

**THE FIFTY-SEVENTH DAY**

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CARSON CITY (Monday), April 1, 2013

Senate called to order at 11:18 a.m.

President Krolicki presiding.

Roll called.

All present.

Prayer by Teji Malik.

Good morning. *Ik Ong Kaar* means, "There is One Source of all." We are all surrounded by its wondrous and awe factors.

I am a Sikh, which means a student and a learner, just like you all who are gathered at the Senate to fulfill important duties which affect all Nevadans including myself.

*Guru Granth*, the Sikh scripture, says: "Amongst all is the Light—You are that Light. This Light is radiant within all that are present" here at the Senate.

Oh, the One Source of All! We are gathered here today in Your omnipresence for the opening of the Senate after the Easter break and we all know the significance of Easter in our hearts. Lord, Your presence is in all, irrespective of our hue, creed or faith. You are the Center and we all come to You by many paths, to seek Your help so that You can breed goodness in us which we can share with others.

Please make our shoulders stronger so that we can offer them to those who need them to lean on. Breed acceptance in us so that we can see You in all. Make us the flowers of Your garden so that we can emit the fragrance in all directions.

As a Sikh, I am taught to see the divine in all and it is my duty to fight for equality and justice for all, no matter what religion one may belong to. Lord, our only goal and mission as humans in this Senate is to see the ONE in all. Oh Lord! Help us in fighting against injustice and for equality in this Session.

Now the question arises, how can we have the courage to fight for equality and against injustice? Let me close by saying what the *Guru Granth* says: "I have no animosity against anyone, I see no one as a stranger."

Thank you for the honor.

Pledge of Allegiance to the Flag.

The President announced that under previous order, the reading of the Journal is waived for the remainder of the 77th Legislative Session and the President and Secretary are authorized to make any necessary corrections and additions.

REPORTS OF COMMITTEES

*Mr. President:*

Your Committee on Commerce, Labor and Energy, to which was referred Senate Bill No. 154, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

KELVIN ATKINSON, *Chair*

*Mr. President:*

Your Committee on Health and Human Services, to which were referred Senate Bills Nos. 54, 99, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

JUSTIN C. JONES, *Chair*

*Mr. President:*

Your Committee on Judiciary, to which were referred Senate Bills Nos. 9, 30, 37, 199, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

TICK SEGERBLOM, *Chair*

*Mr. President:*

Your Committee on Legislative Operations and Elections, to which was referred Senate Bill No. 298, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

Also, your Committee on Legislative Operations and Elections, to which was referred Senate Joint Resolution No. 5, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

PAT SPEARMAN, *Chair*

*Mr. President:*

Your Committee on Revenue and Economic Development, to which was referred Senate Bill No. 330, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

Also, your Committee on Revenue and Economic Development, to which were referred Senate Bills Nos. 472, 474, 475, has had the same under consideration, and begs leave to report the same back with the recommendation: Re-refer to the Committee on Finance.

RUBEN J. KIHUEN, *Chair*

*Mr. President:*

Your Committee on Transportation, to which was referred Senate Bill No. 191, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

Also, your Committee on Transportation, to which was referred Senate Bill No. 14, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

MARK A. MANENDO, *Chair*

#### WAIVERS AND EXEMPTIONS WAIVER OF JOINT STANDING RULE(S)

A Waiver requested by Senator Denis

For: Senate Joint Resolution No. 15.

To Waive:

Subsection 1 of Joint Standing Rule No. 14 and Subsection 1 of Joint Standing Rule No. 14.2.

Has been granted effective: Monday, April 01, 2013.

MOISES DENIS  
*Senate Majority Leader*

MARILYN KIRKPATRICK  
*Speaker of the Assembly*

#### MOTIONS, RESOLUTIONS AND NOTICES

By Senators Denis, Smith, Roberson, Kieckhefer, Kihuen, Atkinson, Ford, Jones, Manendo, Parks, Segerblom, Spearman, Woodhouse; Assemblymen Diaz, Carrillo, Frierson, Spiegel, Horne, Benitez-Thompson, Bustamante Adams, Cohen, Flores, Kirkpatrick and Neal:

Senate Joint Resolution No. 15—Urging Congress to enact comprehensive immigration reform.

Senator Denis moved that the resolution be referred to the Committee on Commerce, Labor and Energy.

Motion carried.

## SECOND READING AND AMENDMENT

Senate Bill No. 56.

Bill read second time and ordered to third reading.

Senator Smith moved that Senate Bill No. 56 be taken from the General File and re-referred to the Committee on Finance.

Motion carried.

Senate Bill No. 118.

Bill read second time and ordered to third reading.

Senate Bill No. 163.

Bill read second time and ordered to third reading.

## GENERAL FILE AND THIRD READING

Senate Bill No. 117.

Bill read third time.

Remarks by Senator Smith.

Thank you, Mr. President. Senate Bill No. 117 prohibits the Department of Taxation from issuing a subpoena to compel the production of books and papers that contain individually identifiable health information. The measure defines “individually identifiable health information” as information that identifies a natural person, or easily provides for the identification of a natural person, and relates to: the past, present or future physical or mental health or condition of the person; or, the provision of health care to the person. This bill is effective on July 1, 2013.

In simple terms, the bill would prohibit the Department of Taxation from access to your personal health records. I urge your support.

Roll call on Senate Bill No. 117:

YEAS—21.

NAYS—None.

Senate Bill No. 117 having received a constitutional majority, Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

Senate Bill No. 233.

Bill read third time.

Remarks by Senator Cegavske.

Thank you, Mr. President. Senate Bill No. 233 repeals certain sections of *Nevada Revised Statutes* that direct the governing bodies of certain counties and cities to establish a minimum distance between residential establishments, which include halfway houses for recovering alcohol and drug abusers and residential facilities for groups. In addition, the measure repeals the establishment of a registry of group homes and various related provisions. I appreciate this Body’s support.

Roll call on Senate Bill No. 233:

YEAS—21.

NAYS—None.

Senate Bill No. 233 having received a constitutional majority, Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

Senate Bill No. 285.

Bill read third time.

Remarks by Senator Hardy.

Thank you, Mr. President. Senate Bill No. 285, in short, holds all flight-for-life companies to Nevada's safety standards when caring for the people they transport.

Roll call on Senate Bill No. 285:

YEAS—21.

NAYS—None.

Senate Bill No. 285 having received a constitutional majority, Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

Senate Joint Resolution No. 15 of the 76th Legislative Session.

Resolution read third time.

Remarks by Senators Kihuen, Denis, Goicoechea, Gustavson, Cegavske, and Settelmeyer.

SENATOR KIHUEN:

Thank you, Mr. President. I rise in support of Senate Joint Resolution No. 15 of the 76th Legislative Session. The resolution proposes to amend Article 10, Section 1, of the *Nevada Constitution* to repeal the prohibition establishing a separate tax rate and providing for assessing and dispersing the tax on the net proceeds of mines. This amendment to the *Nevada Constitution* would allow the Nevada Legislature to determine both the taxation of the net proceeds of mines and the distribution of those taxes. Pursuant to Article 16, Section 1, of the *Nevada Constitution*, and Chapter 218(D) of *Nevada Revised Statutes*, the prohibitions contained within Senate Joint Resolution No. 15 of the 76th Session, the resolution must be approved by the Legislature during the 2011 and 2013 Sessions, followed by voter approval at the 2014 general election, or a special election, in order to be ratified.

Mr. President, I would like to commend my colleagues from the Senate Committee on Revenue and Economic Development for their diligence and hard work on Senate Joint Resolution No. 15 of the 76th Session. As an elected body, we are expected to come to Carson City and work in a bipartisan manner and that's exactly what the Committee did. We had differences but at the end, this bill was passed unanimously out of Committee.

The resolution is the right thing for the State of Nevada and for our constituents. I urge your support.

SENATOR DENIS:

Thank you, Mr. President. I rise in support of Senate Joint Resolution No. 15 of the 76th Legislative Session. Senate Joint Resolution No. 15 of the 76th Session repeals the Constitutional prohibition to change the way the mining industry is taxed in our State. If passed, this measure will go before the voters on the 2014 ballot; it must be passed there in order to take effect.

This bill neither increases nor decreases taxes on mining, it simply gives the Nevada Legislature the authority to change the way mining is taxed. With the passage of Senate Joint Resolution No. 15 of the 76th Session, we will be able to fully examine the tax structure of this State and make changes that are fair to all industries. It is time to take another look at the tax structure of this State as a whole and this legislation gives us the opportunity to do that.

SENATOR GOICOECHEA:

Thank you, Mr. President. I rise in opposition to Senate Joint Resolution No. 15 of the 76th Legislative Session. I was in this building in 1987 and 1989—not as a legislator, but as a county elected official—lobbying for the passage of Senate Joint Resolution 22 of the 64th Session. When it was passed during Special Session on May 2, 1989, only one lawmaker

voted against Senate Joint Resolution 22 of the 64th Session. The item said, "Shall the *Nevada Constitution* be amended to allow the taxation of minerals at a rate different than that of other properties?" The argument for passage was the proposed amendment would allow the Legislature to tax the net proceeds of mines at a different rate than other property up to the Constitutional five percent.

Senate Joint Resolution No. 15 of the 76th Session puts that tax increase in jeopardy. When we remove that exemption—when we take it out of the *Nevada Constitution*—we return to what we had pre-1989 passage of Senate Joint Resolution 22 of the 64th Session. The Constitution does say the tax will be fair and equal.

I am very concerned about taking this Constitutional amendment out and the potential long-term ramifications. I urge your opposition.

SENATOR GUSTAVSON:

Thank you, Mr. President. I stand in opposition to Senate Joint Resolution No. 15 of the 76th Legislative Session. Exploration companies and their investors are watching what happens here in Nevada. Midway Mine is sitting on a project that would bring 300 more jobs to Nevada. Their backers are growing uncomfortable with the political environment in Nevada and will not finance Midway Mine until they see what happens during this Legislative Session.

We need to remember that 96 percent of the gold mines in the world are outside of Nevada. Nevada has spent millions of dollars of economic development funds to bring new companies here. The Brookings Institution's study targeted the mining industry's potential to move more operations to Nevada. It does not make sense that on one hand we entice mining to come to Nevada, while on the other hand we create an uncertain and unpredictable tax environment.

I urge a "no" vote on Senate Joint Resolution No. 15 of the 76th Legislative Session.

SENATOR CEGAUSKE:

Thank you, Mr. President. After 17 years of service in the Nevada Legislature, I have benefitted from the hindsight and foresight of my time here. It is this experience and vision that tells me not to support Senate Joint Resolution No. 15 of the 76th Legislative Session for the second time.

I want to reflect for a moment on how we might view this vote today if we considered it from a different economic position. As a State, we are still in the midst of an economic recovery and we are not yet recovered. We know that in order to provide a healthy, nimble and resistant economy for the future, we must diversify. For a moment, imagine the mining industry has not opened operations in Nevada yet and we want to attract the mining industry to this State—just as we hope to attract eight other industries to Nevada in an effort to bring new jobs, new tax revenue and new hope for working families in the future.

What would we offer Barrick Mining North America to move their corporate offices and mining operations to Nevada? They would assist Nevada in mining its 31.5 million ounces of gold, copper and other natural resources. They would create 10,700 direct mining jobs, 14,300 indirect jobs and they would pay an average salary of \$87,900.

What would we offer them in the way of tax incentives? Would we streamline their licensing process? What would they ask for to begin operating as a mining company in rural Nevada where economic development is just as important as in our cities?

Would we give them the same deal as we gave Apple to come to Reno and build an iCloud center? Were we excited to have Apple come to Nevada? Yes. We realize the importance of establishing an information and technology business base. We enticed Apple with \$89 million in tax credits and an 85 percent reduction in property tax for 10 to 30 years. Apple's effective tax rate is expected to be less than one percent. We agreed to these tax credits and trade for 580 construction jobs, 35 full-time employees at an average annual wage of \$57,000 and \$1 million per year in investments.

What would we do for a company that could come to our State and allow us to produce 47 percent of the world's production in gold? Ask yourself this, because there are other companies like Apple and Barrick Mining North America.

As Nevadans, we need to attract businesses to our State in order to develop our new economy and create an economic climate that will be resilient when the next economic downturn occurs. We all know that hard times will come again. Voting to decrease the business-friendly climate in

Nevada, and sending the message by targeting a single industry, shows no foresight and will haunt us in hindsight.

SENATOR SETTELMAYER:

Thank you, Mr. President. I rise in opposition to Senate Joint Resolution No. 15 of the 76th Legislative Session. I opposed it in the 2011 Session and I maintain my concerns about it. There are mining operations and developments in my district. Just like any type of business, mining companies need consistency in the tax rules.

Many focus on one mineral during the discussion—gold. Mining in this State includes gold, silver, gypsum, diatomite, lime, clay, copper, salt and more. We also have geothermal resources and other renewable energy sources which fall under this category. There are seven renewable energy fields operating in my district and many more that have planned exploration. We could put that all in jeopardy.

If the goal of passing Senate Joint Resolution No. 15 of the 76th Session is to generate more tax dollars, it makes no sense to me to undo a guaranteed stream of revenue. I do not want to do more harm than good. We could look at exemptions to generate more funds; but we are not doing that.

Some say Senate Joint Resolution No. 15 of the 76th Session will generate less revenue, like myself, and others say it will increase revenue. One thing is for certain: passage of Senate Joint Resolution No. 15 of the 76th Session will create uncertainty about the taxing environment, creating a negative impact on the investments of a valuable industry to our State.

For these reasons, I remain opposed to Senate Joint Resolution No. 15 of the 76th Session.

Roll call on Senate Joint Resolution No. 15 of the 76th Legislative Session:

YEAS—17.

NAYS—Cegavske, Goicoechea, Gustavson, Settelmeyer—4.

Senate Joint Resolution No. 15 of the 76th Legislative Session having received a constitutional majority, Mr. President declared it passed.

Resolution ordered transmitted to the Assembly.

Senate Joint Resolution No. 9.

Resolution read third time.

Remarks by Senator Jones.

Thank you, Mr. President. Outdoor recreation in Nevada generates nearly \$15 billion in annual consumer spending, \$4.8 billion in wages and salaries and \$1 billion in State and local tax revenues. Outdoor recreation events such as the Triathlon World Championships, Ragnar Spartan and Tough Mudder races are flocking to Nevada. Outdoor recreation outfitters want to serve tourist interests in biking, hiking and engaging in other activities on our bountiful federal lands. Bureau of Land Management processes for approving special recreation permits are too slow with a minimum six-month wait.

Senate Joint Resolution No. 9 expresses the Nevada Legislature's desire to see the Bureau of Land Management expedite the process for approving special recreation permits. I believe that doing so will create additional jobs and generate additional State and local tax revenue for Nevada and particularly for outdoor recreation programs and events.

Senate Joint Resolution No. 9 passed out of the Senate Committee on Natural Resources unanimously and I urge your support of it.

Roll call on Senate Joint Resolution No. 9:

YEAS—21.

NAYS—None.

Senate Joint Resolution No. 9 having received a constitutional majority, Mr. President declared it passed.

Resolution ordered transmitted to the Assembly.

Senate Joint Resolution No. 12.

Resolution read third time.

Remarks by Senators Brower and Spearman.

SENATOR BROWER:

Good morning, Mr. President. Thank you very much. Senate Joint Resolution No. 12 urges the President of the United States to grant a posthumous pardon to John A. “Jack” Johnson, the first African-American Heavyweight Champion of the World, who famously defended his title on July 4, 1910, in Reno, in what became known as the “Fight of the Century” and in front of a crowd of more than 20,000 spectators—keep in mind Reno’s population at the time was only about 17,000 people. Johnson defeated Jim “The Great White Hope” Jefferies. This victory boosted Johnson’s fame the world over, but also made him a target for those who objected to his flamboyant and controversial lifestyle.

In 1912, Johnson was indicted by a federal grand jury in Chicago for violating the Mann Act, which was ostensibly intended to prohibit “white slavery,” but which was used to prosecute Johnson because of his relationships with white women. Johnson was convicted by an all-white jury and was sentenced to one year in prison. It is now generally acknowledged that Jack Johnson’s prosecution was racially motivated and should never have happened. Johnson was a man before his time, a legend whose career was tragically cut short and tarnished because of an unjust prosecution. It is time that his wrongful conviction be expunged. Because of our State’s special connection to the legend of Jack Johnson, the Nevada Legislature should be the first in the country to urge President Obama to issue a pardon.

I want to thank my primary co-sponsor, Mr. Munford of the Assembly. I also want to thank the Chair and members of the Committee on Legislative Operations and Elections for expeditiously hearing and unanimously passing this resolution out of Committee. I respectfully urge your support.

SENATOR SPEARMAN:

Thank you, Mr. President. I raise in support of my colleague from Senate District 15, and say, once again, it is never too late for us to act justly.

Roll call on Senate Joint Resolution No. 12:

YEAS—21.

NAYS—None.

Senate Joint Resolution No. 12 having received a constitutional majority, Mr. President declared it passed.

Resolution ordered transmitted to the Assembly.

#### UNFINISHED BUSINESS

#### SIGNING OF BILLS AND RESOLUTIONS

There being no objections, the President and Secretary of the Senate signed Senate Concurrent Resolution No. 6.

#### REMARKS FROM THE FLOOR

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

SENATOR ATKINSON:

Thank you, Mr. President. I wanted to recognize a member of the Clark County Democratic Black Caucus who passed away at the end of the year, Patricia Grimes. Ms. Grimes had been

very, very instrumental in a lot of campaigns and did a lot of work on this past campaign season, then died suddenly right after. I want to recognize her and make sure that her name and her presence is felt with us today because she was very hard working with this community and with the folks here on the Floor with us from the Clark County Democratic Black Caucus. I know she is not here, but I would appreciate a hand for her.

SENATOR CEGAVSKE:

Thank you, Mr. President. It is my great pleasure to let everyone know that the congregation of the women's groups Thursday evening and Friday morning was a great success. We had Emerge Nevada and also the Nevada Federation of Republican Women. We went to dinner and had a great evening Thursday night, and then Friday we had a breakfast upstairs. Constitutional officers were there and it was really wonderful. I also want to thank our Senator from District 13 for being there. I am very appreciative that she was able to lead us in wrapping things up.

I also wanted to let everyone know it really was a great "emerge" to have both entities come together. I want to thank the other female Senators who showed up. There are only four of us, but we are mighty. We will make sure there are more events like this, not only in the Senate but in the Assembly as well. It was a wonderful opportunity to explain to the ladies who were here from all over Nevada that there is an opportunity for them to be on boards, commissions and also in elected positions. I wanted to report to this Body that it was a great success and that we are going to do it annually.

#### GUESTS EXTENDED PRIVILEGE OF SENATE FLOOR

On request of Senator Atkinson, the privilege of the Floor of the Senate Chamber for this day was extended to Evelyn White.

On request of Senator Cegavske, the privilege of the Floor of the Senate Chamber for this day was extended to Damone Williams.

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

On request of Senator Ford, the privilege of the Floor of the Senate Chamber for this day was extended to Erika F. Washington.

On request of Senator Goicoechea, the privilege of the Floor of the Senate Chamber for this day was extended to Lora Jamison, Lillian Richards and Paul Robb.

On request of Senator Hammond, the privilege of the Floor of the Senate Chamber for this day was extended to Tony Hickman.

On request of Senator Jones, the privilege of the Floor of the Senate Chamber for this day was extended to Joshua Brennan, D'Angelo Ditimus, Codi Greening-Sheinost and Gebriel Taye.

On request of Senator Kieckhefer, the privilege of the Floor of the Senate Chamber for this day was extended to Tia Dietz, Jalen Dietz and Laila Dietz.

On request of Senator Kihuen, the privilege of the Floor of the Senate Chamber for this day was extended to Cornell McCrary.

On request of Senator Manendo, the privilege of the Floor of the Senate Chamber for this day was extended to C. Levone Lightinghouse.



On request of Senator Parks, the privilege of the Floor of the Senate Chamber for this day was extended to Leisa Mosley.

On request of Senator Segerblom, the privilege of the Floor of the Senate Chamber for this day was extended to Roosevelt Thompson.

On request of Senator Smith, the privilege of the Floor of the Senate Chamber for this day was extended to Alexa Krmpotic and Melissa Perez Rios.

On request of Senator Spearman, the privilege of the Floor of the Senate Chamber for this day was extended to Dr. Pat Gaither.

On request of Senator Woodhouse, the privilege of the Floor of the Senate Chamber for this day was extended to Toni Duncan, Reashita Manuel and Bianca Palacios.

Senator Denis moved that the Senate adjourn until Tuesday, April 2, 2013, at 11:30 a.m. and it do so in memory of Patricia Grimes.

Motion carried.

Senate adjourned at 12:14 p.m.

Approved:

BRIAN K. KROLICKI  
*President of the Senate*

Attest: DAVID A. BYERMAN  
*Secretary of the Senate*