

THE THIRTY-NINTH DAY

CARSON CITY (Thursday), March 12, 2015

Senate called to order at 11:22 a.m.

President Hutchison presiding.

Roll called.

All present except Senator Smith, who was excused.

Prayer by the Chaplain, Pastor Norm Milz.

O' Almighty God, we praise You for creating all the beauty around us in the world and especially this State. Help us also see the beauty in the people around us. As members of the Senate, we ask for Your guidance and presence as we work together for the good of the State and its citizens.

As we meet in committee and in discussions, may we look and listen carefully so we can make decisions for the furthering and advancement of this State. Guide us to see the value in each person we serve and the value in each other no matter on what side of the aisle we sit.

We have a unique opportunity to do the best for this State. Guide us today and each time we meet to work diligently to fulfill the opportunity we have been given by our constituents.

We ask all this in Jesus' Name.

AMEN.

Pledge of Allegiance to the Flag.

By previous order of the Senate, the reading of the Journal is dispensed with, and the President and Secretary are authorized to make the necessary corrections and additions.

REPORTS OF COMMITTEES

Mr. President:

Your Committee on Government Affairs, to which was referred Senate Bill No. 118, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

PETE GOICOECHEA, *Chair*

MESSAGES FROM THE ASSEMBLY

ASSEMBLY CHAMBER, Carson City, March 11, 2015

To the Honorable the Senate:

I have the honor to inform your honorable body that the Assembly on this day passed Senate Bill No. 21; Assembly Bills Nos. 11, 28, 45, 63.

CAROL AIELLO-SALA
Assistant Chief Clerk of the Assembly

MOTIONS, RESOLUTIONS AND NOTICES

By Senators Settlemeyer, Gustavson and Goicoechea:

Senate Joint Resolution No. 13—Proposing to amend the Nevada Constitution to limit the total amount of property taxes that may be levied on real property.

RESOLVED BY THE SENATE AND ASSEMBLY OF THE STATE OF NEVADA, JOINTLY, That a new section, designated Section 7, be added to Article 10 of the Nevada Constitution to read as follows:

Sec. 7. 1. The maximum amount of tax ad valorem that may be cumulatively levied per year on real property is 1 percent of the base value of the property. This limit does not apply to taxes ad valorem levied to pay the interest and principal of any bonded indebtedness incurred before the effective date of this section or approved thereafter by

two-thirds of the votes cast by the voters voting on the question in the taxing district to which it applies.

2. Except as otherwise provided in subsections 3 to 7, inclusive, the base value of real property is the property's taxable value from which the assessed value for the Fiscal Year 2013-2014 was calculated.

3. Except as otherwise provided in this subsection and subsection 7, if one-half or more of an ownership interest in real property is transferred, the base value of the property becomes the cash value of the property as of the date of transfer of the ownership interest. The provisions of this subsection do not apply if the transfer of ownership interest is to the spouse, child or grandchild of the transferor, or if the transfer of ownership interest is to or from a separate legal entity of which the transferor is the beneficial owner.

4. Except as otherwise provided in subsection 7:

(a) If existing improvements to real property are materially enhanced or new improvements are constructed, except if constructed to replace existing improvements destroyed by natural disaster or other casualty, the base value of the property must be increased by the cash value of the enhancement or improvement, respectively.

(b) If real property is converted to another use, the base value of the property must be redetermined after the conversion by appraisal at its cash value in accordance with the new use of the property.

5. Except as otherwise provided in subsections 3, 4 and 7, the base value of real property must not be increased from year to year by any amount greater than the lesser of the increase caused by inflation, if any, or 3 percent. The base value of real property must be decreased from year to year:

(a) To reflect any substantial damage to or destruction of the property; and

(b) By an amount, not to exceed 3 percent, equal to any decrease in the value of the property caused by deflation or other economic or market conditions.

6. For the purposes of subsection 5, inflation and deflation must be measured by the Consumer Price Index for All Urban Consumers compiled by the United States Bureau of Labor Statistics for the preceding calendar year. If the Index specified in this subsection ceases to be compiled, the Legislature shall provide by law for another appropriate method of measuring inflation and deflation.

7. Notwithstanding any provision of this section to the contrary:

(a) An owner domiciled in this State who has attained the age of 62 years may replace his or her principal residence with another of comparable value and transfer to the new residence the base value of the old residence for the purpose of limiting the ad valorem tax on the new residence. If the cash value of the new residence exceeds the cash value of the old residence by more than 10 percent, the base value of the new residence must equal the base value of the old residence plus the amount by which the cash value of the new residence exceeds the cash value of the old residence.

(b) An improvement may be constructed or materially enhanced without changing the base value of real property if the construction or enhancement is necessary to protect the safety of the occupants or improve accessibility to persons with disabilities.

(c) An owner whose real property is taken by the exercise of eminent domain may replace the condemned property with property of comparable value and transfer to the new property the base value of the condemned property for the purpose of limiting the ad valorem tax on the property. If the cash value of the new property exceeds the cash value of the condemned property by more than 10 percent, the base value of the new property must equal the base value of the condemned property plus the amount by which the cash value of the new property exceeds the cash value of the condemned property.

8. The Legislature shall provide by law for:

(a) A uniform and just valuation of the base value of real property; and

(b) Any other measure necessary to implement this section.

9. If any provision of this section or the application thereof to any person, thing or circumstance is held invalid, the invalidity does not affect the provisions or application of this section that can be given effect without the invalid provision or application, and to this end the provisions of this section are severable.

10. *As used in this section:*

(a) *"Cash value" means the most probable price which property would bring in a competitive and open market under all conditions requisite to a fair sale.*

(b) *"Comparable value" means either a lower cash value or up to 10 percent more in cash value.*

(c) *"Condemned property" means property taken by the exercise of eminent domain.*

And be it further

RESOLVED, That Section 1 of Article 10 of the Nevada Constitution be amended to read as follows:

Section 1. 1. ~~The~~ *Except as otherwise provided in Section 7 of this Article, the Legislature shall provide by law for a uniform and equal rate of assessment and taxation, and shall prescribe such regulations as shall secure a just valuation for taxation of all property, real, personal and possessory, except mines and mining claims, which shall be assessed and taxed only as provided in Section 5 of this Article.*

2. *Shares of stock, bonds, mortgages, notes, bank deposits, book accounts and credits, and securities and choses in action of like character are deemed to represent interest in property already assessed and taxed, either in Nevada or elsewhere, and shall be exempt.*

3. *The Legislature may constitute agricultural and open-space real property having a greater value for another use than that for which it is being used, as a separate class for taxation purposes and may provide a separate uniform plan for appraisal and valuation of such property for assessment purposes. If such plan is provided, the Legislature shall also provide for retroactive assessment for a period of not less than 7 years when agricultural and open-space real property is converted to a higher use conforming to the use for which other nearby property is used.*

4. *Personal property which is moving in interstate commerce through or over the territory of the State of Nevada, or which was consigned to a warehouse, public or private, within the State of Nevada from outside the State of Nevada for storage in transit to a final destination outside the State of Nevada, whether specified when transportation begins or afterward, shall be deemed to have acquired no situs in Nevada for purposes of taxation and shall be exempt from taxation. Such property shall not be deprived of such exemption because while in the warehouse the property is assembled, bound, joined, processed, disassembled, divided, cut, broken in bulk, relabeled or repackaged.*

5. *The Legislature may exempt motor vehicles from the provisions of the tax required by this Section, and in lieu thereof, if such exemption is granted, shall provide for a uniform and equal rate of assessment and taxation of motor vehicles, which rate shall not exceed five cents on one dollar of assessed valuation.*

6. *The Legislature shall provide by law for a progressive reduction in the tax upon business inventories by 20 percent in each year following the adoption of this provision, and after the expiration of the 4th year such inventories are exempt from taxation. The Legislature may exempt any other personal property, including livestock.*

7. *No inheritance tax shall ever be levied.*

8. *The Legislature may exempt by law property used for municipal, educational, literary, scientific or other charitable purposes, or to encourage the conservation of energy or the substitution of other sources for fossil sources of energy.*

9. *No income tax shall be levied upon the wages or personal income of natural persons. Notwithstanding the foregoing provision, and except as otherwise provided in subsection 1 of this Section, taxes may be levied upon the income or revenue of any business in whatever form it may be conducted for profit in the State.*

10. *The Legislature may provide by law for an abatement of the tax upon or an exemption of part of the assessed value of a single-family residence occupied by the owner to the extent necessary to avoid severe economic hardship to the owner of the residence.*

Senator Settlemeyer moved that the resolution be referred to the Committee on Revenue and Economic Development.

Motion carried.

INTRODUCTION, FIRST READING AND REFERENCE

By Senators Farley, Hardy and Settlemeyer:

Senate Bill No. 253—AN ACT relating to insurance; providing that certain provisions governing insurance are not applicable to guaranteed asset protection waivers; providing for the sale of guaranteed asset protection waivers; prohibiting a creditor from conditioning certain terms of a finance agreement on the purchase of a guaranteed asset protection waiver; requiring the disclosure of certain information in a guaranteed asset protection waiver; setting forth certain requirements concerning the cancellation of a guaranteed asset protection waiver; requiring a retail dealer of vehicles who sells guaranteed asset protection waivers to purchase a policy of contractual liability insurance under certain circumstances; authorizing the Commissioner of Insurance to enforce provisions governing guaranteed asset protection waivers in certain circumstances; and providing other matters properly relating thereto.

Senator Farley moved that the bill be referred to the Committee on Commerce, Labor and Energy.

Motion carried.

By Senators Farley, Hardy, Harris and Settlemeyer:

Senate Bill No. 254—AN ACT relating to public works; amending the definition of the term "public work" as it relates to buildings of the Nevada System of Higher Education; amending the amount of retainage authorized on public works and certain other works; extending existing provisions related to retainage; and providing other matters properly relating thereto.

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

Motion carried.

By Senators Hammond, Hardy and Gustavson:

Senate Bill No. 255—AN ACT relating to domestic relations; requiring the Division of Public and Behavioral Health of the Department of Health and Human Services to establish a Registry of Putative Fathers; providing for a summary petition for termination of parental rights in certain circumstances; revising various provisions governing the termination of parental rights and adoption of children of putative fathers; providing a penalty; and providing other matters properly relating thereto.

Senator Hammond moved that the bill be referred to the Committee on Judiciary.

Motion carried.

By Senators Farley, Hardy, Harris and Settlemeyer:

Senate Bill No. 256—AN ACT relating to innkeepers; revising provisions relating to the civil liability of innkeepers; and providing other matters properly relating thereto.

Senator Farley moved that the bill be referred to the Committee on Commerce, Labor and Energy.

Motion carried.

By Senators Woodhouse, Denis, Atkinson, Spearman, Parks, Ford, Kihuen and Manendo:

Senate Bill No. 257—AN ACT relating to public welfare; revising the amount and type of training that an employee of a child care facility is required to complete; revising provisions concerning the frequency of certain background investigations required to be conducted by the Division of Public and Behavioral Health of the Department of Health and Human Services; and providing other matters properly relating thereto.

Senator Woodhouse moved that the bill be referred to the Committee on Health and Human Services.

Motion carried.

By Senators Woodhouse, Parks, Denis and Manendo:

Senate Bill No. 258—AN ACT relating to common-interest communities; transferring the Office of the Ombudsman for Owners in Common-Interest Communities and Condominium Hotels from the Real Estate Division of the Department of Business and Industry to the Office of the Attorney General; and providing other matters properly relating thereto.

Senator Woodhouse moved that the bill be referred to the Committee on Judiciary.

Motion carried.

By Senators Ford, Smith, Spearman, Atkinson, Parks, Denis, Kihuen, Manendo, Woodhouse; Assemblymen Neal, Kirkpatrick, Elliot Anderson, Carrillo, Flores, Araujo, Benitez-Thompson, Bustamante Adams, Carlton, Diaz, Joiner, Munford, Ohrenschall, Sprinkle, Swank and Thompson:

Senate Bill No. 259—AN ACT relating to employment; requiring an employer to provide paid sick leave to each employee of the employer under certain circumstances; providing a penalty; and providing other matters properly relating thereto.

Senator Ford moved that the bill be referred to the Committee on Commerce, Labor and Energy.

Motion carried.

By Senators Harris, Hammond, Farley, Hardy, Kihuen and Assemblywoman Seaman:

Senate Bill No. 260—AN ACT relating to common-interest communities; requiring the establishment of an impound account for the payment of certain assessments under certain circumstances; providing for the payment of assessments for common expenses from the impound account; and providing other matters properly relating thereto.

Senator Harris moved that the bill be referred to the Committee on Judiciary.

Motion carried.

By Senators Manendo, Denis, Parks, Spearman, Atkinson, Farley, Ford, Goicoechea, Gustavson, Harris, Kieckhefer, Kihuen, Lipparelli, Roberson, Segerblom, Settlemeyer, Smith, Woodhouse; Assemblymen Silberkraus, Carlton, Elliot Anderson, Swank, Carrillo, Bustamante Adams, Dickman, Dooling, Edwards, Fiore, Flores, Gardner, Hambrick, Hickey, Moore, Munford, Neal, Ohrenschall, Oscarson, Seaman, Spiegel, Stewart, Thompson, Trowbridge and Wheeler:

Senate Bill No. 261—AN ACT relating to animals; requiring research facilities and product testing facilities to offer certain dogs and cats to an animal shelter or rescue organization for adoption before euthanizing or destroying the dog or cat; limiting the length of time that a research facility or product testing facility may conduct research on a dog or cat; and providing other matters properly relating thereto.

Senator Manendo moved that the bill be referred to the Committee on Natural Resources.

Motion carried.

Assembly Bill No. 11.

Senator Kieckhefer moved that the bill be referred to the Committee on Judiciary.

Motion carried.

Assembly Bill No. 28.

Senator Kieckhefer moved that the bill be referred to the Committee on Health and Human Services.

Motion carried.

Assembly Bill No. 45.

Senator Kieckhefer moved that the bill be referred to the Committee on Judiciary.

Motion carried.

Assembly Bill No. 63.

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

Motion carried.

REMARKS FROM THE FLOOR

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

SENATOR ATKINSON:

Thank you, Mr. President. I think most of you will notice there is a group of people visiting today wearing purple shirts and blouses. My colleague from District 9 has mentioned some of these individuals. I would like for them all to stand and be recognized. They are here in our building to advocate for issues important to them, their membership and our communities. I

think we should recognize them to say thank you to them for coming to participate here and for fighting for the issues they truly believe in. We look forward to seeing them around the rest of this Session.

SENATOR MANENDO:

Yesterday, we heard of the passing of former colleague of ours, Harry Mortenson. Our thoughts and prayers are with his wife, Helen. Harry was one interesting individual. He was a nuclear physicist and served in the Legislature for 12 years until he termed out in 2010. He was Chair of the Constitutional Amendments Committee—a role which fit him perfectly. A lot of us will remember Harry Mortenson. He was quite a witty man. He was involved in the arts among other things. Please keep Harry, his wife and his family in your thoughts and prayers. Thank you.

GUESTS EXTENDED PRIVILEGE OF SENATE FLOOR

On request of Senator Harris, the privilege of the floor of the Senate Chamber for this day was extended to Dr. Leila Pazardadi and James Healy.

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

On request of Senator Segerblom, the privilege of the floor of the Senate Chamber for this day was extended to Adreana Franco.

Senator Roberson moved that the Senate adjourn until Friday, March 13, 2015, at 11:00 a.m. and that it do so in memory of former Assemblyman Harry Mortenson.

Motion carried.

Senate adjourned at 11:41 a.m.

Approved:

MARK A. HUTCHISON
President of the Senate

Attest: CLAIRE J. CLIFT
Secretary of the Senate