

**MINUTES OF THE
SENATE COMMITTEE ON COMMERCE, LABOR AND ENERGY**

**Seventy-Eighth Session
April 3, 2015**

The Senate Committee on Commerce, Labor and Energy was called to order by Chair James A. Settelmeyer at 8:34 a.m. on Friday, April 3, 2015, in Room 2135 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator James A. Settelmeyer, Chair
Senator Patricia Farley, Vice Chair
Senator Joe P. Hardy
Senator Becky Harris
Senator Mark A. Manendo
Senator Kelvin Atkinson
Senator Pat Spearman

GUEST LEGISLATORS PRESENT:

Senator Moises (Mo) Denis, Senatorial District No. 2

STAFF MEMBERS PRESENT:

Marji Paslov Thomas, Policy Analyst
Dan Yu, Counsel
Christine Miner, Committee Secretary

OTHERS PRESENT:

Kyle Davis, Black Rock Solar, Inc.
Rich Hamilton, Director of Business Development, Black Rock Solar, Inc.
Judy Stokey, NV Energy
Garrett Weir, Assistant General Counsel, Public Utilities Commission of Nevada
Anne-Marie Cuneo, Director of Regulatory Operations, Public Utilities
Commission of Nevada

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Louis Loupias, International Union of Operating Engineers Local No. 12
Trish Geran, F Street Coalition
Louis DeSalvio, Laborers International Union North America Local 872
Jack Mallory, Southern Nevada Building & Construction Trades Council
Todd Koch, Northern Nevada Building and Construction Trades Council
Randy Canale, Apprenticeship Coordinator, U.A. Local 350 J.A.T.C.
Danny Costella, District Council of Ironworkers
Richard Daly, Laborers International Union North America Local 169
Rod Young, District II Representative, Operating Engineers Local Union No. 3
Bobby Johnson
Tiffany Tyler, Nevada Partners
Warren Hardy, Associated Builders and Contractors, Nevada Chapter
Chris Chimits, R.A., Deputy Administrator, State Public Works Division,
Department of Administration
Bill Wellman, Las Vegas Paving Corporation
Tracy Larkin-Thomason, Deputy Director, Director's Office, Nevada Department
of Transportation
Cathy Smith
Stacy James
Iris Ho, Humane Society International
Robert Johnston
Joanne Hardy, Dazzle Africa
Sydney Rogers
Dan Reid, National Rifle Association of America
Joel Blakeslee, Southern Nevada Coalition for Wildlife
Bob Brunner
Elaine Carrick
Karen Jacobs
Mike Smith
Shannon Fessler
Ciana Walters
Margaret Flint, Nevadans for Responsible Wildlife Management

Chair Settlemeyer:

We will begin the work session. I will entertain a motion to reconsider Senate Bill (S.B.) 68 due to an issue with one amendment.

SENATE BILL 68: Revises provisions governing professions. (BDR 54-290)

SENATOR HARDY MOVED TO RECONSIDER THE ACTION WHEREBY
S.B. 68 WAS AMENDED AND DO PASSED.

SENATOR ATKINSON SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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Chair Settlemeyer:

We will begin the work session on S.B. 68.

Marji Paslov Thomas (Policy Analyst):

I will read the summary of the bill and the amendments from the work session document ([Exhibit C](#)).

Chair Settlemeyer:

I am seeking a motion on S.B. 68 with the amendments except the one that added the American Board of Physician Specialties.

SENATOR HARDY MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 68, BUT NOT ADDING THE AMERICAN BOARD OF PHYSICIAN
SPECIALTIES.

SENATOR SPEARMAN SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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Chair Settlemeyer:

We will now move to S.B. 224.

SENATE BILL 224: Revises provisions relating to employment. (BDR 53-985)

Ms. Paslov Thomas:

I will read the summary of the bill and the amendments from the work session document ([Exhibit D](#)).

Chair Settlemeyer:

The definition of "independent contractor" has been a work in progress. The unions and the business community have agreed with the current definition that has been put forth in the bill. Senator Atkinson was not in favor of section 3. Will you move to accept the bill with the deletion of section 3?

SENATOR ATKINSON MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 224 WITH SECTION 3 DELETED.

SENATOR FARLEY SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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Chair Settlemeyer:

Senate Bill 232 was in work session once and it went back to the table for work on an amendment for the firefighters. This has been completed.

SENATE BILL 232: Makes various changes relating to workers' compensation.
(BDR 53-987)

Ms. Paslov Thomas:

I will read the summary of the bill and the amendments from the work session document ([Exhibit E](#)).

Chair Settlemeyer:

I will entertain a motion.

SENATOR ATKINSON MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 232.

SENATOR HARDY SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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Chair Settlemeyer:

Senate Bill 246 is another bill we sent back to the table so the parties could come to agreement.

SENATE BILL 246: Revises provisions governing craft distilleries. (BDR 52-631)

Ms. Paslov Thomas:

I will read the summary of the bill and the amendments from the work session document ([Exhibit F](#)).

Chair Settlemeyer:

I will entertain a motion on S.B. 246.

SENATOR ATKINSON MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 246.

SENATOR SPEARMAN SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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Chair Settlemeyer:

We will move on to S.B. 286.

SENATE BILL 286: Revises provisions relating to the Nevada Funeral and Cemetery Services Board. (BDR 54-905)

Ms. Paslov Thomas:

I will read the summary of the bill and the amendments from the work session document ([Exhibit G](#)).

Senator Harris:

Is the current license period for a funeral director or embalmer 2 years?

Chair Settlemeyer:

This bill would change it to 2 years.

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Senator Harris:

Does the bill require 6 hours of continuing education a year as long as the 12 hours are completed during the 2-year period?

Chair Settlemeyer:

Yes, the requirement for continuing education is 6 hours per year. Do I hear a motion?

SENATOR HARRIS MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 286.

SENATOR HARDY SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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Chair Settlemeyer:

We will now move to S.B. 373.

SENATE BILL 373: Makes various changes relating to insurance. (BDR-57-689)

Ms. Paslov Thomas:

I will read the summary of the bill and the amendment from the work session document ([Exhibit H](#)).

Chair Settlemeyer:

I will entertain a motion on S.B. 373.

SENATOR HARDY MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 373.

SENATOR FARLEY SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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Chair Settlemeyer:

We will now consider S.B. 393.

SENATE BILL 393: Revises provisions related to Oriental medicine.
(BDR 54-864)

Ms. Paslov Thomas:

I will read the summary of the bill and the amendment from the work session document ([Exhibit I](#)).

Chair Settlemeyer:

I will entertain a motion on S.B. 393.

SENATOR HARDY MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 393.

SENATOR MANENDO SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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Chair Settlemeyer:

I will close the work session and open the hearing on S.B. 282.

SENATE BILL 282: Revises provisions relating to energy. (BDR 58-259)

Senator Pat Spearman (Senatorial District No. 1):

I am presenting S.B. 282 for your consideration. I will read from the introductory statements of a January 2012 National Bureau of Economic Research study by Hunt Allcott and Michael Greenstone, "Is There an Energy Efficiency Gap?" They quote Daniel Yergin's 1979 statement and a 2009 statement from the consultant McKinsey & Company:

If the United States were to make a serious commitment to conservation, it might well consume 30 to 40 percent less energy than it now does, and still enjoy the same or an even higher standard of living ... [sic] Although some of the barriers are economic, [sic] they are in most cases institutional, political, and

social. Overcoming them requires a government policy that champions conservation, that gives it a chance equal in the marketplace to that enjoyed by conventional sources of energy.

Energy efficiency offers a vast, low-cost energy resource for the U.S. economy—but only if the nation can craft a comprehensive and innovative approach to unlock it. Significant and persistent barriers will need to be addressed at multiple levels to stimulate demand for energy efficiency and manage its delivery ... [sic] If executed at scale, a holistic approach would yield gross energy savings worth more than \$1.2 trillion, well above the \$520 billion needed through 2020 for upfront investment in efficiency measures (not including program costs). Such a program is estimated to reduce end-use energy consumption in 2020 by 9.1 quadrillion BTUs, roughly 23 percent of projected demand, potentially abating up to 1.1 gigatons of greenhouse gases annually.

The Southwest Energy Efficiency Project (SWEET) recently reported that Nevada households and businesses could save \$3.4 billion through a greater commitment to energy efficiency by implementing a best practices energy efficiency program. Electric utilities in Nevada could cut electricity use in 2020 by 22 percent, peak demand by 21 percent and reduce water consumption by 2.4 billion gallons per year. By 2020, efficiency could create 4,680 new jobs and boost economic activity.

I will summarize the provisions in [S.B. 282](#) and Proposed Amendment 9849 ([Exhibit J](#)). Section 1 combines the existing incentive amounts available for payment to the Solar Energy Systems Incentive Program, the Wind Energy Systems Demonstration Program and the Waterpower Energy Systems Demonstration Program into a single budget. Beginning January 1, 2016, and ending December 31, 2021, the Public Utilities Commission of Nevada (PUCN) is authorized to pay incentives of not less than \$12 million for the installation of solar energy systems and distributed generation (DG) systems, which benefit low-income electric utility customers, such as homeless shelters, low-income housing developments and schools. The provision will help save energy and reduce costs.

Section 2 of S.B. 282 provides incentives available to participants under the Solar Program that must account for the cost of labor for the installation of solar or DG systems. The incentives available to a public entity or nonprofit organization must not exceed 75 percent of the installed cost of the solar energy or DG system based on the average installed cost of the system by such organizations in the immediate preceding year. The remainder of the bill has been deleted.

Kyle Davis (Black Rock Solar, Inc.):

The reason for bringing the changes proposed by S.B. 282 is to return to the original intent of the renewable incentives programs as we move through the last phases. The programs have been successful and have played a role in driving down costs and allowing more Nevadans to take advantage of these opportunities. The original intent of the programs was to make available a portion of the funds to public or nonprofit projects. I will refer to the table in the handout ([Exhibit K](#)) illustrating the projects in the low-income and nonprofit categories have come to a halt because of how the programs are structured. The goal is to achieve a better balance benefiting the public.

There are \$58 million left in the Solar Program budget and approximately \$12 million left in the combined Wind and Waterpower Program budgets. The Wind and Waterpower Programs have not been taken advantage of for 2 years. Solar power systems are more economical at this time. We propose to combine the budgets of the Solar Program with the Wind and Waterpower Programs.

The Lower Income Pilot Program was created by A.B. No. 428 of the 77th Session. Current implementation has shown there is a demand for a portion of the Program to better serve the low-income residents. The bill allows the remaining \$12 million from the Wind and Waterpower Programs' budgets to create an extension of the Lower Income Program. The nonprofit and public entities cannot take advantage of the 30 percent federal tax credit for installed costs. Senate Bill 282 proposes to allow the incentives to cover 75 percent of the costs and labor for systems installed by nonprofit and public entities.

Senator Atkinson:

What is missing from A.B. No. 428 of the 77th Session?

Mr. Davis:

The Lower Income Pilot Program created last Session allowed the PUCN to use existing funding for the Program. Senate Bill 282 proposes to use a portion of those funds to fill the current and greater demand.

Senator Atkinson:

I have not seen any statistics from the Lower Income Pilot Program. We would like to see these figures.

Mr. Davis:

The Program is being implemented, though projects have yet to be built. The benefits have yet to be realized.

Senator Atkinson:

You stated that the Program is working, so where are the statistics?

Mr. Davis:

I apologize for the misunderstanding. We are seeing increased demand for the Program.

Rich Hamilton (Director of Business Development, Black Rock Solar, Inc.):

Black Rock Solar is a nonprofit company and resident of Nevada since 2007. We have built 87 solar arrays in Nevada for not-for-profit entities, which we focus on and serve. Data shows that since the incentive levels are dropping, the market has gone entirely to residential solar. We want to promote the incentives to be used for public good. The funds allocated for low-income, nonprofits, schools and low-income developers can take advantage of the increased funds since the federal tax credit is not available for them.

Chair Settlemeyer:

What your company has accomplished, especially for the schools and my constituents in northern Nevada, is very commendable.

Senator Hardy:

Is there a difference between installed costs and charges on the 50 percent or 75 percent portion of the bill?

Mr. Hamilton:

The 50 percent from last session's bill covered just equipment. Senate Bill 282 proposes to expand coverage for the entire array of charges for a project.

Chair Settlemeyer:

I understand increasing the percentage to help public entities, but why increase the incentive to 75 percent on the average installed cost? Why is there a difference in costs for a public entity?

Mr. Hamilton:

There is no difference in the cost of a project. The public entities are unable to take advantage of other funding available to for-profit companies like power purchase agreements or investment tax credits. It is not an added cost, but the ability to be able to cover the costs of a project.

Senator Hardy:

Sometimes the charges are more than the costs. Is there a difference between the charges and the costs?

Mr. Hamilton:

Yes, there is a difference between a charge and a cost. All companies have overhead costs.

Senator Hardy:

When the entity receives an invoice, does that invoice reflect the costs or the charges including the overhead?

Mr. Hamilton:

It reflects the total charges, which include the costs plus overhead.

Senator Hardy:

Is the invoice the "average installed costs" we are referring to in this bill?

Mr. Hamilton:

Yes, it is.

Senator Hardy:

When does the 30 percent federal tax incentive expire for residential customers?

Mr. Hamilton:

The federal tax incentive expires December 31, 2016.

Senator Hardy:

The federal tax incentive will expire before the next Legislative Session. Do you want to change anything in the bill now, based on this information?

Mr. Hamilton:

The bill is appropriate as it is. There is no way to speculate on what the federal government will do with regard to solar incentives.

Senator Atkinson:

How are we defining low-income customers and low-income housing developments and schools referred to in the amendment to S.B. 282, section 3? Will we have a list of schools and the areas where the low-income customers reside?

Mr. Davis:

We are not proposing to change anything the PUCN uses in the existing Pilot Program. I defer to the PUCN and their rule-making decisions.

Senator Atkinson:

Is the PUCN the "Commission" referred to in section 1, subsection 3 of the proposed amendment?

Mr. Davis:

Yes, "Commission" refers to the PUCN.

Senator Atkinson:

Where does the \$2 million per year that is referenced in subsection 3 come from?

Mr. Davis:

The \$2 million per year comes from existing funding for the Solar, Wind and Water Programs.

Senator Atkinson:

Where is that funding going now?

Mr. Davis:

The funds are allocated to the Solar, Wind and Water Programs as authorized by the previous Legislative Session.

Senator Atkinson:

Do you plan to divert this allocation?

Mr. Davis:

Yes, we want to divert the Wind and Waterpower Programs funds to the Solar Program funds. We are also proposing to include the labor costs in the bill, and leaving the existing calculations of the PUCN in place.

Chair Settlemeyer:

The bill states, "using the average installed cost," not the actual cost, is that correct?

Mr. Davis:

Yes.

Chair Settlemeyer:

Throughout the territories and utilities of the State, are all utilities included or just the primary utilities in Nevada?

Mr. Davis:

This applies to the definition of "utility" in the *Nevada Revised Statutes*. It includes the two primary utilities of northern and southern Nevada.

Chair Settlemeyer:

Does the deletion of the word "public entities" and the insertion of "schools" in section 1, subsection 3 of the amendment, eliminate other worthwhile public entities?

Mr. Davis:

We will work on this wording to ensure all public entities are included.

Chair Settlemeyer:

I would appreciate the inclusion of child facilities, foster homes and similar entities. The word "schools" could eliminate these types of facilities.

Judy Stokey (NV Energy):

NV Energy supports the amendment to S.B. 282. NV Energy wants to ensure our customers' rates do not increase for additional programs. We support the bill as written and the bill will not increase electric rates. The bill proposes to divert funds, not increase funds. NV Energy supports renewable energy in Nevada, and this bill only applies to the combined north and south energy utilities. NV Energy has 1,100 megawatts of large scale renewables operating or under construction in the State. Senator Atkinson and Chair Settlemeyer have been instrumental in establishing the energy policy in the State. With their leadership and our commitment to renewables, NV Energy will once again exceed the State's required renewable portfolio standard. Our customers have and will continue to benefit from those decisions.

NV Energy has a decade of experience supporting and enabling renewable energy projects with smaller customers as referred to in S.B. 282. Through the company's long-standing renewable generations programs, NV Energy provides incentives to help customers offset the installation costs of renewable energy systems. We have made dramatic investments on behalf of our customers who pay to support these projects. NV Energy has supported more than 300 schools, churches and community facilities with solar installations and over 3,000 residential installations. As amended and with the clarifications, S.B. 282 does not add any additional rebate dollars not already in statute by combining the Solar Program funds with the Wind and Waterpower Programs funds. The total pool of these Programs is \$295 million. The Lower Income Pilot Program was instituted in A.B. No. 428 of the 77th Session. The Lower Income Program has moved forward. Phase 1 addressed our schools. Eight schools will be benefiting from this phase, four in northern Nevada and four in southern Nevada. The names of the schools are available. As phase two is implemented, many entities are showing interest in this program. We will work with the sponsors of the bill to aid in any needed language modification.

Senator Atkinson:

Please explain the other programs and any potential damage the programs may incur because of the funds diversion.

Ms. Stokey:

There are over \$12 million left in the Wind and Waterpower Programs from an original amount of \$40 million.

Senator Atkinson:

Over what period was the first \$28 million used?

Ms. Stokey:

The \$28 million were used over a period of approximately 8 years. We have not seen any interest in the programs for 2 years. I will verify this information and provide it to the Committee.

Senator Atkinson:

In your estimation, is it appropriate to divert the funds from the Wind and Waterpower Programs to the Solar Program? Typically, new programs use funds quickly at the beginning of the program, then the use tapers off. Do the ratepayers pay for these programs?

Ms. Stokey:

Yes, the ratepayers pay for these programs. The line item on the customer bill, renewable energy program rate (REPR) is the amount charged for the incentive programs.

Senator Atkinson:

How much is the line item for today's customer?

Ms. Stokey:

The REPR is reset annually. There is a credit on this year's customer invoices. An increase request is before the Commission. The rate will go up as more systems are instituted.

Senator Atkinson:

Are most of the systems residential?

Ms. Stokey:

Yes, they are mostly residential.

Senator Atkinson:

Residential solar suffered in the recession. It is considered a nonessential item. The incentive programs should change this. Solar is more available and affordable. This bill helps low-income housing developments and I support that effort. I want to be sure ratepayers are not paying more, and shifting the funds

sounds like a good idea. I would like the list of schools that benefited from the program.

Ms. Stokey:

There is no change to the amount of funds available for the Solar, Wind and Waterpower Incentive Programs. The customer will see an increase in the REPR amount as more systems come online. The rates are adjusted as the incentive money is used. I can supply the list of schools that benefited from the program.

Chair Settlemeyer:

Does the current rate increase request affect current legislation?

Ms. Stokey:

No, it does not affect current legislation.

Chair Settlemeyer:

Are the combined funds still available to all programs?

Ms. Stokey:

Yes, funds for the Wind and Waterpower Incentive Programs are still available to those who apply for these funds.

Garrett Weir (Assistant General Counsel, Public Utilities Commission of Nevada):

The PUCN can attest to the low rate of participation in the Wind and Waterpower Incentive Programs. Since the shift to a performance-based model of incentives pursuant to A.B. No. 428 of the 77th Session, there has been no participation because of the lack of wind and water resources in Nevada and this does not make systems cost-effective. There are two options available. One is to redistribute the funds to the solar program by pooling the funds. The second option is to save ratepayers the cost of the programs that are not participating, not collect the funds from the ratepayers and allow the Solar Program to continue to use its reserved funds. The Legislature could still make funds available to low-income customers for solar and DG systems. The Commission's Pilot Program has identified eight Title I of the Elementary and Secondary Education Act schools to participate in the program by each school installing a 125 kilowatt in plate capacity system. The definition of low income is set in the regulations of the PUCN as an entity that owns publicly subsidized housing or an entity that is eligible for low-income housing credits under federal law, a person whose income does not exceed 80 percent of the median family

income for the county in which the person resides, or a Title I school. The Title I schools were identified as the most effective way to distribute the funds.

The Commission supports a higher incentive cap for public and nonprofit entities, recognizing the incentives should reflect the various costs. The public entities cannot take advantage of the investment tax credit available to private entities. Another cost incurred by public entities is the requirement to pay prevailing wage on the projects. In the past, this has been a deterrent for participation of the public entities in incentive programs.

Anne-Marie Cuneo (Director of Regulatory Operations, Public Utilities Commission of Nevada):

The current REPR rates charged on the NV Energy bill to the customers reflects an over-collection credit. I reported in an energy committee last summer that the REPR rate for northern Nevada was about \$5 per month for an average residential customer. Southern Nevada single residential customers paid \$1.50 per month.

Chair Settlemeyer:

Do you think the amendment will increase or decrease the fiscal impact?

Ms. Cuneo:

The fiscal note should go down as a result of the amendment.

Senator Atkinson:

Is the REPR monthly rate for southern Nevada lower because there are more ratepayers?

Ms. Cuneo:

There is an equal participation rate in both northern and southern Nevada. The PUCN allocates those costs. If a northern Nevada person participates, the costs are allocated to the Sierra Pacific Power Company. If a southern Nevada person participates, the costs are allocated to Nevada Power. We have had equal participation, but there are about one-third fewer people to spread the rates over in the north, than in the south.

Chair Settlemeyer:

Hearing no further discussion, I will pull back S.B. 282 and move on to S.B. 371.

SENATE BILL 371: Revises provisions governing the use of apprentices on public works. (BDR 53-671)

Senator Kelvin Atkinson (Senatorial District No. 4):

I will introduce S.B. 371. Apprenticeships are recognized as one of the oldest established methods of training workers for skilled projects. It is a process where individuals earn income while learning a skill. An apprenticeship is a combination of on-the-job training and related classroom instruction where workers learn the practical aspects of a highly skilled occupation. Many older construction workers are reaching retirement age. We may not be able to fill these vacancies in the future if we do not have a trained workforce. Apprenticeships are an effective means to accomplish this task. I support the apprenticeship utilization requirements as outlined in S.B. 371. The bill requires 15 percent of all labor hours worked on public works projects budgeted at over \$1 million and State transportation contracts of over \$2 million be performed by apprentices. This will create and expand training opportunities for apprentices in Nevada to enter careers that provide a family wage. This bill was brought to me by concerned citizens. The African-American rate of employment is still low. This legislation gives minorities the opportunity to learn skills and trades while earning a living. The 15 percent labor-hour provision is a starting point.

Senator Farley:

In California and other states, preference is given to contractors who hire or maintain a payroll percentage of underrepresented workers. Would you give a response to this? I am actively attempting to attach this to legislation to diversify our workforce.

Senator Atkinson:

I will let the testifiers answer your questions.

Louis Loupias (International Union of Operating Engineers Local No. 12):

The Operating Engineers Local 12 supports S.B. 371. This legislation is a long time coming and will work in conjunction with Assembly Bill 191, a fuel taxation legislation.

ASSEMBLY BILL 191: Revises provisions governing taxes on fuels for motor vehicles. (BDR 32-667)

Senate Bill 371 will provide workers the opportunity to learn a skill and a trade in the construction industry. We want to thank Senators Atkinson, Ford, Kihuen, Spearman, Parks, Denis, Manendo, Woodhouse, Assemblyman Thompson and Assemblywomen Kirkpatrick and Neal for sponsoring the bill and giving support to the expansion of the law. Similar legislation was passed and implemented in Washington state in 2005. The passing of S.B. 371 will enhance the opportunity for community members to train for a career. An apprentice works at a lower wage than a journeyman, and using these apprentices will save taxpayer funds and prevent cost increases on the projects.

There is a great distinction between training programs and apprenticeship programs. Training programs are operated on a 90-day cycle or the hourly requirement. Contractors are not required to keep the trainee once the hourly requirements have been met. A 90-day time span is not enough time to train an individual for a usable skill. Senate Bill 371 will enhance the supply of workers with quality skilled labor. The apprenticeship programs allow an individual to earn while learning, attend school for a minimum of 144 hours and allow the achievement of an associate of arts degree in applied science because our classes are community college-accredited classes. This further enhances the ability of the worker to enjoy a long career and be eligible for other employment as a State registered worker.

Trish Geran (F Street Coalition):

I have submitted three letters of support from citizens in the construction industry ([Exhibit L](#)). I support S.B. 371. I am a community leader who has tutored men who have a desire to become eligible for an apprenticeship program. These men have the knowledge and need this opportunity. They have only the 90-day training hours and it is not possible to learn a trade in the construction industry in this short time. This bill will allow equal opportunity by enforcing the 15 percent labor-hour requirement. Enos Cooper, a welder, was in the construction field for over 40 years. A 6-year apprenticeship program taught him the skill of welding, and today he enjoys a comfortable retirement. Others in similar situations were not offered more than the 90-day training and lacked this opportunity. The apprenticeship opportunity provided in S.B. 371 will offer workers the skills to enter productive fields in an ever-changing industry.

Louis DeSalvio (Laborers International Union North America Local 872):

Labor Local 872 concurs with the previous testifiers and supports S.B. 371.

Jack Mallory (Southern Nevada Building & Construction Trades Council):

The Southern Nevada Building & Construction Trades Council supports S.B. 371. We want to modify the 15 percent labor-hours provision. Our apprenticeship programs have the capacity and ability to enroll enough workers to meet the 15 percent requirement. The recession created devastation in the construction industry and we have allowed our apprenticeship programs to shrink. There were no jobs for the apprentices. To meet the 15 percent standard, our programs will need to bring in a large number of new apprentices with very little or no experience in the construction industry. Flooding projects with the inexperienced apprentices could have a negative impact on productivity for time-sensitive projects. We recommend a tiered percentage requirement, starting as low as 5 percent. As individuals gain skills, they will perform at higher levels. The lower level is replenished with new people entering the industry and that percentage is tiered with apprenticeships in future years.

Todd Koch (Northern Nevada Building and Construction Trades Council):

I am a product of an apprenticeship program that has led to a wonderful career in the construction industry and to my position as president of the Northern Nevada Building and Construction Trades Council. The economy decimated the construction industry in northern Nevada. We have lost about two-thirds of our construction workers. The economic development in the north is encouraging, yet the lack of skilled workers is concerning. Workers who left the industry in the downturn have not returned. The workload has increased in the building trades, but not at the pace necessary. We began a preapprentice program in the north through the Truckee Meadows Community College to meet the demands. We compete with other industries and are working to convince people that the construction industry is back and a career in construction is a good one. I want to thank Senator Atkinson and the cosponsors of the bill for bringing this issue forward. With the big projects coming to the north, Project Tiger, Apple and others, we may miss our opportunity to diversify our economy in a positive way for Nevadans.

Randy Canale (Apprenticeship Coordinator, U.A. Local 350 J.A.T.C.):

I am the training coordinator for the Plumbers and Pipefitters Joint Apprenticeship and Training Committee and president of the northern Nevada chapter of the Western Apprenticeship Coordinators Association. We are in support of S.B. 371. The lack of skilled labor to perform work necessary to build the projects coming to Nevada is concerning. This bill will help to rebuild the pool of qualified individuals to do these jobs. Union and nonunion

apprenticeship programs exist for training to fill the jobs. A 90-day training program will not satisfy the need for skilled labor. Many of our programs are 3 to 5 years and that is how to rebuild the workforce. Section 1, subsection 1, of S.B. 371 states that after a request for a waiver or modification has been submitted, "the State Apprenticeship Council shall, within 30 days after receiving the request: (a) Approve or deny the request." The State Apprenticeship Council meets quarterly and this could be an issue on this provision.

Senator Harris:

I am intrigued by your tiered suggestion, Mr. Mallory. Would you explain this further? Is it a horizontal or vertical tiered structure?

Mr. Mallory:

The initial training that comes to apprentices in the apprenticeship program is for basic skills: health and safety, tool instruction and basic construction skills. Increased technical skills and tasks are gained with experience and instruction. The tiered structure is a vertical succession as a worker gains experience in the chosen specialty.

Senator Farley:

The premise that a construction job with a complex skill requirement can be performed by a \$15-per-hour unskilled worker is ridiculous. As a subcontractor, I am aware of the lack of qualified and diverse workers. I agree the issue is valid and the third largest industry in the State needs to recognize that the projects cannot be built without a skilled and trained labor force. The 15 percent labor requirement in the bill can be discussed. Funding, better preferences under best-value bidding practices and a proactive way to get the general contractors involved are impacts to consider with this legislation. The subcontractor hires the labor, and finding skilled labor and the finances for training labor should be considered. We should be having the conversation on a strategic statewide level.

Senator Hardy:

There are good apprentice models in other states that have experienced rapid growth affecting the construction industry, such as Arizona or Florida. Is that where the tiered concept comes from or are there other lessons to be learned from these states?

Mr. Mallory:

The best example and the best model of rapid growth is the one we have in southern Nevada. When there was a rapid escalation of construction in the private sector in southern Nevada before the recession, our program for painters went from 150 indentured apprentices to over 700 indentured apprentices in a 6-month period. The 550 new workers flooded the market with just basic skills. That reality is why we are suggesting the tiered model.

Danny Costella (District Council of Ironworkers):

The District Council of Ironworkers supports S.B. 371.

Richard Daly (Laborers International Union North America Local 169):

The Laborers International Union North America Local 169 supports S.B. 371 and agrees with the comments made by Mr. Mallory and Mr. Koch about easing into the plan with the appropriate percentage of labor. Some contractors have small crews and the percentage amount decision should consider this. We believe in the good intentions of the bill and the direction it is taking the construction industry.

Rod Young (District II Representative, Operating Engineers Local Union No. 3):

The Operating Engineers Local Union No. 3 supports S.B. 371 and any amendments.

Mr. DeSalvio:

I would like to suggest an amendment.

Chair Settlemeyer:

Please bring that to the sponsors of the bill.

Bobby Johnson:

I am a truck driver and have worked for 28 years in the construction industry in Las Vegas. Senate Bill 371 will allow me to go through the revolving doors of employment. I started working at 13 years old. If I had been in an apprenticeship program, I would have a career and my family would be better off today.

Tiffany Tyler (Nevada Partners):

I am with Nevada Partners, a long-standing workforce development agency in southern Nevada. We support S.B. 371. We recognize an unemployment rate as

high as 33 percent in some communities. Apprenticeship is a practical strategy allowing more individuals to join the labor market and create a viable career. Many communities are underrepresented in the workforce.

Warren Hardy (Associated Builders and Contractors, Nevada Chapter):

As the industry is ramping up, we will be faced with a lack of workers. The encouragement of apprenticeships and other training is critical to our industry. Some nonunion contractors do not have access to accredited apprenticeship programs and this would disqualify them from bidding on public works projects. I have offered an amendment ([Exhibit M](#)) in consideration of these companies. The programs that were begun prior to the recession are not up to speed yet and we need time for these to be fully functional.

Chris Chimits, R.A. (Deputy Administrator, State Public Works Division, Department of Administration):

The Public Works Division is neutral on [S.B. 371](#). The bill adds a new program to the Division. We will need two staff members, one in Las Vegas and one in Carson City, to verify apprentice participation on public works projects of over \$1 million. We have a fiscal note ([Exhibit N](#)) illustrating the need for two new staff members and office space, furniture and equipment for each position. As the program grows, additional positions would be added as needed to comply with the requirement. We have one part-time person performing the monitoring and auditing of certified payroll reports from contractors on our projects over \$100,000.

Bill Wellman (Las Vegas Paving Corporation):

Las Vegas Paving Corporation supports the good intentions of [S.B. 371](#) and is neutral on it. We have enhanced our apprenticeship program since the hearing on A.B. 413 of the 77th Session. Our participation is just short of 5 percent. Our workforce is made up of 40 percent minorities; we employ over 1,000 people. The 15 percent threshold in [S.B. 371](#) is too high. We do not want to be penalized for not achieving that threshold. Fifteen percent of our 1,000 employees do not work on prevailing wage projects, though they make prevailing wage. With the available workers today, it will be difficult to meet a 5 percent goal on prevailing wage projects. In 2014, we hired all available workers from the apprenticeship program.

Senator Atkinson:

Mr. Chimits, I would like to speak with you further about the fiscal note on the full-time positions you propose to need with the passage of the bill.

Chair Settlemeyer:

The amendments may lower the fiscal notes.

Senator Spearman:

The Nevada Department of Veterans Services is looking for programs as proposed in S.B. 371, especially those individuals exiting the service from the engineer corps. These individuals could help fill the need for workers, and retraining funds are available for veterans.

Tracy Larkin-Thomason (Deputy Director, Director's Office, Nevada Department of Transportation):

The Nevada Department of Transportation is neutral on S.B. 371 with some concerns. I will read from my written testimony ([Exhibit O](#)).

Chair Settlemeyer:

Please follow up with the sponsors of the bill to address any issues or concerns. I will pull back S.B. 371 and will begin hearing S.B. 398.

SENATE BILL 398: Prohibits the sale or transfer of ivory under certain circumstances. (BDR 52-1022)

Senator Moises (Mo) Denis (Senatorial District No. 2):

Ivory trafficking is an international crisis directly contributing to the endangerment of elephants, rhinos and other animals. By effectively controlling the illegal trade in America, we can have a significant impact on animal conservation worldwide. In 2012, 35,000 elephants were killed by poachers in central Africa. More alarming are the militant groups heavily involved in poaching, making it easier for these terrorist groups to make and launder money through this illegal trade.

Commercial imports of elephant ivory were banned by the federal government last year. The ban does not regulate the states' ivory markets. Legislation is needed in Nevada to close loopholes in the federal ban and save endangered animals. New Jersey and New York have recently passed legislation prohibiting the sale of ivory. This year similar legislation is being introduced in Oklahoma

and Washington to ban ivory sales. Senate Bill 398 makes it legal to own ivory, but bans sales or transfer of pieces containing ivory from certain animals. There are four exceptions to this provision.

The definition of ivory is provided for in section 3. It is defined as “a hard white substance that is a variety of dentin which composes the main part of the teeth or tusks of certain animals, including, without limitation, elephants, hippopotamuses, mammoths, narwhals, walruses and whales.” I have proposed an amendment to add rhinos to the definition of ivory ([Exhibit P](#)). “Ivory product” is defined in section 4 of the bill. It means “any item that is manufactured and contains worked or raw ivory or that is made, in whole or in part, from ivory.” Section 5 prohibits the sale or transfer of ivory and ivory products in Nevada. Section 6 provides exemptions from the prohibition of selling or transferring ivory products, including if the item is an antique and the ivory within the antique makes up less than 20 percent and the owner or seller provides historical documentation; if the sale or transfer is for an educational or scientific purpose; if the ivory or ivory product is being distributed to a beneficiary or heir of a trust or estate or the transfer or sales is between multiple beneficiaries or heirs of a trust or estate for the purpose of dividing assets; or if the ivory product is part of a musical instrument manufactured before December 31, 1975. The bill provides for penalties for offenders.

Cathy Smith:

I would like to thank Senator Denis and the cosponsors for bringing forth S.B. 398. I will now present a slide presentation, “Elephants or Extinction” ([Exhibit Q](#)). I would like to thank our supporters, the Humane Society; the Natural Resources Defense Council; the Department of Wildlife, Law Enforcement Division; the American Society for the Prevention of Cruelty to Animals and Commissioner Bill Young of the Board of Wildlife Commissioners.

Stacy James:

I would like to thank Senator Denis for sponsoring S.B. 398 and Senator Settlemeyer and Senator Manendo for cosponsoring. I will present a slide presentation, “Elephants are a Beloved Species,” about the enjoyment and inspiration this species provides ([Exhibit R](#)).

Iris Ho (Humane Society International):

I attend international consultative meetings drafting conservation treaties and conventions seeking greater protection for animals, and I have testified in

legislatures in other states for legislation similar to S.B. 398. I work in China where the largest illegal ivory market is and in Africa where the rampant poaching is occurring. On behalf of members of the Humane Society in Nevada, nationwide and worldwide, we strongly support S.B. 398. The extinction of African elephants and rhinos is occurring right now because of our human desire for ivory. Research from 2010 to 2012 has shown that 100,000 elephants were killed in Africa. There are half-a-million remaining in the wild. Rhinos are facing a similar fate. In South Africa last year, 1,200 rhinos were poached for their horns. There remain 20,000 left in the wild. If the poaching rate continues, these creatures could be extinct in a few decades.

In Kenya, a recent terrorist attack killed 147 students and Al Shahab has claimed responsibility. Members of this organization are engaging in trafficking of ivory and poaching of elephants. Kenya is an area ripe for this atrocity. I visited with students in Kenya to form an elephant club and they expressed the desire to protect elephants because it is part of their history and part of their identity. When asked who is buying the ivory, they said the Chinese and Americans. Senate Bill 398 will help elephants in Africa as well as the communities in these countries to avoid robbing them of their natural heritage. Other terrorist groups in Africa are involved in poaching of elephants and ivory trading. These groups undermine U.S. security interests in Africa.

The U.S. laws and regulations pertaining to the ivory trade are convoluted and riddled with loopholes. This leads to consumer confusion on the legalities. It is difficult to distinguish new ivory from old. The result is a flourishing illegal market with one-third of ivory coming from illegal and unknown origins. Senate Bill 398 will close the gap the federal law does not address. It will eliminate Nevada from being a haven for illegal ivory and rhino horns.

Robert Johnston:

I am a hunter and in favor of S.B. 398. This is a small part U.S. citizens can do to stop illegal, domestic trade in ivory. In Thailand, they had until March 2015 to take measures to shut down domestic illegal ivory trade or face sanctions under the Convention on International Trade in Endangered Species of Wild Fauna and Flora. It is an obligation for us all.

Joanne Hardy (Dazzle Africa):

I am a board director of a nonprofit foundation called Dazzle Africa based in Las Vegas. We work with the South Luangwa Conservation Society in Zambia,

South Africa. Rhinoceroses have already been poached to extinction in the Zambia area of South Luangwa. We are working on the survival of elephants. The poaching is primarily done with snares and guns. Snaring an animal results in its very slow death. Science does not understand the intellect of the elephant. The elephant lives, travels and bonds as a family unit. The grandmother is the monarch. The elephants rescue other animals in distress; they are community-based. When an elephant dies, a grieving process takes place, even crying tears. This is a society being killed off. They are spiritual beings. It is overwhelming that every hour an elephant loses its life from poaching and terrorism. Senate Bill 398 is a small part Nevada can do to make a difference. Losing this species would affect the safari business, which is a large part of the economy in Zambia.

Sydney Rogers:

I will read from my written testimony ([Exhibit S](#)) in favor of S.B. 398.

Dan Reid (National Rifle Association of America):

The National Rifle Association of American (NRA) opposes S.B. 398. I will read from my written testimony ([Exhibit T](#)). This bill goes far beyond elephants, including mammoths (which have been extinct for over a thousand years) and a common species in Nevada, elk. This could affect national conventions and antique shows in Nevada. The NRA opposes illegal ivory trade and poaching. Banning the sale of legally owned pre-banned ivory would not contribute to the goal of saving elephants.

Joel Blakeslee (Southern Nevada Coalition for Wildlife):

The Southern Nevada Coalition for Wildlife opposes S.B. 398. I own a Parker shotgun that has a front bead ivory sight and I would prefer not to become a felon if I decided to sell this.

Bob Brunner:

I oppose S.B. 398 because I want to be sure that we are focusing on poaching. I hope it supports federal guidelines and allows sport hunting trophies that carry international documentation. The records will show that sportsman payments assure rhinos are still here and the funds help support wildlife here and in Africa.

Chair Settlemeyer:

Those who have testified in opposition of S.B. 398 should get with Senator Denis to address the issue of legally owned, pre-banned ivory, while

still outlawing possession, ownership or sale of ivory. I will return to support testimony.

Elaine Carrick:

I support S.B. 398. I will summarize my submitted written testimony ([Exhibit U](#)). Banning the ivory trade will send a message to the poachers that the market is no longer there and this, in turn, will contribute to saving the elephants. The bill will put Nevada in a leadership role with New York and New Jersey to encourage other states to adopt stronger laws to stop the illegal trade of ivory.

Karen Jacobs:

I support S.B. 398 and will read from my written testimony ([Exhibit V](#)). Tougher laws mean better lives for ivory animals.

Mike Smith:

I support S.B. 398. I have traveled to Africa and am aware of the issues. Americans are responsible for more elephants being lost than are being born. Someone has to speak for these animals. There are antipoaching squads in Africa that wear body armor; it is a war. Legislation will help decrease the demand for ivory.

Shannon Fessler:

In 2013, I travelled to Zambia in southern Africa. I witnessed elephants in their natural habitat. It was breathtaking to see them roam and take care of each other. I became aware of the poaching issues and the ivory trade legalities in the United States. The animals do not have a voice. I support S.B. 398.

Ciana Walters:

I will read from my written testimony ([Exhibit W](#)) in support of S.B. 398.

Margaret Flint (Nevadans for Responsible Wildlife Management):

The Nevadans for Responsible Wildlife Management supports S.B. 398 and believe it is the right thing for Nevada to do.

Senator Denis:

This is an important issue. The amendment offered, [Exhibit P](#), defines ivory in section 3 as "a hard white substance that is a variety of dentin which composes the main part of the tusks or teeth of elephants, hippopotamuses, mammoths, narwhals, walruses and whales." This excludes elk and other animals that could

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be considered sources of ivory. This is to ban the transfer of ivory. If a person owns it, and keeps it, it does not apply. If the person wants to sell this item and it is not antique, then it is concerning the sale of ivory. The intention of the bill is to close the loopholes in the federal law.

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Chair Settlemeyer:

I will pull back S.B. 398 and adjourn the meeting at 10:56 a.m.

RESPECTFULLY SUBMITTED:

Christine Miner,
Committee Secretary

APPROVED BY:

Senator James A. Settlemeyer, Chair

DATE: _____

| EXHIBIT SUMMARY | | | |
|------------------------|----------------|--|--|
| Bill | Exhibit | Witness or Agency | Description |
| | A 2 | | Agenda |
| | B 9 | | Attendance Roster |
| S.B. 68 | C 2 | Marji Paslov Thomas | Work Session Document |
| S.B. 224 | D 2 | Marji Paslov Thomas | Work Session Document |
| S.B. 232 | E 10 | Marji Paslov Thomas | Work Session Document |
| S.B. 246 | F 3 | Marji Paslov Thomas | Work Session Document |
| S.B. 286 | G 2 | Marji Paslov Thomas | Work Session Document |
| S.B. 373 | H 9 | Marji Paslov Thomas | Work Session Document |
| S.B. 393 | I 3 | Marji Paslov Thomas | Work Session Document |
| S.B. 282 | J 9 | Senator Spearman | Proposed Amendment 9849 |
| S.B. 282 | K 3 | Kyle Davis/ Black Rock Solar, Inc. | Black Rock Solar Comments |
| S.B. 371 | L 3 | Trish Geran/ F Street Coalition | Support Letters |
| S.B. 371 | M 1 | Warren Hardy/ Associated Builders and Contractors, Nevada Chapter | Proposed Amendment |
| S.B. 371 | N 1 | Chris Chimits/ State Public Works Division, Department of Administration | Fiscal Note |
| S.B. 371 | O 1 | Tracy Larkin-Thomason | Written Testimony |
| S.B. 398 | P 2 | Senator Denis | Proposed Amendment 6138 |
| S.B. 398 | Q 15 | Cathy Smith | Slide Presentation "Elephants or Extinction" |
| S.B. 398 | R 19 | Stacy James | Slide Presentation "Elephants are a Beloved Species" |
| S.B. 398 | S 1 | Sydney Rogers | Written Testimony |
| S.B. 398 | T 2 | Dan Reid/ National Rifle Association of America | Written Testimony |

| EXHIBIT SUMMARY | | | | |
|------------------------|----------------|---|--------------------------|--------------------|
| Bill | Exhibit | | Witness or Agency | Description |
| S.B. 398 | U | 1 | Elaine Carrick | Written Testimony |
| S.B. 398 | V | 2 | Karen Jacobs | Written Testimony |
| S.B. 398 | W | 1 | Ciana Walters | Written Testimony |