened the hearing on S.B. 406.

Senate Bill 406 (1st Reprint): Requires State Board for Occupational Education to prescribe program of career and technical education. (BDR 34-1307)

Marsheilah Lyons, Senior Research Analyst, Research Division, Legislative Counsel Bureau, provided an overview of S.B. 406 at the request of Senator Maurice Washington.

Ms. Lyons advised that S.B. 406 re-designated occupational education as career and technical education and required the State Board for Occupational Education

to prescribe a program of career and technical education to pupils enrolled in grades 9 through 12.

Ms. Lyons further advised that the bill authorized school districts and charter schools to establish and maintain a program of career and technical education and would appropriate \$6 million in fiscal year 2006 and \$6 million in fiscal year 2007 to the Department of Education for allocations to school districts and charter schools to implement such a program. The allocation of funds would be based on the estimated number of pupils who would participate in the program and the financial need of the school district or charter school.

Additionally, a pupil who successfully completed a program of career and technical education would be awarded a career in technical education advanced diploma, or, at the discretion of the pupil, another type of diploma for which the pupil was eligible. To qualify for the advanced diploma, Ms. Lyons said a pupil must, at a minimum, satisfactorily complete the required course work for the career or technical area selected by the pupil, satisfy the state academic requirements for receipt of a standard high school diploma, and maintain at least a 3.0 grade point average.

Assemblywoman Giunchigliani asked if A.B. 388, which also revised provisions regarding occupational education, went directly to the Senate Committee on Finance or to the Senate Committee on Human Resources and Education.

Ms. Lyons advised that A.B. 388 was sent to the Senate Committee on Human Resources and Education and was processed as a do pass on Tuesday, May 30, 2005, and returned to the Assembly on June 1.

In response to a question Assemblywoman Smith asked regarding the provision in A.B. 388 for a student, who successfully completed a program of career and technical education, to receive an endorsement rather than an actual diploma, Ms. Lyons indicated there was discussion in the Senate Committee on Human Resources and Education relative to whether it was appropriate to award a special diploma or endorsements. Ms. Lyons was uncertain as to the Committee's preference, but recalled testimony that indicated a preference for endorsements since several endorsements could be awarded versus just one type of diploma. Ms. Lyons advised that if both S.B. 406 and A.B. 388 were approved, a notification of conflict would be issued and the conflict would need to be resolved.

Dr. Keith Rheault, Superintendent of Public Instruction, Department of Education, appeared before the Committee to testify in support of S.B. 406. While the No Child Left Behind Act placed an emphasis on academics, Dr. Rheault indicated the target had been missed in providing programs and funding to support career and technical education.

Dr. Rheault spoke of a recent Lake Tahoe conference on school improvement, and a presentation that highlighted the 30 highest performing high schools in the country. The main emphasis for those schools was on the provision of enhanced career and technical education programs as a key component of their curriculum.

Although usually attempting to remain unbiased, Dr. Rheault indicated that as a former career and technical education teacher and State Supervisor and Director of Occupational Education with three degrees in career and technical education, he believed funding for career and technical education was critical to provide

the kind of courses students and the business and industry community needed. Dr. Rheault asked for the Committee's favorable consideration of the bill.

Phyllis Dryden, Director of the Office of Career, Technical, and Adult Education, Nevada Department of Education, provided the members of the Committee with a packet of information ([Exhibit B](#)) regarding career and technical education.

Ms. Dryden, testifying in support of S.B. 406, indicated passage of the bill would provide for an advanced diploma in career and technical education and recognition for high school students who chose to use their electives in the skills area. Additionally, Ms. Dryden said passage of the bill would provide the funding needed to support career and technical education programs, which were expensive since the classes were generally "hands on" and required costly state-of-the-art equipment. Ms. Dryden also indicated that additional teachers would be required for safety reasons, especially in laboratory type settings where, for example, students were working with welding equipment.

Ms. Dryden said that implementation of the programs would provide for career and technical education students to achieve a higher daily attendance and graduation rate, a lower dropout rate, a higher proficiency rate with advanced scores, and skills beneficial to the community, or to gain access to college at some point in the future.

Ms. Giunchigliani indicated there were currently three bills A.B. 525, A.B. 397, and A.B. 388, regarding career and technical education in the legislative process, which recognized that a need existed. In regard to A.B. 525, which made appropriation for innovative educational programs, Ms. Giunchigliani indicated that in the event of the unavailability of funding, a grant procedure was provided for which the schools could apply. Ms. Giunchigliani indicated that A.B. 397, which revised provisions governing diplomas, provided for endorsements for career and technology education in an effort to acknowledge that students who received a standard or advanced diploma also specialized in career and technical education.

Assemblywoman Smith mentioned that the establishment of school advisory committees was a provision of A.B. 388 and asked if S.B. 406 also provided for advisory committees.

In response, Ms. Dryden advised that S.B. 406 included a provision for school advisory committees, which would be established by the school district, and included educators and business representatives who had a large voice in the direction of curriculum and the needs of the community.

Speaking in support of S.B. 406, Jim Barbee, Continuing Education Occupational Consultant, Department of Education, discussed the bill's funding structure. Mr. Barbee provided the following information:

- ✓ \$6 million was requested for each year of the biennium for a total of \$12 million
- ✓ \$2.4 million would be utilized for expansion or opening of new career and technical education programs
- ✓ \$3.6 million would be distributed per program area in the districts based on the previous year's occupational education enrollment

Mr. Barbee advised that the \$3.6 million would be used to purchase equipment, which, as previously discussed, was needed to keep pace with new technology changes.

Norman Dianda, President, Q&D Construction, Reno, Nevada, speaking in support of the bill, provided information on why he considered career and technical education important. Mr. Dianda defined himself as "a classic example of a vocational education kid," who grew up on a farm and learned to do things with his hands. Mr. Dianda credited his high school advisors and a shop class mentor with helping him to achieve his present-day status.

Mr. Dianda told the members of the Committee that he and a partner established Q&D Construction in 1964, and today the company ranked 146 in the top 400 construction companies in the United States and number 2 in Nevada. The company currently employed about 900 people and while 200 more were needed during the summer, Mr. Dianda indicated it would be difficult to find 200 qualified workers. Mr. Dianda reported that the lack of qualified workers was an industry-wide problem.

During the past 25 years, Mr. Dianda said most young people were encouraged to attend college while those who could work with their hands were forgotten. While career and technical education programs in S.B. 406 would provide the opportunity to move forward, Mr. Dianda indicated the construction industry was willing to support the program after high school graduation by providing stipends to the community college for young people to pursue advanced degrees in technical education. Although the unions had training programs, Mr. Dianda said they could not satisfy everyone's needs. Mr. Dianda warned that without a qualified workforce, construction costs, which were currently high, would only continue to increase as qualified workers would be required to work overtime.

Mr. Dianda reiterated the industry's need for qualified workers and asked for the Committee's favorable consideration of S.B. 406, which he said would provide young people with opportunities that might not otherwise be available.

John Madole, representing the Nevada Chapter of Associated General Contractors, expressed agreement with Mr. Dianda's comments and testified in support of S.B. 406. Speaking as the father of four sons who went through the public education system, Mr. Madole indicated that two of his sons, who were currently in their 30s, would have been well served by vocational training. One son had the benefit of receiving vocational training, which he said had a positive impact on his career.

As previously stated by Mr. Dianda, Mr. Madole reiterated that the industry had pledged to commit resources to help fulfill the need for qualified workers and believed it was time to return "dignity to the people willing to learn a craft and work with their hands." Mr. Madole concluded his remarks and asked for the Committee's favorable consideration of S.B. 406.

Noting that the taxpayers were being called upon to contribute \$12 million to build a more adequate workforce, Assemblyman Hogan asked to what extent the construction industry would provide funding.

Mr. Madole advised that the Nevada Chapter of Associated General Contractors was in the process of committing hundreds of thousands of dollars to provide career and technical education courses and, while he could not speak for the entire industry, he indicated a meeting was scheduled for June 7, 2005, to allocate additional resources to the effort.

Mrs. Smith asked whether a particular area such as equipment, instructors, direction, or encouragement was being overlooked in career and technical education studies.

In response, Mr. Dianda said that teachers, principals, and counselors needed to determine capability and encourage students who would not be attending college to pursue career and educational courses.

Ms. Giunchigliani agreed with Mr. Dianda and cited statistics that indicated 78 percent of students did not need to attend college. Ms. Giunchigliani indicated, however, that students should be academically prepared in the event they decided to attend college at some point in the future.

Assemblyman Marvel also agreed with Mr. Dianda and recalled that when he attended college on the GI Bill, there were many young men attending only because they had no other options.

Kevin Crowe, Chief of Planning and Evaluation, Nevada Division of Mental Health and Developmental Services, appeared before the Committee to testify in support of S.B. 406 and indicated that representatives of the Division had also testified in support of the bill before other legislative committees.

Mr. Crowe advised that there was compelling evidence that career and technical education programs would be particularly effective for individuals who were likely to experience serious mental illness. Mr. Crowe explained that children who had individual educational plans and diagnostic classifications that indicated they would develop serious mental illnesses later in life, had a higher passage rate for the Nevada proficiency examination if they were exposed to the type of programs that would be considered under S.B. 406. Mr. Crowe said that reaction from clients, both in structured data collections and in clinical interviews, showed that adequate work skills and being placed in the workforce was "key" to recovery and reintegration with families and communities.

Mr. Crowe testified that clinicians, who had provided two evidence-based programs, psychosocial rehabilitation and supported employment, reported that clients with a wide range of supported skills that they could build on, would help career and technical education programs become even more effective. Additionally, Mr. Crowe reported that national studies also indicated career and technical education programs were effective for individuals suffering from serious mental illnesses.

Mr. Crowe said that a summary provided in the material distributed to the Committee (Exhibit B), showed that 92 percent of the Division's clients currently earned less than \$16,000 a year, suffered not only from mental illnesses, but also from the stigma of low-paying jobs.

In conclusion, Mr. Crowe said that clinicians' reports and information from clients provided an array of evidence that career and technical education programs would "be very effective for individuals suffering from serious mental illness."

Chairman Arberry closed the hearing on S.B. 406 and opened the hearing on S.B. 341.

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Senate Bill 341 (3rd Reprint): Makes various changes concerning sex offenders and offenders convicted of crimes against children. (BDR 14-678)

Senator Dina Titus, District No. 7, Clark County, appeared before the Committee to testify in support of S.B. 341. Senator Titus stated that under the provisions of Megan's Law, named for a 7-year-old New Jersey girl, Nevada was required to maintain a website containing information on serious and high-risk sex offenders. Following Megan's murder in 1994 by a known child molester, who had moved to a house across the street from her family, without the family's knowledge of his background, Senator Titus said states around the country began to enact sexual offender registration laws in an effort to prevent repeat offenses. Those laws provided that sexual offenders could be tracked after release from prison.

Senator Titus indicated that over the years it had become clear that some state registration laws were tougher than others and some states had more resources to devote to enforcement than other states. Senator Titus said a six-month investigation last year by the *Reno Gazette Journal* turned up some shocking facts about child molesters, who appeared to be "flocking" to Nevada from neighboring states for the following reasons:

- ✓ An offender could more easily blend into Nevada's transient population
- ✓ Authorities lacked the resources to track sexual offenders
- ✓ Nevada's law was weaker than other states

The *Reno Gazette Journal* statistics also revealed that 39 percent of sex offenders failed to register and Nevada was the fifth worst state in the country for sex offenders who failed to obey the law. Defining the statistics as frightening, Senator Titus stated that children had the right to be protected, and a situation allowing Nevada to become a haven for perverts could not be tolerated.

Senator Titus advised that S.B. 341 was the result of a collaborative effort after she began working with children's advocates and law enforcement representatives on a bill draft to strengthen Nevada's sexual offender registration laws. Additionally, similar bills were drafted by Senator Raggio, Senator Nolan, Assemblywoman Gansert, and Assemblywoman Ohrenschall.

In summary, Senator Titus said that sex offenses caused a great deal of personal suffering and community outrage as well as taxed the State's monetary resources. Senator Titus indicated that the bill before the Committee would strengthen Nevada's law in order to better track offenders, prevent crimes, and protect children. Reforms outlined in the bill included:

- ✓ Adding addresses as well as zip codes to the sexual offender registry
- ✓ Sex offenders would be required to renew their driver's license every year for tracking purposes
- ✓ Differentiation between the types of sex crimes listed by severity on the website
- ✓ Requirements that an offender remain on the registry for at least ten years
- ✓ Removal of names from the registry only if an offender had not re-offended or failed to continue to register

Senator Titus indicated that there was no fiscal note attached to the bill.

In response to questions Chairman Arberry asked regarding the cost of the enforcement requirements, George Togliatti, Director, Department of Public Safety, indicated the funding would be absorbed within the Division of Parole and Probation's budget. Mr. Togliatti stated that the only variable within the bill would be to provide relief for background checks to community groups, such as children's athletic teams.

Assemblywoman Gansert advised that she was a co-sponsor of S.B. 341 and explained her interest developed as a result of three incidents that occurred in a period of two months at the school her children attended. During research she conducted in response to the incidents, Mrs. Gansert learned that the current website reflected that almost half of the 4,000 known sexual offenders in Nevada were out of compliance. Additionally, Mrs. Gansert advised that she discovered offenders were ranked on a tier basis 0 through 3, and Nevada had only 66 Tier 3 offenders. Tier 3 offenders were considered the most likely to re-offend. Mrs. Gansert indicated the names and addresses for Tier 3 level individuals would most likely increase with passage of the bill.

Mrs. Gansert extended her appreciation to Senator Titus, who she indicated had been testifying in support of the bill before other legislative committees.

Assemblywoman Leslie expressed her appreciation for the collaborative effort put forth by the legislators who sponsored S.B. 341. From knowledge gained by working in the court system, Ms. Leslie said that sexual offenders tended to move frequently and asked if additional resources had been placed in the Division of Parole and Probation's budget to track offenders.

Mr. Togliatti said that additional funding had not been provided to track offenders and indicated there were not enough resources, nor did he think there would "ever be enough resources to track every sex offender in the United States who came to Nevada."

Ms. Leslie indicated that as previously pointed out by Senator Titus, sexual offenders were being poorly tracked.

Mr. Togliatti advised that sexual offenders were attracted to Nevada, as previously stated, because they could easily blend into the transient population. While registered offenders could be tracked, Mr. Togliatti indicated that "no one looked over their shoulder to see that they registered." Mr. Togliatti said the provision of a yearly driver's license renewal would provide law enforcement with an additional tool for tracking purposes.

Ms. Leslie indicated she believed the Division of Parole and Probation should be provided additional resources specific to officers who had to "knock on doors" to track offenders.

Chairman Arberry questioned whether authorities from other states contacted authorities in Nevada before ex-felons relocated to Nevada.

Mr. Togliatti indicated there were various situations, including those in which there were individuals on parole or probation in Nevada, and individuals officially transferred to Nevada through a compact with another state because they either had family or perhaps employment in the State. Additionally, Mr. Togliatti indicated there were those individuals who committed sex offenses in other states and decided to relocate to Nevada, and while compelled by law to register with local law enforcement, they did not necessarily do so.

In response to questions Chairman Arberry asked regarding contact by authorities from other states, Mr. Togliatti advised that if unsupervised offenders moved to Nevada from another state, authorities in Nevada would have no way of knowing where those offenders were. Mr. Togliatti advised that unsupervised offenders from other states were the group of individuals who provided concern to law enforcement and for whom record checks were needed.

Assemblywoman Smith asked for information specific to the intent of Sections 11 and 12.

Mr. Togliatti responded that Section 12 provided that an agency of criminal justice could charge a fee for information related to records of criminal history. Mr. Togliatti advised that it had been determined, during working sessions, that background check fees would be waived for nonprofit organizations as a way to encourage groups involved with children to obtain background checks on volunteers.

Mrs. Smith asked whether the provisions of Sections 11 and 12 would change fingerprinting requirements for school volunteers.

Mr. Togliatti advised that fingerprinting requirements would not be affected by the bill, but Criminal History Repository resources, within the Department of Public Safety, would offer to waive the cost of background checks to community groups.

Senator Titus advised that the Florida Legislature had passed a law and appropriated money to require that the most serious sex offenders wear ankle bracelets for tracking purposes. Although ankle bracelets were expensive, Senator Titus indicated it might be the direction the State should consider pursuing.

Mr. Togliatti advised that he had just been provided information that currently 750 offenders were being supervised by the Division of Parole and Probation and about 4,000 were unsupervised.

In response to a question from Ms. Leslie regarding the average caseload of Parole and Probation officers, Mr. Togliatti advised the average caseload was about 40 to 45 offenders.

In response to Assemblywoman Weber, who requested information on an individualized Global Positioning Satellite (GPS) type of system, Mr. Togliatti advised that the system was currently very costly but indicated he believed the cost would be substantially reduced in "the coming years."

In response to questions Assemblywoman Giunchigliani asked regarding the imposition of fines under the provisions of Sections 30 and 31, Mr. Togliatti indicated the language defined in *Nevada Revised Statutes* regarding the imposition of fines had not been changed by S.B. 341.

Sergeant Michelle Youngs, Washoe County Sheriff's Office and Nevada Sheriffs and Chiefs Association, thanked Senator Titus, Assemblywoman Gansert, and other legislators who sponsored the bill.

Sergeant Youngs testified that the Washoe County Sheriff's Office and the Nevada Sheriffs and Chiefs Association were "very much" in support of S.B. 341. In regard to the discussion on the number of supervised and

unsupervised offenders, Sergeant Youngs indicated that Washoe County had 1,200 offenders and "three full-time officers assigned to track them and work with their compliance notification." Although the ratio of three officers to 1,200 offenders was not good, Sergeant Youngs said the officers were doing the best job they could with available resources.

Concluding her testimony, Sergeant Youngs reiterated support for S.B. 341, which she stated allowed the public to become more involved in the notification process through the website.

Sergeant Bob Roshak, Las Vegas Metropolitan Police Department, and Nevada Sheriffs and Chiefs Association, testifying in support of the bill, asked for the Committee's favorable consideration of S.B. 341.

Ms. Giunchigliani asked for comments regarding the similarities between a bill sponsored by Assemblywoman Ohrenschall and S.B. 341.

Sergeant Youngs advised that the bills were similar, although Ms. Ohrenschall's bill was not as comprehensive as S.B. 341.

Mrs. Gansert pointed out that Ms. Ohrenschall's bill lacked the conditions of compliance contained within S.B. 341.

Mr. Togliatti advised that the better part of A.B. 274, Ms. Ohrenschall's bill, had been rolled into S.B. 341.

Patricia Hines, an advocate for mental health and prison issues, spoke in opposition to S.B. 341. Ms. Hines disputed statistics provided during the hearing and indicated that the reference to 39 percent of sex offenders in Nevada who failed to register was a misconception related to offenders who had registered once, but could not currently be located.

Ms. Hines took issue with the provision of including offenders' addresses on the website and indicated that while an address should be provided to law enforcement authorities, it should not be made available to members of the public.

Additionally, Ms. Hines discussed discrimination issues related to sexual offenders and stated that all sexual assaults were placed under one category, which she suggested could be rectified by amending the bill. Ms. Hines indicated that currently the mind-set was to define all sexual offenders as pedophiles.

Ms. Hines also took issue with the provisions of the bill related to lifetime supervision, psychosexual evaluation by a licensed professional, and yearly driver's license renewal.

Ms. Hines discussed the difficulties that would be encountered by sexual offenders who tried to gain employment or find housing when even the block number of an employer's address had to be placed on the website. Additionally, Ms. Hines pointed out that the Division of Parole and Probation required the employer of an offender to place information on their letterhead regarding the employee's sex offender status.

Additionally, Ms. Hines took issue with the sentencing provisions in S.B. 341 that would revise definite terms of incarceration to a life maximum sentence.

Concluding her remarks, Ms. Hines stated that S.B. 341 needed to be amended and recommended that funding be provided for prevention efforts and accuracy in reporting statistics.

Chairman Arberry closed S.B. 341 and opened the hearing on S.B. 282.

Senate Bill 282 (2nd Reprint): Makes various changes concerning certain facilities for persons released from prison. (BDR 40-622)

On behalf of Senator Maurice Washington, Marsheilah Lyons, Senior Research Analyst, Research Division, Legislative Counsel Bureau, addressed the provisions of S.B. 282 for the benefit of the Committee.

Ms. Lyons advised that S.B. 282, Section 2.1, defined facilities for transitional living for released offenders as a residence that provided housing and a living environment for persons who had been released from prison and who required assistance with re-introduction into the community, other than such a residence operated by the state or local government.

Ms. Lyons stated that Section 2.2 defined a person who had been released from prison and made clear that a halfway house for recovering alcohol and drug abusers was not considered to be a facility for transitional living for released offenders as defined in Section 2.1.

Ms. Lyons further advised that under the provisions of Section 7.1 through 7.8, the State Board of Health would be required to adopt licensing standards and other regulations it deemed necessary for a facility for transitional living for released offenders. Section 7.9 required the regulations governing the licensing standards to include at least three types of facilities:

- ✓ Facilities that only provided a housing and living environment
- ✓ Facilities that would provide or arrange for the provision of support services for residents in addition to a housing and living environment
- ✓ Facilities that would provide or arrange for the provision of alcohol and drug abuse programs in addition to support services, and a housing and living environment

Ms. Lyons advised that Section 3 of the bill required each alcohol and drug abuse program operated by the facility for transitional living to be certified by the Health Division in accordance with existing requirements set forth in *Nevada Revised Statutes* (NRS) Chapter 458.

Ms. Lyons stated that Section 8.4 of the bill required that the fee imposed for the facilities must be based on the type of facility being licensed and would be calculated to cover the cost related to the license.

Ms. Lyons also advised that under Section 9.3 of the bill, in any sale, lease, or rental of real property, the fact that a licensed facility for transitional living for released offenders that was licensed pursuant to NRS Chapter 449 was located near the property being sold, leased, or rented was not material to the transaction.

Additionally, Ms. Lyons advised that Section 10.1 allowed an offender to be released to a licensed facility for transitional living for released offenders but would not prohibit the Division of Parole and Probation from releasing a person to other facilities or other arrangements.

Alex Haartz, M.P.H., Administrator, Health Division, Department of Human Resources, noted, as stated earlier in the hearing, under the provisions of the bill, the fee-funded activity was provided within the Bureau of Licensure and Certification. Depending on the workload that ensued once regulations were developed, Mr. Haartz said the Health Division might need to approach the Interim Finance Committee to request a full-time equivalent (FTE) position, or some fraction of an FTE, in order to comply with the provisions of the bill.

Senator Maurice Washington, District No. 2, credited Ms. Lyons and the staff for doing a good job in explaining the provisions of the bill to the Committee. Senator Washington indicated that most members of the Committee were aware of the genesis of the bill and the necessity to regulate transitional homes.

After working on the issues related to transitional living facilities for several sessions, Senator Washington indicated he was optimistic that the bill provided solutions to regulate and ensure that the facilities were more amenable to offenders who were being released from correctional institutions. Senator Washington asked for the Committee's favorable consideration of the bill.

Ms. Giunchigliani noted that under the provisions of Section 2 of the bill, a halfway house for recovering alcoholics and drug abusers, or a facility for treatment of abuse of alcohol or drugs, was not included in the definition of a facility for transitional living for released offenders. Ms. Giunchigliani expressed concern regarding transitional facilities that claimed they were providing treatment but were not Bureau of Alcohol and Drug Abuse (BADA) certified.

Senator Washington advised that Section 3 required that each alcohol and drug abuse program operated by a facility for transitional living for released offenders had to be certified by the Health Division in accordance with the requirements set forth under the provisions of NRS Chapter 458. Additionally, Senator Washington advised that Section 7 included provisions for a three-tiered system.

In response to a question Ms. Giunchigliani asked regarding licensing and certification, Mr. Haartz advised that NRS 458 provided that facilities receiving State funding had to be certified. However, even though a program provided alcohol and drug treatment services, certification was not required if State funding was not being provided. Mr. Haartz explained, however, that a residential program would fall under the provisions of NRS 449 and would be licensed by the Health Division, but would not require certification. Mr. Haartz advised that under the provisions of S.B. 282, those facilities that would be providing residential services for released offenders would require both licensing and certification.

In response to a question Ms. Leslie asked regarding licensing or certification for a group of individuals who chose to live together, Mr. Haartz stated that licensing requirements for a residential facility that operated as a business were "very clear." However, he indicated that a group of individuals deciding to live together was a gray area that would be determined through the licensing procedure.

Chairman Arberry closed the hearing on S.B. 282 and opened the hearing on S.B. 28.

Senate Bill 28 (2nd Reprint): Prohibits person from knowingly and intentionally capturing image of private area of another person under certain circumstances and prohibits person from knowingly distributing, disclosing, displaying, transmitting or publishing image captured under such circumstances. (BDR 15-8)

Sergeant Bob Roshak, representing the Las Vegas Metropolitan Police Department, the Washoe County Sheriff's Department, and Nevada Sheriffs and Chiefs Association, testified in support of S.B. 28.

Sergeant Roshak stated that the bill prohibited a person from knowingly and intentionally capturing the image of a private area of another person. There currently were no laws prohibiting such action, and Sergeant Roshak reported that incidents involving hidden cameras in restrooms and locker rooms to capture such images had occurred in northern and southern areas of the State.

Assemblywoman Giunchigliani asked if the bill would also prevent the police from placing cameras in public restrooms.

Sergeant Roshak advised that the bill provided an exemption for law enforcement to record incidents during the course of an investigation.

Ms. Giunchigliani asked how a person would be aware of the course of an investigation.

Sergeant Roshak stated that law enforcement authorities would not randomly record incidents.

Chairman Arberry closed the hearing on S.B. 28.

Assembly Bill 127 (1st Reprint): Provides subsidies from Fund for a Healthy Nevada for coverage of certain additional benefits, including dental and vision benefits, for certain senior citizens. (BDR 40-714)

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, advised that A.B. 127 provided subsidies from the Fund for a Healthy Nevada for limited scope dental and vision benefits to senior citizens.

Assemblywoman McClain advised that A.B. 127 authorized the subsidies as indicated by Mr. Stevens, and the proposed amendment (Exhibit D) from the Nevada Dental Association redefined the duties of the "oral health program manager." Ms. McClain further advised that neither the bill nor the amendment included state funding.

ASSEMBLYWOMAN KOIVISTO MOVED TO AMEND AND DO PASS
A.B. 127.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Perkins was not present for the vote.)

Assembly Bill 534: Expands authority of Board of Regents of University of Nevada to issue revenue bonds. (BDR S-162)

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that passage of A.B. 534 would provide authorization for the University and Community College System of Nevada (UCCSN), through the Board of Regents, to issue revenue bonds. Mr. Stevens said the bill, first heard in April, was held by the Committee until all testimony on the Capital Improvement Program projects was heard by the Joint Subcommittee on Higher Education and Capital Improvements. Since then, Mr. Stevens advised that a potential additional project had surfaced that was not included in A.B. 534.

Dan Klaich, Vice Chancellor, University and Community College System of Nevada, advised that he would defer to Dr. James Richardson, Nevada Faculty Alliance, and David Humke in regard to the proposed amendment to A.B. 534 (Exhibit C).

David Humke, Project Attorney, National Council of Juvenile and Family Court Judges, a private nonprofit entity, currently a tenant of the University of Nevada, Reno, appeared before the Committee on behalf of Mary V. Mentaberry, Executive Director, National Council of Juvenile and Family Court Judges.

Mr. Humke testified that the project developed as the session unfolded and the opportunity was provided to partner with the National Judicial College, sister organization to the National Council of Juvenile and Family Court Judges, to construct, through the issuance of revenue bonds, a National Judicial College Legal Center of Excellence, and to locate 85 employees in Reno in one location on the campus.

Chairman Arberry asked why the National Judicial College Legal Center of Excellence was being proposed at the close of the legislative session.

James Richardson, Ph.D., representing the programs he directed in the justice area, advised that the project had developed late and became a part of the University of Nevada, Reno, master plan that the Regents approved at their last meeting in the fall. Dr. Richardson advised that the master plan had also been approved by the City of Reno. Additionally, Dr. Richardson explained that the building had not gone through the normal process used by the Regents since there was no request for money.

Dr. Richardson further advised that the Committee's favorable consideration of A.B. 534 would allow the National Council to raise funds at both the private and federal levels that would enable them to construct the building and consolidate their activities. Dr. Richardson explained that 10 to 15 percent of the space that would be occupied by programs in the justice area were jointly sponsored, such as master degrees in justice management, master degrees in judicial studies, and the Sawyer Center, a research arm of the University would be located there as well.

In response to Chairman Arberry's question regarding State funding, Dr. Richardson advised that the request was simply a part of the revenue bond bill, and, if authorized, as previously stated would facilitate fund-raising at both private and federal levels.

Mr. Stevens advised that if A.B. 534 was amended to include the new building addition to the National Judicial College, authority would be provided for the sale of revenue bonds that would finance the construction of the building.

Assemblyman Seale asked whether the bonds would be issued through the Board of Finance or the University.

Mr. Klaich advised that the bonds would be issued by the Board of Regents after the normal due diligence process of any revenue bond issued by the Board of Regents in connection with the bond counsel, Mr. John Swendseid.

In response to questions Chairman Arberry asked regarding the revenue stream, Dr. Richardson explained that currently the National Council leased approximately 35,000 square feet as well as several "buildings downtown," and the major emphasis was to consolidate those employees. Dr. Richardson said the National Council currently received approximately \$500,000 a year from lease payments, which could be redirected to facilitate fund-raising at the private and federal levels if the State agreed the project should be moved forward.

Mr. Stevens advised that the Committee needed to decide if they wanted to amend A.B. 534 and include the additional building addition in the legislation.

ASSEMBLYMAN MARVEL MOVED TO AMEND AND DO PASS
A.B. 534.

ASSEMBLYWOMAN GANSERT SECONDED THE MOTION.

Assemblywoman Giunchigliani refused to support a motion to amend and do pass.

Chairman Arberry decided to hold the bill for reconsideration at a later time.

**Assembly Bill 570: Prevents issuance of additional allodial titles.
(BDR 32 1477)**

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, advised the members of the Committee that testimony was heard earlier in the hearing on A.B. 570, which would eliminate the issuance of allodial titles.

ASSEMBLYMAN SEALE MOVED TO DO PASS A.B. 570.

ASSEMBLYMAN MARVEL SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Perkins was not present for the vote.)

Assembly Bill 571: Establishes for next biennium amount to be paid to Public Employees' Benefits Program for group insurance for certain active and retired public officers and employees. (BDR S-1468)

Mark Stevens, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, advised the members of the Committee that testimony was

heard earlier in the hearing on A.B. 571, which set the monthly group insurance premium for state employees.

ASSEMBLYMAN MARVEL MOVED TO DO PASS A.B. 571.

ASSEMBLYMAN HETTRICK SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Perkins was not present for the vote.)

Assembly Bill 534: Expands authority of Board of Regents of University of Nevada to issue revenue bonds. (BDR S-162)

Mark Stevens, Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, advised the members of the Committee that A.B. 534 had to be voted on that day.

Dan Klaich, Vice Chancellor, University and Community College System of Nevada, told the members of the Committee that A.B. 534, which expanded the authority of the Board of Regents to issue revenue bonds was critical to the System. Mr. Klaich requested that the Committee consider a do pass without including the proposed amendment if they considered the amendment an impediment to moving the bill.

Chairman Arberry indicated the bill would be held and considered later in the hearing.

Mr. Klaich reiterated he wanted to make it very clear that the System's position was not to amend the bill.

In response to a request from Assemblywoman Giunchigliani, Chairman Arberry agreed to re-open A.B. 422, heard before the Assembly Committee on Ways and Means on June 1, 2005.

Assembly Bill 422 (1st Reprint): Increases compensation of members of boards of trustees of school districts. (BDR 34-1173)

ASSEMBLYWOMAN GIUNCHIGLIANI MOVED TO RESCIND THE ACTION ON A.B. 422 TAKEN BY THE COMMITTEE ON JUNE 1, 2005.

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Perkins was not present for the vote.)

Ms. Giunchigliani explained that the proposed amendment approved by the Committee on June 1, 2005, to increase compensation of members of boards of trustees of school districts was not feasible within the budgets of some school districts. After speaking with representatives of a rural school district, Ms. Giunchigliani proposed that language in Section 1 that stated *in a county whose population is 100,000 or more is entitled to receive a salary of \$1,200 a month* be deleted.

Assemblywoman Smith agreed with the proposed amendment and wanted to ensure that the bill did not mandate that rural counties must provide increased compensation to members of boards of trustees.

Randy Robison, a lobbyist representing the Nevada Association of School Boards, advised that A.B. 422 included the language that *each member of the board of trustees of a school district in a county whose population is less than 100,000 is entitled to receive a salary in an amount set by the board of county commissioners of the applicable county. The salary set pursuant to this subsection must not be less than \$600 a month but must not exceed \$1,200 a month.*

Mr. Robison recalled that in previous testimony before the Committee a request was made to include the compensation in the budget. However, Mr. Robison indicated that the proposed amendment, which provided that a school board trustee was entitled to receive up to \$1,200, allowed local control to determine whether increased compensation was within the budget.

ASSEMBLYWOMAN GIUNCHIGLIANI MOVED TO AMEND AND DO PASS A.B. 422 TO REMOVE UNDER SECTION 1 THE LANGUAGE, *IN A COUNTY WHOSE POPULATION IS 100,000 OR MORE TO PROVIDE THE SCHOOL BOARDS THE FLEXIBILITY TO DETERMINE WHETHER THE PROVISION OF COMPENSATION UP TO \$1,200 A MONTH WAS WITHIN THEIR BUDGET.*

ASSEMBLYWOMAN MCCLAIN SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Koivisto voted nay; Assemblyman Perkins was not present for the vote.)

Chairman Arberry cautioned the members that with only a few days remaining in the session they should refrain from further bill amendments.

Chairman Arberry recessed the hearing at 10:00 a.m. and expressed his intent to reconvene the hearing later in the day at the call of the Chair.

The Committee on Ways and Means was reconvened at 4:15 p.m., on Thursday, June 2, 2005. Chairman Morse Arberry Jr. presided in Room 3137 of the Legislative Building, Carson City, Nevada.

Mark Stevens, Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, advised that documents listing the "Recommended Capital Improvement Program for the 2005-07 Biennium" ([Exhibit E](#)), and "Capital Improvement Program Project Extensions" ([Exhibit F](#)), approved by the Joint Subcommittee on Higher Education/CIP, had been distributed to the members of the Committee.

Tracy Raxter, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, advised that a total of \$402.8 million in capital improvement projects for the 2005-07 biennium was approved by the Joint Subcommittee on Higher Education/CIP. The funding included:

- ✓ \$81.8 million from the General Fund, which represented \$52 million recommended in The Executive Budget and \$3.6 million included in the operating budgets of the Buildings and Grounds Division and the Department of Corrections, and \$28.2 million in additional General Fund money added to the Capital Improvement Program.
- ✓ \$211.8 million in General Obligation Bonds and \$109.2 million in other funding for a total of \$402.8 million.
- ✓ A.B. 204 and S.B. 496 were approved to include additional funds for total funding of \$419.4 million for the 2005-07 Capital Improvement Program.

Mr. Raxter provided information on some of the more significant changes the Joint Subcommittee on Higher Education/CIP made to the projects recommended in The Executive Budget:

- ✓ Deletion of a lease-purchase subsidy for a Department of Human Resources building in Carson City.
- ✓ Deletion of one housing unit for the High Desert State Prison, Phase IV. The Subcommittee included design for the third housing unit, but omitted the construction funding, which was deferred to the 2007 CIP.
- ✓ Addition of a number of projects related to the University and Community College System of Nevada including \$15 million for the Community College of Southern Nevada classroom building, \$17.8 million for the Desert Research Institute's CAVE Automatic Virtual Environment facility and funding for the Community College of Southern Nevada Automotive Technology Building.
- ✓ Additional funding to expand the size of the University of Nevada, Las Vegas (UNLV), Greenspun Building for the College of Urban Affairs.
- ✓ Funding for the UNLV Student Services addition.
- ✓ Funding for the University of Nevada, Reno (UNR), Science and Math Education Building.

Mr. Raxter advised that the Joint Subcommittee on Higher Education/CIP also heard testimony from representatives of the State Treasurer's Office regarding the property tax levy that would be needed to support the bonds for the Capital Improvement Program. The Subcommittee approved a levy of 15.85 cents for the General Obligation Bonds for the CIP and also approved 1.15 cents for the Question 1 Natural Resource bonds totaling 17 cents, which Mr. Raxter indicated was the levy for the current biennium.

Concluding his presentation, Mr. Raxter advised that the Subcommittee also approved a number of extensions for 2001, 1999, and 1997 Capital Improvement Program projects, which were recommended by the Public Works Board.

In response to a question Assemblyman Seale asked regarding the \$211.8 million in new General Obligation bonds and the State's bonding capacity limit, Mr. Raxter advised that in addition to the \$211.8 million, \$13 million was approved in A.B. 204 for a total of \$224.9 million in General

Obligation bonds, which was within the State's bonding capacity for the period 2006-2008.

In response to an additional question from Mr. Seale regarding the remaining available capacity, Mr. Raxter advised that a capacity of \$215 million was available for the period of 2006-07, but that some of that authority would not be needed until 2008 because of the timing related to beginning some CIP projects.

Although assumptions had already been made, Mr. Seale indicated that the sooner the projects were begun the better since interest rates were increasing.

Mr. Stevens reiterated previous testimony regarding the current 16 cent property tax rate for Capital Improvement Program General Obligation bonds, the 1 cent rate for the Question 1 bonds, and the Subcommittee's approval of 15.85 cents for the Capital Improvement Program and 1.15 cents for the Question 1 bonds for the 2005-07 biennium, which he pointed out totaled the same current 17 cent rate.

In response to a question from Assemblywoman Smith regarding the location of the Department of Agriculture Building under CIP 05-P09, Mr. Raxter advised that the building would be located in Sparks, Nevada, on the campus of the Northern Nevada Adult Mental Health Services.

ASSEMBLYMAN MARVEL MOVED APPROVAL OF THE RECOMMENDED CAPITAL IMPROVEMENT PROGRAM FOR THE 2005-07 BIENNIUM AS APPROVED BY THE JOINT SUBCOMMITTEE ON HIGHER EDUCATION/CIP.

ASSEMBLYMAN HETTRICK SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Perkins was not present for the vote.)

* * * * *

Chairman Arberry called for the Committee's consideration of A.B. 534.

Assembly Bill 534: Expands authority of Board of Regents of University of Nevada to issue revenue bonds. (BDR S-162)

Mark Stevens, Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, indicated A.B. 534, a bill to expand the authority of the Board of Regents to issue revenue bonds, had been discussed during the Committee's morning hearing during which a proposal was made to amend the bill to include an additional project.

ASSEMBLYMAN MARVEL MOVED TO DO PASS A.B. 534.

ASSEMBLYMAN SEALE SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Perkins was not present for the vote.)

* * * * *

Chairman Arberry called for the Committee's consideration of A.B. 198

Assembly Bill 198: Makes appropriation for full-day kindergarten in certain schools and authorizes full-day kindergarten in certain other schools. (BDR 34-1197)

Assemblywoman Giunchigliani proposed to amend A.B. 198, a bill that would appropriate funding for full-day kindergarten in certain schools and authorized full-day kindergarten in certain other schools.

Ms. Giunchigliani indicated the amendment, which had not yet been formally drafted, in concept would remove funding provided from the General Fund and allocate \$22 million from the Department of Education's remediation programs in the second year of the biennium to provide full-day kindergarten in each school within a school district in which at least 55 percent of students were eligible for free and reduced-price lunches. Additionally, school districts would be authorized to request grants of money for other schools to provide full-day kindergarten depending on the surveys of parents and legal guardians of students within the school district. Ms. Giunchigliani apologized for the lack of formal language and indicated that if the Committee approved a motion to amend and do pass, they would be provided the opportunity to review the proposed amendment as formally drafted.

ASSEMBLYWOMAN GIUNCHIGLIANI MOVED TO AMEND AND DO PASS A.B. 198 WITH THE CONCEPTUAL AMENDMENTS.

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Perkins and Assemblyman Seale were not present for the vote.)

Assembly Bill 233: Makes various changes relating to homeland security. (BDR 19-1200)

Assemblywoman Giunchigliani proposed to amend A.B. 233 by deleting Sections 13 and 14, which would remove the creation of the Office of Economic Development of the Security Industry and the appropriation from the State General Fund for its operating expenses. Additionally, Ms. Giunchigliani advised that the amendment provided clarifying language on how the Committee on Finance would interface with the Nevada Commission on Homeland Security.

ASSEMBLYWOMAN GIUNCHIGLIANI MOVED TO AMEND AND DO PASS A.B. 233 WITH THE PROPOSED DELETIONS AND CLARIFYING LANGUAGE.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

In response to a question from Assemblyman Seale regarding the Office of Economic Development, Ms. Giunchigliani explained that an Office of Economic Development of the Security Industry had been proposed to be created within the Office of the Governor, and the amendment proposed to remove the new office and funding for its operation.

THE MOTION CARRIED. (Assemblyman Perkins was not present for the vote.)

**Assembly Bill 554: Makes various changes to provisions governing taxation.
(BDR 32-1344)**

Mark Stevens, Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that A.B. 554 made a number of changes to the revenue package passed during the 20th Special Session, and a number of amendments had been proposed for which he provided a brief overview:

- ✓ Sections 1, 2, and 3, which related to community banks, were proposed to be deleted by the bill's sponsor.
- ✓ Amendments, proposed by the Nevada Resort Association to S.B. 392, a bill that made various changes to state financial administration, were to place provisions included in the *Nevada Administrative Code* (NAC) in *Nevada Revised Statutes*.
- ✓ Clarifying language was proposed regarding the application of the Live Entertainment Tax to the "Star Trek" ride as well as similar public rides and outdoor activities excluding sporting events.
- ✓ Additional provisions requested by the Gaming Control Board regarding the option of implementing a cash or accrual basis for the payment of the Live Entertainment Tax.

Mr. Stevens said there had been a number of discussions regarding bringing a second racing event to the Las Vegas Motor Speedway in Las Vegas and whether that event should be subject to the Live Entertainment Tax. Additionally, Mr. Stevens indicated there was a proposal to include language to not implement the tax for that particular event, which he had not yet seen but would provide it to the Committee, if there was a desire to include the language in the amendment.

Assemblyman Hettrick advised that Dennis Neilander, Chairman, State Gaming Control Board, had indicated he also wanted to provide language for a proposed amendment regarding Live Entertainment Tax.

Mr. Hettrick was advised the language regarding Live Entertainment Tax proposed by Mr. Neilander would be provided by Alfredo Alonso, a registered lobbyist.

In the meantime, in response to a question from Assemblywoman Gansert regarding the exclusion of sporting events from Live Entertainment Tax, Mr. Stevens advised there was a provision to exempt sporting events at gaming locations, but sporting events such as baseball, hockey, and similar sports would continue to be taxed as they were currently.

Assemblywoman Weber indicated that in a previous hearing a request was made to delete the word *lineal* in Section 8, subsection 9, and asked if that request had been taken into consideration.

While Assemblywoman Weber's question was being researched, Mr. Hettrick was provided with language regarding live entertainment submitted by Mr. Neilander.

Mr. Hettrick advised that Mr. Neilander offered two options for the Committee's consideration. The first option was to amend *Nevada Revised Statutes* (NRS) 368A by adding language to the effect that the Nevada Gaming Commission could adopt regulations to establish a procedure for which a licensed gaming establishment taxpayer could request an exemption from the application of the Live Entertainment Tax, if the taxpayer could demonstrate that a proposed activity was conducted in a restaurant in association with some other activity or event for which the proposed activity was incidental to the primary purpose or only served to provide ambiance.

Mr. Hettrick indicated the second option provided that traditional or native dances, performed by persons wearing traditional or native costumes accompanied by traditional or native music, for which no admission fee or cover charge was required and was incidental to the operation of the facility, did not constitute live entertainment and would not be subject to the tax.

After considering both options, Mr. Hettrick expressed his preference for the first, which he indicated allowed for the application of an exemption and applied to gaming establishments where there was no cover charge.

In response to the question from Ms. Weber regarding the removal of the word *lineal*, James Nadeau, representing the Nevada Association of Realtors, advised the language in Section 8, subsection 9, should be amended to delete the word *lineal* and should read *A transfer, assignment or other conveyance of real property if the owner of the property is related to the person to whom it is conveyed within the first degree of consanguinity.*

ASSEMBLYWOMAN GIUNCHIGLIANI MOVED TO AMEND AND DO
PASS A.B. 554.

ASSEMBLYMAN MARVEL SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Perkins was not present
for the vote.)

Chairman Arberry recessed the hearing at 4:38 p.m. and expressed his intent to reconvene the hearing later in the day at the call of the Chair.

The Committee on Ways and Means was reconvened at 5:39 p.m., on Thursday, June 2, 2005. Chairman Morse Arberry Jr. presided in Room 3137 of the Legislative Building, Carson City, Nevada.

Chairman Arberry called for the Committee's consideration of S.B. 391.

Senate Bill 391 (1st Reprint): Revises provisions governing liability for tax on financial institutions. (BDR 32-716)

Mark Stevens, Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, advised that S.B. 391 was a recommendation made by an interim legislative committee that reviewed the revenue package passed by the 20th Special Session and had previously been discussed during the morning session of the hearing.

ASSEMBLYWOMAN GIUNCHIGLIANI MOVED TO DO PASS
S.B. 391.

ASSEMBLYMAN SEALE SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Arberry and Assemblyman Marvel abstained. Assemblyman Perkins was not present for the vote.)

Chairman Arberry called for the Committee's consideration of S.B. 392.

Senate Bill 392 (4th Reprint): Makes various changes to state financial administration. (BDR 32-683)

Mark Stevens, Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, advised that S.B. 392 was a recommendation made by an interim legislative committee that reviewed the revenue package passed by the 20th Special Session. Mr. Stevens provided a brief overview of proposed amendments to S.B. 392:

- ✓ An exemption from imposition of an excise tax for a bank branch in each county within the State, a change from the current provisions that provided an exemption for only the first bank branch.
- ✓ Delete Section 31, which doubled the health care deduction for the modified business tax effective in 2008, a provision that was added on the Senate floor.
- ✓ Remove the exemption in Section 49 for individuals who hired personal domestic employees, which was a definition included in A.B. 554.

Mr. Stevens also advised of provisions in A.B. 554 regarding application of taxes to public rides such as the Star Trek ride, and Gaming Control Board provisions that required a payer to establish separate accounts to record Live Entertainment transactions.

Additionally, Mr. Stevens advised that the Chairman of the Nevada Tax Commission had requested an amendment that salaries for the Chairman and members of the Tax Commission be returned to the original recommendation, which was \$55,000 for the Chairman and \$40,000 for the members.

Chairman Arberry advised that he had learned that the rationale for cutting the salaries was that new Tax Commission members receiving the higher salary would place the Commission members at the same level as the Gaming Commission. Since the Gaming Commission was more experienced, it was requested that the annual salary level remain at \$27,500 for the Chairman of the Tax Commission and \$20,000 for each member.

Mr. Stevens clarified that the annual salaries for the Chairman of the Tax Commission and the members of the Tax Commission would remain at \$27,500 and \$20,000 respectively.

ASSEMBLYWOMAN GIUNCHIGLIANI MOVED TO AMEND AND DO PASS S.B. 392.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Marvel abstained, and Assemblyman Perkins was not present for the vote.)

Chairman Arberry called for the Committee's consideration of S.B. 28.

Senate Bill 28 (2nd Reprint): Prohibits person from knowingly and intentionally capturing image of private area of another person under certain circumstances and prohibits person from knowingly distributing, disclosing, displaying, transmitting or publishing image captured under such circumstances. (BDR 15-8)

Chairman Arberry indicated the Committee previously heard testimony on S.B. 28, which prohibited a person from knowingly and intentionally capturing an image of the private area of another person and from distributing such images.

ASSEMBLYWOMAN GIUNCHIGLIANI MOVED TO DO PASS
S.B. 28.

ASSEMBLYMAN HETTRICK SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Perkins was not present for the vote.)

Chairman Arberry called for the Committee's consideration of S.B. 462.

Senate Bill 462 (3rd Reprint): Repeals, reenacts, reorganizes and revises provisions relating to Department of Human Resources and Department of Employment, Training and Rehabilitation. (BDR 38-178)

Mark Stevens, Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, advised that after analysis by Fiscal Division analysts, it was determined S.B. 462 required that a biostatistician and epidemiologist in the Health Division be placed in the classified service, and the Governor had recommended those positions be placed in the unclassified service. Mr. Stevens indicated an amendment would be required to place the positions in the unclassified service.

Assemblywoman Leslie indicated she had reviewed the bill with the staff and agreed an amendment was needed.

In response to questions Assemblywoman Gansert asked regarding the transfer of the Bureau of Alcohol and Drug Abuse (BADA), Ms. Leslie advised that she had negotiated with Mike Willden, Director, Department of Human Resources, to wait a year for the transfer. Ms. Leslie advised that the bill's most current amendment required the Legislative Committee on Health Care to conduct an interim study concerning the organizational and delivery structure of services for the treatment and prevention of substance abuse in Nevada. Ms. Leslie indicated the Senate would not agree to the bill in its current form, and expressed her preference to amend the bill before it died in a conference committee.

Assemblywoman Giunchigliani indicated her agreement for the BADA transfer, but said in order to ensure a seamless transition that would leave services unaffected it would be best to wait a year.

ASSEMBLYWOMAN GIUNCHIGLIANI MOVED TO AMEND AND DO PASS S.B. 462 TO NOT INCLUDE AN INTERIM STUDY.

Chairman Arberry questioned the inclusion of the amendment for the biostatistician and epidemiologist in the unclassified service.

ASSEMBLYWOMAN GIUNCHIGLIANI AMENDED HER MOTION TO AMEND AND DO PASS S.B. 462 TO INCLUDE AN AMENDMENT TO PROVIDE THAT A "BIOSTATISTICIAN AND AN EPIDEMIOLOGIST" IN THE HEALTH DIVISION BE PLACED IN THE UNCLASSIFIED SERVICE AND THAT AN INTERIM STUDY NOT BE REQUIRED FOR THE ORGANIZATIONAL AND DELIVERY STRUCTURE OF SERVICES FOR THE TREATMENT AND PREVENTION OF SUBSTANCE ABUSE IN NEVADA.

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Perkins was not present for the vote.)

With no further business before the Committee, Chairman Arberry adjourned the hearing at 5:50 p.m.

RESPECTFULLY SUBMITTED:

Connie Davis
Committee Attaché

APPROVED BY:

Assemblyman Morse Arberry Jr., Chairman

DATE: _____

EXHIBITS

Committee Name: Committee on Ways and Means

Date: June 2, 2005

Time of Meeting: 8:00 a.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B	Phyllis Dryden, Nevada Department of Education	Nevada Career & Technical Education Packet
	C	University and Community College System of Nevada	Project Cost and Financing Estimate for the NCJFCJ/Grant Sawyer/National Judicial College
	D	Assemblywoman McClain	Amendment from Nevada Dental Association
	E	Mark Stevens	Recommended Capital Improvement Program Projects for the 2005-07 Biennium
	F	Mark Stevens	Recommended Capital Improvement Program Project Extensions