

THE THIRTY-SEVENTH DAY

CARSON CITY (Tuesday), March 10, 2009

Senate called to order at 11:16 a.m.

President pro Tempore Schneider presiding.

Roll called.

All present.

Prayer by the Chaplain, Pastor David Stramel.

Compassionate Father God, who stands with the weak, the powerless, the poor, the abandoned, the sick, the aged and the very young today, hear our prayer.

Each morning, millions of citizens in this State approach You as their Maker and seek Your favor for their daily needs and Your predictably good directions for their lives.

Today, Father, assist this Legislature to face boldly the ethical and moral issues of our time. Inspire this assembly of Senators to find in their personal religious beliefs a source of insight and personal encouragement for the decisions they make.

Give to this assembly wisdom to build a caring compassionate free society. Give them understanding to lead out in wise policies that will benefit children and the young families of our State of Nevada.

Father God, bless all this assembly with long lives and good health to see the fruits of their labor remembered and recorded as virtuous.

In the Name of our Father God, we pray.

AMEN.

Pledge of Allegiance to the Flag.

Senator Horsford moved that further reading of the Journal be dispensed with, and the President pro Tempore and Secretary be authorized to make the necessary corrections and additions.

Motion carried.

MESSAGES FROM THE ASSEMBLY

ASSEMBLY CHAMBER, Carson City, March 9, 2009

To the Honorable the Senate:

I have the honor to inform your honorable body that the Assembly on this day adopted Assembly Concurrent Resolutions Nos. 14, 15.

DIANE M. KEETCH

Assistant Chief Clerk of the Assembly

MOTIONS, RESOLUTIONS AND NOTICES

By the Committee on Legislative Operations and Elections:

Senate Joint Resolution No. 5—Urging the President and Congress to continue to support the participation of the Republic of China on Taiwan in the World Health Organization.

Senator Woodhouse moved that all necessary rules be suspended, reading so far had considered first reading, rules further suspended, Senate Joint Resolution No. 5 be declared an emergency measure under the Constitution and placed on third reading and final passage.

Motion carried unanimously.

GENERAL FILE AND THIRD READING

Senate Joint Resolution No. 5.

Resolution read third time.

Senator Cegavske requested that her remarks be entered in the Journal.

The resolution that is before us today, Senate Joint Resolution No. 5, urges the President and the Congress of the United States to continue to support the participation of the Republic of China, Taiwan, in the World Health Organization (WHO).

This resolution is similar to S.J.R. 15 which this body approved in 2007. In fact, it reaffirms Nevada's long-standing friendship with the Republic of China. As you may recall, Nevada was designated as Taiwan's sister state in 1985. Nevada has many cultural and commercial ties to that nation. In fact, if you were to go outside and look at the north and south faces of this building that we are meeting in today, you would see large bronze reproductions of the Great Seal of the State of Nevada. These seals were gifts from Taiwan more than two decades ago.

I had the opportunity last year, along with other members of the Legislature, to travel to Taiwan. Traveling through the country, I was most impressed with the industry and commitment that the Taiwan government has devoted to building its society. Today, the people of Taiwan enjoy a democratic way of life, a high standard of living and fundamental human rights.

Over the years, the Nevada Legislature has pursued a consistent policy of supporting Taiwan's efforts to participate in the international community. Almost every session, we have passed resolutions on this subject.

The resolution notes that Taiwan's population of over 23 million is larger than three-fourths of the member countries who currently participate in WHO. Additionally, the government, scientists and doctors in Taiwan have expressed a willingness to assist financially and technically in international aid and health activities supported by WHO.

Let me give you some background on this resolution. WHO is a specialized agency of the United Nations. It acts as a coordinating authority on international public health. WHO was established in 1948 and is headquartered in Geneva, Switzerland.

WHO is devoted to helping all the nations of the world achieve the highest possible level of health. It is best known for its work in eradicating infectious diseases. Its most famous success was the eradication of smallpox in 1980. More recently, it has monitored Severe Acute Respiratory Syndrome, malaria, Acquired Immune Deficiency Syndrome and avian influenza.

Excluding Taiwan from WHO creates a serious gap in the global health network. That gap could seriously impede efforts to fight international epidemics. The situation with avian flu is particularly troubling. As you know, this disease has the potential to cause a worldwide pandemic that could kill millions of people. There have been outbreaks of avian flu in southern Asia. Thus far, it has been possible to detect and promptly contain these outbreaks. Avian flu is spread by migratory birds, and Taiwan is a transit point for more than 350 such species. The exclusion of Taiwan seriously hampers efforts to monitor and control this potentially catastrophic illness.

This is a case where many nations have put political considerations ahead of the public good, endangering all of us. I urge you to pass this resolution showing our support for Taiwan's participation in WHO. Thank you.

Roll call on Senate Joint Resolution No. 5:

YEAS—21.

NAYS—None.

Senate Joint Resolution No. 5 having received a constitutional majority, Mr. President pro Tempore declared it passed.

Senator Woodhouse moved that all necessary rules be suspended and that Senate Joint Resolution No. 5 be immediately transmitted to the Assembly.

Motion carried unanimously.

REMARKS FROM THE FLOOR

Senator Coffin requested that his remarks be entered in the Journal.

I stand in support of the resolution. On October 17, 1918, my maternal grandfather died from the flu. He was the first person to die from it in Orange County, California. This member has paid close attention to the approach and the ebb and flow of pandemic flu. I think it is so important that Taiwan be part of WHO. They are an early warning for us in many ways in our relationships with mainland China. Mainland China does not communicate its problems very well. It is absolutely still a closed society. We need the friendship of the people on the island because they can communicate with us and are not afraid to tell the truth about their own economy and their own problems. When they know something is happening on the mainland, they know it faster than we do. It is important that we continue to back them. Our Navy is now in the Straits between Taiwan and mainland China, asserting its right to be on the high seas in that area. All of a sudden, this has become an even more important issue for us. Recognition of them by us is an important thing.

Senator Nolan requested that his remarks be entered in the Journal.

Last year, several Legislators were the guests of the government of Taiwan. While visiting their country we grew to understand them to be a beautiful people with an industrious nature. Our visit took place within eyesight of mainland Communist China. In today's political climate, with the change of administration in Taiwan, Taiwan and China are enjoying the best political relationship they have had in decades. Passage of this resolution by the Nevada Legislature is one small but significant piece of what may finally be a major win for the people of Taiwan. Taiwan seeks what every person should have a right to, and that is basic health-care protection.

MOTIONS, RESOLUTIONS AND NOTICES

By Senators Mathews, Amodei, Breeden, Care, Carlton, Cegavske, Coffin, Copening, Hardy, Horsford, Lee, McGinness, Nolan, Parks, Raggio, Rhoads, Schneider, Townsend, Washington, Wiener, Woodhouse; Assemblymen Leslie, Aizley, Anderson, Arberry, Atkinson, Bobzien, Buckley, Carpenter, Christensen, Claborn, Cobb, Conklin, Denis, Dondero Loop, Gansert, Goedhart, Goicoechea, Grady, Gustavson, Hambrick, Hardy, Hogan, Horne, Kihuen, Kirkpatrick, Koivisto, Manendo, Mastroluca, McArthur, McClain, Mortenson, Munford, Ocegüera, Ohrenschall, Parnell, Pierce, Segerblom, Settlemeyer, Smith, Spiegel, Stewart and Woodbury:

Senate Concurrent Resolution No. 15—Recognizing World Kidney Day on March 12, 2009.

WHEREAS, Thirteen percent of all Nevadans, which includes more than 320,000 people, have some form of kidney damage; and

WHEREAS, Every year, thousands of Nevadans die prematurely of cardiovascular diseases linked to chronic kidney disease; and

WHEREAS, Progressive loss of kidney function leads to kidney failure and the need for dialysis or transplantation and possibly leads to death from associated cardiovascular disease; and

WHEREAS, People who may appear healthy but are found to have chronic kidney disease have their risk of dying prematurely from coronary disease, cerebrovascular disease, peripheral artery disease or heart failure increase tenfold, regardless of whether they develop kidney failure or not; and

WHEREAS, More than 2,200 residents of Nevada are currently being kept alive by means of dialysis or transplantation; and

WHEREAS, The number of people in this State who are currently relying on dialysis or transplantation to stay alive is expected to double within the next 10 years; and

WHEREAS, The total cost of dialysis treatment for patients in Nevada is more than \$140 million each year; and

WHEREAS, Chronic kidney disease screening must become a priority for residents of this State considered to be at high risk for kidney disease; and

WHEREAS, People considered to be at high risk for kidney disease include those who have been diagnosed with diabetes, hypertension or obesity, smoke, are over 50 years of age or have a family history of diabetes, hypertension or kidney disease; and

WHEREAS, World Kidney Day increases public awareness of the worldwide health crisis associated with chronic kidney disease; and

WHEREAS, World Kidney Day calls attention to the crucial role of kidneys and the pressing need for early detection and prevention of kidney disease; now, therefore, be it

RESOLVED BY THE SENATE OF THE STATE OF NEVADA, THE ASSEMBLY CONCURRING, That the members of the 75th Session of the Nevada Legislature recognize March 12, 2009, as World Kidney Day; and be it further

RESOLVED, That the members of the 75th Session of the Nevada Legislature acknowledge the important role World Kidney Day plays in helping health care professionals, patients and their families and patient advocates in their efforts to stress the importance of early screening and detection of chronic kidney disease; and be it further

RESOLVED, That the Secretary of the Senate prepare and transmit a copy of this resolution to Christopher Kelley, Chief Executive Officer of the National Kidney Foundation of Northern California and Northern Nevada.

Senator Mathews moved the adoption of the resolution.

Remarks by Senator Mathews.

Senator Mathews requested that her remarks be entered in the Journal.

Thank you, President pro Tempore. Senate Concurrent Resolution No. 15 recognizes World Kidney Day on March 12, 2009. World Kidney Day, cosponsored by the International Society of Nephrology and the International Federation of Kidney Foundations was created to raise awareness about the heavy burden of chronic kidney disease (CKD) on human lives.

World Kidney Day is a global health awareness campaign focusing on the importance of our kidneys and reducing the frequency and impact of kidney disease and its associated health problems worldwide. This campaign is celebrated every year on the second Thursday of March in more than 100 countries on 6 continents. This year, the World Kidney Day campaign highlights the importance of high blood pressure as one of the key symptoms and causes of CKD.

Individuals who appear to be healthy who are then found to have CKD have at least a tenfold risk of dying prematurely from cardiovascular disease. The majority of individuals with early stages of CKD go undiagnosed, particularly in the developing world. The early detection of kidney impairment is essential and allows suitable treatment before kidney damage or deterioration manifests itself through other complications.

Here are some of the numbers: More than 500 million persons worldwide—or about 1 adult in 10—have some form of kidney damage, and every year millions die prematurely of heart attacks and strokes linked to CKD. Twenty-six million American adults have CKD, and millions of others are at increased risk. More than 320,000 Nevadans have some form of kidney disease.

Chronic kidney disease can be prevented. Screening must be a high priority in subjects considered to be at high risk of kidney disease, namely; people with diabetes mellitus and hypertension, individuals who are obese or smoke, individuals over 50 years of age, individuals with a family history of diabetes mellitus, hypertension, kidney disease and patients with a presence of other kidney diseases.

We must make the public aware and encourage our friends and families to make an appointment to be screened. Please join me and those worldwide in raising the awareness of the dangers of chronic kidney disease.

Resolution adopted.

Senator Mathews moved that all necessary rules be suspended and that Senate Concurrent Resolution No. 15 be immediately transmitted to the Assembly.

Motion carried unanimously.

Assembly Concurrent Resolution No. 14—Commending the Nevada Women's Lobby on their 20th anniversary.

WHEREAS, The Nevada Women's Lobby is a statewide, nonpartisan coalition of organizations and individual women and men who advocate on behalf of women, children and families; and

WHEREAS, Founded in 1988 by a dedicated group of women to improve the status of women and children in this State, the Nevada Women's Lobby held their first public meeting on January 17, 1989, to introduce the organization to the community; and

WHEREAS, The original Steering Committee consisted of Sarah Chvilicek, Beth Elliot, Elaine Enarson, former State Senator Diana Glomb-Rogan, Helen Jones, Diane Loper, Nancy Moore, Elizabeth Pope and Diane Williams, and the current Steering Committee reflects a diverse demographic from across the State to champion their causes; and

WHEREAS, The primary work of the Nevada Women's Lobby focuses on lobbying public officials and lawmakers by working with other organizations for maximum effect; and

WHEREAS, The top legislative issues have included child support enforcement, domestic violence awareness and prevention, child care, education, child welfare, the treatment of incarcerated women, civil rights and women's health, including reproductive health; and

WHEREAS, Since 1989, the Nevada Women's Lobby has joined with other organizations and individuals during each legislative session for Grassroots Lobby Days, which is 3 days of training, inspiration and lobbying to learn how to more effectively work with the Nevada Legislature to serve the women, children and families of Nevada; and

WHEREAS, The Nevada Women's Lobby sponsors the Nevada Women's Summit, a statewide conference held in Las Vegas, and other workshops to increase awareness and participation in the political process, and the Nevada Women's Agenda, an affiliate of the Nevada Women's Lobby, concentrates its efforts on educating members and the public on the issues; now, therefore, be it

RESOLVED BY THE ASSEMBLY OF THE STATE OF NEVADA, THE SENATE CONCURRING, That the members of the 75th Nevada Legislature commend the Nevada Women's Lobby on their 20th anniversary of service and dedication to the women, children and families of our State; and be it further

RESOLVED, That the Chief Clerk of the Assembly prepare and transmit a copy of this resolution to the Nevada Women's Lobby.

Senator Wiener moved the adoption of the resolution.

Remarks by Senators Wiener and Coffin.

Senator Wiener requested that the following remarks be entered in the Journal.

SENATOR WIENER:

Thank you, Mr. President pro Tempore. Assembly Concurrent Resolution No. 14 expresses the message of support for the 20-year history, principles and achievements of the Nevada Women's Lobby. I stand in support of this resolution.

At the very heart of the Nevada Women's Lobby resides its mission statement. "To serve as a voice at the Nevada State Legislature for women, children and families." And how this powerful voice has evolved—and been amplified—since its messages were first formed at the inception of the Nevada Women's Lobby in 1988. With great pride and precision, members and supporters of the Nevada Women's Lobby religiously track our bills, walk our halls, knock on our doors, meet with members of the Senate and Assembly and testify before our committees. Each

representative has been dedicated to the pursuit of the best policies for the people they represent, again, the women, children and families of our State.

In its Principles of Unity, the Nevada Women's Lobby states its belief that the lives of all people are inherently valuable and worthy of respect and dignity. Therefore, the Nevada Women's Lobby works actively to remove barriers of race, class, age, religion, physical ability and sexual orientation.

I am proud that several of the measures that I have sponsored throughout my tenure here have been actively supported by the Nevada Women's Lobby. And, a special thanks to Bobbie Gang, who always worked with me to develop proactive and positive policy measures throughout the years. A sampling of these bills have addressed: guardianship of minors, teen pregnancy, Fetal Alcohol Syndrome, underage drinking and driving, social hosting, small children left unattended in cars and the Nevada Youth Legislature.

Each session, as we all know, the Nevada Women's Lobby hosts "Grassroots Lobby Days." The organization has offered this opportunity since 1991. And, during this important biannual adventure, participants gather to demonstrate their widespread interest in and support for the issues and causes of women, children and families. This year's event began Sunday and concludes today. I am pleased to say that I have had the opportunity to renew cherished friendships and make new ones. I have participated in a few passionate conversations during which I did a lot of listening. I know how important it is for Nevada Women's Lobby citizen-advocates to express to me what is important to them.

Mr. President pro Tempore, it is for these reasons that I urge Senate support for Assembly Concurrent Resolution No. 14. Thank you.

SENATOR COFFIN:

Thank you, President pro Tempore. I stand in support of Assembly Concurrent Resolution No. 14. Over the years, I have really enjoyed working with the Nevada Woman's Lobby. I was glad to hear Bobby Gang's name mentioned by Senator Wiener since I did not hear it mentioned in the resolution. I am in hopes that Bobby is either here or in the audience waiting to be introduced today.

Bobby and many of the women in the Nevada Women's Lobby have made my office their home base at times when an issue was particularly hot, such as during the infamous Tailhook scandal of the mid-1990s, in which a casino had pushed around a lady who was abused by the Navy pilots. In any event, that was a horrible example of democracy at its worse, but what it did prove was that a small group of people getting together and lobbying could effectively counter big business. The Nevada Women's Lobby was the real champion in that regard during those days.

My congratulation to all of the Nevada Women's Lobby, and I join in support of this resolution. I thank Senator Wiener and Speaker Buckley for sponsoring this resolution.

Resolution adopted.

Resolution ordered transmitted to the Assembly.

Senator Horsford moved that the following persons be accepted as accredited press representatives, and that they be assigned space at the press table and allowed the use of appropriate media facilities: COVEREDGE: Daniel Bryant, Randy Hunter; KOLO-TV: Kendra Kostelecky; KRNV-TV: Robbie Beasom, Calli Fisher, Gem Gokmen, Meredith Richardson; NOW on PBS: Alexandra Dean, Yasmeen Qureshi; REYNOLDS SCHOOL OF JOURNALISM (UNR): Jeff Mosier and Emily Stott.

Motion carried.

Senator Horsford moved that the Senate resolve itself into a Committee of the Whole with Senator Care as Chair.

Motion carried.

Senator Horsford moved that the Senate recess until 12:15 p.m.
Motion carried.

Senate in recess at 11:58 a.m.

IN COMMITTEE OF THE WHOLE

At 12:34 p.m.
Senator Care presiding.

Senator Horsford moved that Initiative Petition No. 1 be reported without recommendation.

Senator Wiener seconded the motion.
Motion carried.

On the motion of Senator Wiener and seconded by Senator Parks, the Committee did rise, return and report back to the Senate.

Motion carried unanimously.

SENATE IN SESSION

At 12:38 p.m.
President pro Tempore Schneider presiding.
Quorum present.

REPORTS OF COMMITTEES

Mr. President pro Tempore:

Your Committee of the Whole, to which was referred Initiative Petition No. 1, has had the same under consideration, and begs leave to report the same back with the recommendation: Without recommendation.

TERRY CARE, *Chair*

MOTIONS, RESOLUTIONS AND NOTICES

Senator Care moved that all necessary rules be suspended, reading so far had considered second reading, rules further suspended, Initiative Petition No. 1 be declared an emergency measure under the Constitution and placed on third reading and final passage.

Remarks by Senator Care.
Motion carried unanimously.

GENERAL FILE AND THIRD READING

Initiative Petition No. 1.
Bill read third time.

Remarks by Senators Lee, Amodei, Washington, Cegavske, McGinness, Horsford, Hardy, Care, Raggio and Parks.

Senator Raggio requested that the following remarks be entered in the Journal.

SENATOR LEE:

Thank you, Mr. President pro Tempore. I have the opportunity, today, to work on something that has bothered me quite a bit. I have been able to learn that the additional 15 counties can all come up to the 3-percent tax rate that we are expecting Washoe County and Clark County to pay

except for the city of Elko, which can only come up with 1 percent. That gives me room, if we do this, to bring everyone into the State and to give them the same opportunity of working with the students of our State. That will raise an additional \$5 million. I have been assured by leadership and other effected parties that they would work with me on a trailer bill. It is my desire to see that everyone in the State participates equally in this endeavor.

SENATOR AMODEI:

Thank you, Mr. President pro Tempore. I asked some questions yesterday about the growth of the Distributive School Account during the Guinn administrations that were not answered. I am not going to use that as a reason to hold this up.

It is the exclusivity provision in this whereby, in a time of phenomenal financial trial for this State, we ignore two-thirds of the budget creating a brand new revenue source. For those people who have concerns about higher education, human services, public safety and also where we hold a little over one-third of the existing budget for K-12 not accountable in the context of creating this off-the-books revenue source is something that I cannot accept for trying to solve the budget problem.

I have voted in my 12 years in the Nevada Legislature for nearly every tax measure to fund education there is. I do not think that record is in jeopardy, but I cannot think why with the financial situation on the Las Vegas Strip right now, that we should create a new revenue source and say that for two-thirds of the budget you cannot play in this. My fear, which is similar to those the Chair of Taxation expressed, is that we are, in the future, inviting people for two-thirds of the budget to go ahead and find an opportunity to create another earmarked source of income which will exclude whatever portion of the budget that it does not happen to represent. That is not responsible policy, especially, in these trying times of trying to balance and tend to all areas of the State's budget.

SENATOR WASHINGTON:

Thank you, Mr. President pro Tempore. When Initiative Petition No. 1 first came out, I was in support of trying to help the teachers because I thought it was the will of the people. I wanted to be supportive of our Governor since he had placed this in his budget, but in light of the debate that took place yesterday and today about the walling off and the fencing in by this petition and because I feel there was some deceptiveness in the way this petition was delivered to the people, I cannot support the petition.

Some would say 3 percent is not a lot. However, to this State it does mean a significant change in the way we do business. It is not so much that there will not be a hole in the budget, and that hole will have to be filled. The other issue I think that is of great importance is the process; this issue may have been forgotten.

I have served in this legislative body for almost 16 years, and it is with great trepidation that I stand before you to say that one group, a group who represents the best people the State of Nevada has to offer and one who takes time to teach our children, has high-jacked this process. They have high-jacked it by convincing enough people they deserve or should get a raise and they have walled it off so that we could not debate, change, amend or do anything to this petition. I think that is wrong.

In this body, we have argued, consulted, collaborated and have come to some compromise and we have tried to do what is the best for the State of Nevada. We have worked on educational issues. Some I did not like, but I still supported. Those I did not like, I voiced my opinion, but overall, I think we have done the best job possible.

I was here in 1997 when the then Majority Leader introduced his bill with accountability and responsibility. I thought we needed to move forward with it and we did. I was here when the former President of the United States introduced his "No Child Left Behind" bill, and some said the counties were not funded well, and I agreed with them. They should have been better funded. We tried to close the achievement gap to make certain our students were learning and were prepared to face a global economy. In light of all that we have done, today, we stand here looking at a petition for salary increases. I think this is wrong. Salary increases—nothing about books, nothing about brick and mortar, nothing about supplies—just salaries. Every other public works' institution in this State from the state level to the local level has taken cuts. The

first responders, public safety, county workers have all come to the plate understanding that not only are they saving jobs, but they understood and listened.

This is a difficult time to ask taxpayers to continue to pay more. They stepped up to the plate. There were 2-percent reductions and renegotiations of their contracts. However, when I read this petition, chapter 288 stands out prominently and walls off their salaries. There is not a decrease, but an increase. We are asking state workers to take 6 percent; the teachers did not step up to the plate. We are asking state workers to renegotiate or to look at PERS and PEBP, but the teachers did not step up to the plate. What they did was to go to the people and hijack the process, tied our hands and asked us to pass a petition with no amendments on it. My feeling is to send it back to the people and explain to them as to what they have done. Explain to them how the process was hijacked.

The people elected us to represent them to make decisions. Sometimes they agree with us, sometimes they do not. We have the benefit of going through and hearing the information, hearing the arguments, pro and con, so that we can make a decision that is going to be beneficial for the State. This process, today, on which we are about to vote is wrong. Initiative petitions circumvent by going around and not addressing and do not allow us to do the job that we have been sent here to do. It sets a dangerous precedent for any other group who decides that they cannot get their way in the legislative process to circumvent it, to go to the people and manipulate the question on the ballot and send it to us with our hands tied saying we cannot do anything about it. It is wrong.

I stand up against the petition because the process is more sacred than someone getting a raise. The process is more sacred because it is our form of government. It lends itself to debate, dissent and for those who agree. It is wrong. I hope no other group tries this outrageous attempt to try to circumvent this process. Everyone does not always get his or her way, and they can come back, and they do, to try again. If we want mob rule, we ought to have mob rule. But, that is not the way we work. We work by representation. If enough people do not like the way I vote, vote me out. If I am doing a good enough job, keep me in. The people entrusted me to make good decisions on their behalf, not to circumvent the legislative process. For that reason, I think the process is more important than us trying to fill the hole in the budget. We will deal with the budget when it comes. For that reason, I vote "no."

SENATOR CEGAVSKE:

Thank you, Mr. President pro Tempore. I have always been a strong supporter of education. I may not have done it the way some have thought was the right way, but I believe that all of us support education every way we can.

I believe we must continue to work to reduce class-size, provide our children with textbooks and pay teachers well. My colleagues have been good in their articulation of the issue we are faced with today. I understand that we need to improve our economy, but we need to do it with long-term stability to education not with a short-term solution. When people tell me it is only \$3 on a 3-night stay for a \$100 room, added to the current room tax, that equals a 13-percent tax rate and is \$39. That is \$39 more dollars that could have gone for something else. The person could have tipped one of the workers at the casinos a little bit more. They could have had another meal. We have to think about the dollar.

Look at this as a tax policy being determined by initiative petition. Tax policy, including the types of taxes and rates and use of the tax proceeds, is a matter of great importance to the Nevada Legislature. It is a matter that can and does make a tremendous impact on the people of the State of Nevada, both in the present and the future.

I look at a picture of my grandson, and I think about the future. Taxes have serious consequences. In this particular case, an increase in room taxes, may have serious implications on an important industry in the State, our tourism industry. I realize that an initiative petition imposing a tax and earmarking the use of the proceeds is allowed. I believe that the lack of time for thoughtful deliberation on the tax policy of this State requires us to say "no" to this petition.

This petition earmarks all of the revenue from this new tax to be used for K-12 education from July 1, 2011, on, into the future. I think about my grandson. Having the proceeds of this tax earmarked for a specific purpose that is not general fund is not the method we should be using.

This petition requires a tax be imposed in Clark and Washoe counties only, but the revenue, both in the short-term and the long-term, is committed for use in the entire State. To me this seems positively unfair.

This petition imposes a duty on the members of the Clark and Washoe County Commissions to impose a tax to generate revenue that the Counties will not receive directly. This means that by enacting this petition, the Legislature will be mandating that at least a majority of the members of these two Commissions will be required to vote to impose this additional tax, whether they want to or not, whether it violates their personal belief system or not. Generally, the Legislature has chosen to impose taxes ourselves if we are not going to give a local governing body any discretion. Each of the members of these two governing bodies ran for election, like we did. They have a responsibility to represent their constituencies, like we do, and to vote in a manner that is true to their own belief systems. I find it objectionable to require a member of an elected body to vote to increase a tax.

It is clear from reading section 5 of Initiative Petition No. 1 that the Legislature made a promise not to increase these room taxes beyond the increase in 1991. Additionally, in section 5, subsection 3, the Legislature also promised not to amend or repeal the limitation unless it is for a tax for tourism purposes. This petition also breaches that promise. I hate to see us breaking these commitments.

Let us allow everyone to weigh in, in 2010, so we do no further harm in what is the worst recession in Nevada's history. If we lose jobs, we lose sales tax, property-tax revenue, car-registration fees and other taxes that employed people. Rather than raising taxes to fill budget holes, I believe we must focus our tax-and-spending policy on job creation. Proponents of the room-tax increase have failed to convince me that their plan will not cost us jobs and a loss of tax revenue in our future. For these reasons, I am voting "no" on Initiative Petition No. 1.

SENATOR MCGINNESS:

Thank you, Mr. President pro Tempore. My concern is the tax policy. After serving seven sessions as Chair of Taxation, I have learned a few things as the current Chair of Taxation who has been there before.

I call this "supermarket legislation" because as you are going into your favorite market or store you are called over and asked if you want to lower your taxes or tax someone else. You do not have the debate. I was proud of this body and its debate yesterday in the Committee of the Whole, on both sides, of the Initiative Petition No. 1. We asked good questions and got some good answers. However, when you get a signature in a parking lot you do not vet the issues, you do not get a copy of the petition to read or take home. It is an industry-specific tax; is it fair? When only two counties are paying the tax and actually one county is paying 98 to 99 percent, I am not sure if that is fair.

If I was a business outside of this State thinking about coming to Nevada to help diversify our economy, I would be nervous. Is our tax scheme in Nevada predictable? I do not think it is anymore.

A "no" vote does not kill the Initiative Petition No.1. A "no" vote sends it to the people to let them decide.

SENATOR HORSFORD:

Thank you, Mr. President pro Tempore. I rise in support of Initiative Petition No. 1, reluctantly. I agree with several of my colleagues comments about how much disdain there is for how this process and this initiative was brought before this legislative body. I agree that it puts us in a box. It limits our ability to do what the voters elected us to do. I agree with that. I also agree that in many ways the solution that Initiative Petition No. 1 provides only puts a band aid further on the problem. I also care about the process. I do. As one of those members who will have to be here to address the implications of this precedent, I have labored on that decision. However, I care more about the children of this State who are entitled to a quality public education. I agree that because of the unprecedented downturn in our economy that we are faced with some difficult choices. This is probably the first of many difficult choices we will have to make this Session. We have at least a \$2.3-billion shortfall. We have had two special sessions where we have had to cut services that directly influence the lives of the people we represent. That does not feel good.

Cuts to K-12 education have been significant. The reality is that more will have to be cut this Session in order to balance this budget responsibly. As the Minority Leader said yesterday, we have a difficult choice to make.

I would like to respond to a few specific points. First, the proponents of the bill, the teachers and several of the companies from the industry that would be assessed this room tax, brought this forward. I do not like it. I do not like how it was done. I do not like the manner in which they tied our hands. I understand their frustration because one of the proponents, Wynn Las Vegas, and the founders of that company, Steve and Elaine Wynn, are some of the greatest proponents of public education. I imagine that had to be a difficult choice for them to tax their customer or to honor their commitment to the people of this State as it pertains to education.

Will this tax have an implication on our tourists? Yes, but so has the tax policy that has been passed previously. Will this affect jobs? Potentially, because, unfortunately, several of these companies are in the worst situation they have been in. However, some of those choices, they have made. They have to live with the consequences of how they run their business. We as elected leaders have to do the following. We have to balance Nevada's budget responsibly. One of the ways we can do that this Session is by passing Initiative Petition No. 1.

I have asked Legal Counsel to again clarify if we do not pass this measure it goes to the voters in November, 2010. If the Initiative Petition No. 1 is sent to the vote of the people and approved, the Legislature will not be able to take any action with respect to provisions of the measure until July 1, 2014, which would be the 2015 Legislative Session. I agree with my colleagues about the fact the way the wording of the initiative is that it sets a priority around teacher pay. I do not like that. I do not like that they wrote it in such a manner that it puts a higher priority on salaries than all the other education needs. We have heard about the need for text books, school supplies and other items a teacher requests. Money should be spent on these items as well. I do not like it. However, the way for me to change that is to approve Initiative Petition No. 1 and to come back to modify that language. I intend to do that if this initiative is passed. If we reject it, and it goes to a vote of the people in November, 2010, and the voters approve this as they did by 60 percent in Clark County and about 50 percent in Washoe County, we will not be able to modify it until 2015 unless we approve this measure, today.

There are some consequences my colleagues are concerned about. I agree with them. We would be further boxed in. They will have taken away even more of our legislative autonomy, and we will have given them exactly what they want. I do not want to allow that to happen. I want to decide how these resources are expended. I believe that supporting Initiative Petition No. 1 allows that to happen.

I reluctantly support this measure. I will do whatever I can today and in the months following to balance our budget responsibly. I believe this is a time where we have to do it without regard to political party, without regard to whose idea it is because the people who elected us depend on the decisions we will make. Jobs are disappearing and so are many of the tourist-based tax dollars that we have come to depend on as a State. We are at a crossroads. The process is important. The initiative process is a part of the process. We may not agree with that either, but the frustration of those who have seen the resources for education not be fulfilled decided to take this to the voters. Those voters who signed the initiative and who approved the measure forced our hand, and that is what we have before us.

I ask my colleagues despite your concerns and objections to how the process was handled, to think about what my colleague from Senate District No. 8 talked about. It is about the future and the children who depend upon us in the classroom. The children are more important to me than any teachers' group, than any company who thinks they can decide tax policy. The children are the ones I am here to represent. I want these resources to go to meet their educational needs. Thank you.

SENATOR HARDY:

I rise with equal reluctance in opposition. I came to this Session prepared to support this initiative for all the reasons the Majority Leader has articulated. I think he is right about that. Leading up to this Session and the discussions we have had among ourselves, our families, our constituents and the media, one thing I consistently pointed out is that one of most difficult things for any legislative body to do in a time of crisis is to get the policy right.

I think you can look at the history of the State of Nevada with our boom-and-bust cycle and we are forever patching holes. We continue to piecemeal things together and not get around to setting the policy. This vote, today, represents the first opportunity for me to put my money where my mouth is, in challenging ourselves to get the policy right, first and foremost. We are going to be creating the problems that the Majority Leader addresses. For those reasons, I had intended to support this. I think I have to keep my promise to myself and to others to try to get the policy right. There is no question this leaves a hole in the budget. We will need to discuss ways to fill that hole.

I commit to everyone in this body and everyone who is listening, that I will be at the table and participate in the discussions. I will also participate in the final solution. We have difficult choices to make in the Legislative Session. Clearly, these are the most difficult choices since I have been a member of this body. At the end of the day, the doors of the schools are going to open. The bad guys will still be behind bars. Teachers will still be paid. State employees will still be paid. We are at the beginning of that process today. We have not yet begun that debate. We need systemic changes to the way we do business in this State.

Finally, at the end of the day, the solution we arrive at must be one that builds the economy, one that creates jobs, one that makes government stronger and leaner and a better provider of essential services. My fear is that the policy behind Initiative Petition No. 1 does not achieve any of those goals nor does it meet that objective. It is with great reluctance that I stand in opposition to this and stand for trying to get the policy right.

SENATOR CARE:

I awoke this morning with no intention of speaking on this matter. Now, I am compelled to do so. I have just a brief word for those who proclaim to be the leaders of the teachers.

In 2003, you had the opportunity to work with some Legislators in this building who wanted to do precisely what it is you seek to do now. You remained silent. There were those of us in this building, who are still here, who were willing to fight for you to give you what it is you are asking the 21 of us to do today. Worse than oppose us, you remained silent.

We are going to take a vote in a few minutes. This measure may pass, I do not know. If it does, you will consider yourselves to have won. I want you to know that if that happens, you may very well in the long run, have lost.

SENATOR RAGGIO:

First, I would like to disclose that I am a member of the Board of Archon Corporation, a publicly traded company operating in Clark County that does have transient lodging and would be affected by any imposition of a room tax. In addition, I am a proud father of a fourth-grade teacher in the Washoe County School District. I can look at this issue from different sides. I understand Senate Standing Rule No. 23 does not require disclosure, but I am providing that information.

We had an extended hearing on Initiative Petition No. 1 yesterday in the Committee of the Whole. I do not disagree with much that I have heard on the floor of the Senate today. I think this is a Hobson's Choice. We all agree the initiative-petition route is not the best way for us to establish a tax policy. I have always indicated I do not like earmarking in taxes that are levied for the benefit of the State.

There is a downside to this. If we do not pass this measure today, as the distinguished Majority Leader has said, it goes on the ballot. It is likely to pass because it passed as an advisory measure in the two major counties in this State. It had advisory voter approval on the part of the voters in the two major counties impacted by the room tax. It was approved in Washoe County by 57 percent and in Clark County at 67 percent. The difficulty is, if it is not enacted in this Session within this 40-day period, the Governor has included this as a component of the budget. There is ample criticism within this Senate and the Legislature as a whole about the budget the Governor has submitted. Everyone has said it is too lean and that it is not only lean but also it is mean. There are solid areas of the budget that are going to require funding of some type to reach what we think are necessary and essential services. I do not think anyone in this legislative body intends that we will come out of here with a bloated budget. I will not support that. In these serious economic times, none of us will support anything but a budget that meets what we term to be essential services. There will not to be any bells and whistles. There

will not be many frills. There will not be any new programs. Whatever we agree upon as a budget will have to be funded in some way.

There are two ways to deal with this issue. One is with additional cuts. Another is with additional enhancements. If this is not passed, we create, as we heard yesterday, a \$232-million additional shortfall or a hole in the budget submitted to us by the Governor. Everyone can say we will deal with it at some point, but at some point when we deal with this, towards the end of the Session, it makes it \$232 million harder to deal with. We have a situation where no one likes this policy. No one likes the procedure. I do not. I am reluctant to do this, but I took an oath and that was to be responsible to the Constitution of our State. It requires we enact a balanced budget. It is defined. Our expenditures cannot exceed the revenues.

Pay now or pay later because if we do not pass it at this point, it makes the job that much more difficult when we have to consider how we deal with the end product. There are two options. We can institute more cuts. It is easy for people who do not have to vote to call into talk shows or write letters to the editor or do blogs to say cut, cut, cut. I think everyone has the right to their opinion, but I suggest they come here and sit in on some of the hearings and listen to the impact of the cuts required and to see what the impact of the cuts will be in the executive Budget. They should, then, listen to some of the concerns we have about waiting lists and the lack of essential services.

This tax comes at a difficult time. It is not a direct tax on the gaming industry. It is a tax paid by tourists.

Someone has mentioned that on a \$100 room this would add \$3 or \$2 additional tax. At this point, it is the lesser of two evils. One can say they will never vote for a tax, and there are those who believe that is the way it should be. I can say, I have had to vote for some taxes, and I have been beat up about that, but my first responsibility is not to my political party, but as an American, to my State. My concern is for the survival of this State. We need to provide essential services. This will take the first step toward doing that. I would rather not have to do that at this point, but I think it makes our job much more difficult in the few months ahead if do not do this now.

SENATOR PARKS:

Thank you, Mr. President pro Tempore. Earlier this day, we had guests here in the Chamber from the Republic of China, and their presence reminded me of the fact that in Asia education is considered an investment rather than an expense.

I will be casting my vote today for an investment.

Roll call on Initiative Petition No. 1:

YEAS—16.

NAYS—Amodei, Cegavske, Hardy, McGinness, Washington—5.

Initiative Petition No. 1 having received a two-thirds majority, Mr. President pro Tempore declared it passed.

Petition ordered transmitted to the Assembly.

Senate Bill No. 34.

Bill read third time.

Roll call on Senate Bill No. 34:

YEAS—19.

NAYS—Carlton, Coffin—2.

Senate Bill No. 34 having received a constitutional majority, Mr. President pro Tempore declared it passed.

Bill ordered transmitted to the Assembly.

Senator Horsford moved that the Senate recess subject to the call of the Chair.

Motion carried.

Senate in recess at 1:23 p.m.

SENATE IN SESSION

At 1:26 p.m.

President pro Tempore Schneider presiding.

Quorum present.

MOTIONS, RESOLUTIONS AND NOTICES

Assembly Concurrent Resolution No. 15—Proclaiming March 2009 as Women's History Month.

Resolution read.

Senator Woodhouse moved that Assembly Concurrent Resolution No. 15 be taken from the Resolution File and placed on the Resolution File for the next legislative day.

Motion carried.

INTRODUCTION, FIRST READING AND REFERENCE

By the Committee on Government Affairs:

Senate Bill No. 189—AN ACT relating to employment; authorizing employees and certain labor-management committees to bring actions against employers for certain violations relating to wages and other benefits; and providing other matters properly relating thereto.

Senator Lee moved that the bill be referred to the Committee on Government Affairs.

Motion carried.

By the Committee on Government Affairs:

Senate Bill No. 190—AN ACT relating to counties; removing the requirement that a county fair and recreation board in certain larger counties obtain the approval of the board of county commissioners before engaging in certain transactions relating to real property, except for certain transactions relating to real property within certain cities; and providing other matters properly relating thereto.

Senator Lee moved that the bill be referred to the Committee on Government Affairs.

Motion carried.

By the Committee on Government Affairs:

Senate Bill No. 191—AN ACT relating to building codes; adopting the Uniform Mechanical Code and the National Electrical Code for any construction, alteration or change in the use of any public or private building or structure in this State; authorizing the governing bodies of cities and counties to adopt certain modifications of the Uniform Mechanical Code and

the National Electrical Code with the approval of the State Public Works Board; prohibiting the governing body of a city or county from adopting a regulation or ordinance for the enforcement of the Uniform Mechanical Code and the National Electrical Code without the approval of the State Public Works Board; and providing other matters properly relating thereto.

Senator Lee moved that the bill be referred to the Committee on Government Affairs.

Motion carried.

By Senators Mathews, Care, Lee, Rhoads; Assemblymen Anderson, Grady, Leslie and Parnell:

Senate Bill No. 192—AN ACT relating to health insurance; revising certain provisions regarding required insurance coverage for previously approved prescription drugs; and providing other matters properly relating thereto.

Senator Carlton moved that the bill be referred to the Committee on Commerce and Labor.

Motion carried.

By Senator Mathews:

Senate Bill No. 193—AN ACT relating to secondhand dealers; exempting a person who engages in the business of buying and selling antiques from state and local regulation as a secondhand dealer; and providing other matters properly relating thereto.

Senator Carlton moved that the bill be referred to the Committee on Commerce and Labor.

Motion carried.

By Senators Mathews, Care, Lee, McGinness, Raggio, Rhoads; Assemblymen Anderson, Goicoechea, Grady and Leslie:

Senate Bill No. 194—AN ACT relating to certain public officials; making the district attorney of Humboldt County the ex officio public administrator of Humboldt County; revising certain provisions regarding the administration of certain estates; revising certain provisions regarding the appointment of public guardians; repealing certain provisions relating to public administrators; and providing other matters properly relating thereto.

Senator Lee moved that the bill be referred to the Committee on Government Affairs.

Motion carried.

By Senator Carlton:

Senate Bill No. 195—AN ACT relating to industrial insurance; revising provisions relating to examinations and permanent partial disabilities; and providing other matters properly relating thereto.

Senator Carlton moved that the bill be referred to the Committee on Commerce and Labor.

Motion carried.

By Senator Care:

Senate Bill No. 196—AN ACT relating to elections; revising the provision that restricts petitions for initiative or referendum to a single subject to broaden the standards that define whether a petition embraces only one subject; and providing other matters properly relating thereto.

Senator Care moved that the bill be referred to the Committee on Legislative Operations and Elections.

Motion carried.

By Senators Wiener, Parks, Copening, Woodhouse, Breeden, Amodei, Cegavske, Hardy, Horsford, Lee, McGinness, Nolan and Washington:

Senate Bill No. 197—AN ACT relating to drugs; authorizing certain facilities to return certain prescription drugs for reissuance by nonprofit pharmacies; establishing procedures and requirements for the reissuance of certain prescription drugs transferred to nonprofit pharmacies; and providing other matters properly relating thereto.

Senator Wiener moved that the bill be referred to the Committee on Health and Education.

Motion carried.

By Senator Care:

Senate Bill No. 198—AN ACT relating to monorails; requiring that the records of certain monorail owners and operators be open to the public; and providing other matters properly relating thereto.

Senator Care moved that the bill be referred to the Committee on Energy, Infrastructure and Transportation.

Motion carried.

By Senator McGinness:

Senate Bill No. 199—AN ACT relating to farm vehicles; allowing a farmer or rancher to weigh a farm vehicle on a certified scale for purposes of registration in lieu of having the farm vehicle weighed by a public weighmaster; and providing other matters properly relating thereto.

Senator McGinness moved that the bill be referred to the Committee on Energy, Infrastructure and Transportation.

Motion carried.

By Senator McGinness:

Senate Bill No. 200—AN ACT relating to the taxation of property; revising the provisions governing the calculation of the taxable value of improvements made on land and the designation of taxes on personal property as uncollectible; clarifying the provisions governing the notification, appeal and revision of the valuation of property on the unsecured tax roll;

delaying the required filing dates for certain statistical reports regarding assessed values and petitions for the review of certain determinations regarding the applicability of a partial abatement; postponing the prospective expiration of certain provisions for the funding of accounts for the acquisition and improvement of technology in the offices of county assessors; providing a penalty; and providing other matters properly relating thereto.

Senator McGinness moved that the bill be referred to the Committee on Taxation.

Motion carried.

UNFINISHED BUSINESS
SIGNING OF BILLS AND RESOLUTIONS

There being no objections, the President pro Tempore and Secretary signed Senate Concurrent Resolution No. 14.

GUESTS EXTENDED PRIVILEGE OF SENATE FLOOR

On request of Senator Horsford, the privilege of the floor of the Senate Chamber for this day was extended to Yvette Williams.

On request of Senator Lee, the privilege of the floor of the Senate Chamber for this day was extended to Daniele Monroe-Moreno.

On request of Senator Mathews, the privilege of the floor of the Senate Chamber for this day was extended to Christopher Kelley and the following students from Wooster High School: Yecenia Garcia, Bernadette McCarty, Bailey Hill, Adam Fox, Justin Reid, Breanna Brown, Kristy Furgason, Brandi Montoya, Cinthia Monroy, Mike Evans, Juan Garcia, Francisco Gonzalez, Jonathan Carbajal, Ferdy Carpio, Sinead Boston, Alex Sanchez, Lynn Iosua, Gladys Pintor, Ellen Rahn, Marsha Najera, Freddy Wartella, Vanessa Robbins, Jamie Swigert, Jeremy Packer, Jaeanne Landaker, Jesse Smith, Nick Flores, Nicole Lucido, Niles Solberg, Amanda Sather, Crystal Godoy-Williamson, Jamie Espinoza, Jordan Byrne, Joey Winkler, Alvin Segura, Maddy Markiewitz, Leslie Somoza, Mayra Santiago, Samantha Bridegum, Ricardo Torres, Michael Christy, Lloyd Clark, Jesse Carpio, Eduardo Hernandez, Jose Roque, Maverick Hernandez, Angelica Herrera, Christian Galindo, Stephanie Arce, Dennis Najera and Tia Riddle.

On request of Senator Nolan, the privilege of the floor of the Senate Chamber for this day was extended to Thomas Chen; Director General of Taipei Economic and Cultural Office (TECO) and Dean Wang; Director of TECO.

On request of Senator Parks, the privilege of the floor of the Senate Chamber for this day was extended to Addie Crisp.

On request of Senator Wiener, the privilege of the floor of the Senate Chamber for this day was extended to Julianna Ormsby, Byllie Andrews and Barbara Straight.

Senator Horsford moved that the Senate adjourn until Wednesday, March 11, 2009, at 11 a.m.

Motion carried.

Senate adjourned at 1:34 p.m.

Approved:

MICHAEL A. SCHNEIDER
President pro Tempore of the Senate

Attest: CLAIRE J. CLIFT
Secretary of the Senate