



MINUTES OF THE  
LEGISLATIVE COMMISSION  
NEVADA LEGISLATIVE COUNSEL BUREAU  
*Nevada Revised Statutes 218E.150*

The Legislative Commission held its fourth meeting in calendar year 2015 on Monday, August 10, 2015. The meeting began at 10 a.m. in Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada, and was videoconferenced to Room 4401 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada.

**COMMISSION MEMBERS PRESENT:**

Senator Michael Roberson, Chair  
Senator James A. Settelmeyer, Vice Chair  
Senator Kelvin D. Atkinson  
Senator Moises (Mo) Denis  
Senator Ben Kieckhefer  
Senator Joyce Woodhouse for Senator Aaron D. Ford  
Assemblywoman Teresa Benitez-Thompson  
Assemblywoman Irene Bustamante Adams  
Assemblyman Ira Hansen  
Assemblywoman Marilyn Kirkpatrick  
Assemblyman Erven T. Nelson for Assemblyman John Hambrick  
Assemblyman Lynn D. Stewart

**LEGISLATIVE COUNSEL BUREAU STAFF PRESENT:**

Rick Combs, Director  
Paul V. Townsend, Legislative Auditor, Audit Division  
Mark Krmpotic, Senate Fiscal Analyst, Fiscal Analysis Division  
Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division  
Brenda J. Erdoes, Legislative Counsel, Legal Division  
Risa B. Lang, Chief Deputy Legislative Counsel, Legal Division  
Bryan J. Fernley, Senior Principal Deputy Legislative Counsel, Legal Division  
Susan E. Scholley, Research Director, Research Division  
Debbie Gleason, Secretary for Minutes, Research Division  
Sylvia A. Wiese, Executive Assistant, Administrative Division

**ADDITIONAL LEGISLATORS PRESENT**

Assemblyman Jim Wheeler

Chair Roberson called the meeting to order. [Exhibit A](#) is the agenda; the attendance sign-in sheets are [Exhibit B](#). All exhibits are filed in the Director's Office of the Legislative Counsel Bureau (LCB) and are on the Legislative Commission's webpage at <http://www.leg.state.nv.us/Interim/78th2015/Committee/Interim/LC/?ID=2>. Agenda items taken out of order have been placed in proper agenda order in the minutes for purposes of continuity.

## **PUBLIC COMMENT**

Chair Roberson called for public comment; hearing none, he moved to the next agenda item.

## **APPROVAL OF MINUTES OF THE JUNE 25, 2015, MEETING— SENATOR MICHAEL ROBERSON, CHAIR**

VICE CHAIR SETTELMAYER MOVED APPROVAL OF THE MINUTES OF THE JUNE 25, 2015, MEETING.

ASSEMBLYWOMAN KIRKPATRICK SECONDED THE MOTION.

THE MOTION CARRIED.

## **PROGRESS REPORT—Litigation Currently in Progress—Brenda J. Erdoes, Legislative Counsel, Legal Division, LCB**

Brenda J. Erdoes, previously identified, provided an update on the following cases currently in litigation:

1. The federal case of *People's Legislature v. Miller* has been stayed until the State case is decided.
2. The State is awaiting a decision from the Supreme Court of Nevada (Supreme Court), which heard oral arguments on March 4, 2014, for the State case of *People's Legislature v. Miller*.
3. In the case of *City of Fernley v. State, Dept. of Taxation*, which challenges the constitutionality of the consolidated tax distribution formula to local governments, the parties completed the briefing for the appeal on August 7, 2015. The Supreme Court will determine whether to assign the appeal to itself or to the Nevada Court of Appeals. The determination of whether oral arguments will be heard depends on the assigned court.
4. In the case of *Little v. State of Nevada, First Judicial District Court (District Court) (Carson City)*, the plaintiff filed a petition for writ of mandamus on March 25, 2015, in a motion to stay within the Supreme

Court instead of joining Clark County and SolarCity as parties to this case, as directed by the District Court. The Supreme Court will determine whether it will hear oral arguments on the filed petitions.

5. Ms. Erdoes said the Legal Division is working on a confidential ethics case.

**LEGISLATIVE AUDITOR**—Follow-up to Report on Audit of the Division of Healthcare Financing and Policy, Department of Health and Human Services—Paul V. Townsend, Legislative Auditor, Audit Division, LCB

Paul V. Townsend, previously identified, referred to his letter addressed to the Legislative Commission (Commission) dated July 31, 2015, ([Exhibit C](#)) regarding the audit of the Division of Health Care Financing and Policy (DHCFP), Department of Health and Human Services (DHHS). Mr. Townsend said the audit report contained six recommendations to strengthen the process for detecting and preventing fraud, abuse, and billing errors that resulted in Medicaid overpayments. The Audit Division (Division) has reviewed DHCFP's 60-day corrective plan submitted in July and agrees with the corrective actions ([Exhibit D](#)).

Mr. Townsend referred to the audit report summary presented at the June 25, 2015, Commission meeting ([Exhibit E](#)) noting members' concerns regarding improper billings and \$285,000 in overpayments for dental claims to a provider over a two-year period. He said DHCFP has indicated the dental provider is no longer billing Medicaid Services, DHCFP, DHHS, and further steps are being taken to recoup the overpayment.

To obtain additional information, Mr. Townsend said the following questions were being offered to the Commission to ask of the Division and DHCFP representatives.

1. What is the existing process and procedure for recouping overpayments?
2. What is the process for notifying the Office of the Attorney General (AG)?
3. What is the process for notifying the Board of Dental Examiners of Nevada?

Addressing Assemblyman Stewart's request for answers to the questions, Kurt Karst, Manager, Surveillance and Utilization Review (SUR) Unit, Program Integrity, DHCFP, DHHS, stated SUR identifies and addresses reports of fraud, waste, abuse, and improper payments to providers. Information is gleaned from public referrals, other areas of DHCFP and associated agencies, DHCFP-run data reports, and records from providers. Mr. Karst explained SUR reviews the information and compiles a preliminary finding of the overpayment. A letter addressing the findings is sent to the provider, which does not require a response; however, the provider may contact SUR to discuss or dispute the findings and submit additional information, if appropriate, or the provider may contact SUR to make payment. If SUR does not receive a response from the provider, or if at the end of discussions the money has not been paid, a recoupment letter is sent to the provider that requires a response with payment within 30 days. The recoupment letter acknowledges the provider's

hearing rights but does not postpone the requirement to repay the identified overpayment within the specified period. Mr. Karst said the Recovery and Recruitment Unit, Fiscal Integrity, DHCFP, DHHS, has the authority to negotiate terms of repayment so as not to impose undue stress on a provider.

Mr. Karst said If the provider does not remit direct payment, the payment may be offset against future payments from Medicaid. If repayment is insufficient or not made within a specified period, the balance can be sent to collections through the Office of the State Controller.

Assemblyman Stewart asked whether there are mechanisms in place to alert Medicaid of potential fraud and what steps are being taken to recoup the \$285,000.

Laurie Squartsoff, Administrator, DHCFP, DHHS, stated changes made to the computer system in July of this year to identify potential overpayments should prevent future situations like the one found during the audit.

Regarding recoupment of the \$285,000, Mr. Karst said the Medicaid Integrity Contractor (Contractor), Centers for Medicare and Medicaid Services, United States Department of Health and Human Services (HHS), is conducting an audit on the dental provider identified in the LCB audit, who has since moved to another state, as well as the dental provider in Nevada who purchased the practice. He confirmed the state in which the dental provider now resides is aware of the Contractor's audit. Once the findings are collected, the case will be referred to the Office of Inspector General, HHS.

In response to Assemblyman Stewart's request for follow-up at the Commission's next meeting, Ms. Squartsoff committed to providing as much information as possible, contingent upon the statutory requirements for DHCFP's report due in December. In answering Assemblyman Nelson's question regarding whether the dental provider identified in the audit had been suspended from practice in the state the provider now resides and if the provider chose to return to Nevada and resume practice, Ms. Squartsoff said the dentist is no longer a Nevada Medicaid provider.

Describing DHCFP's process for making a referral to the Medicaid Fraud Control Unit (MFCU), AG, Mr. Karst said DHCFP receives allegations of fraud from several sources. Once an allegation is made, a preliminary investigation is conducted to determine whether there are sufficient bases to warrant a full investigation. Mr. Karst said a determination of a credible allegation of fraud, which is consistent with federal requirements, is the standard used by DHCFP. The DHCFP conducts an informal discussion with MFCU from which a decision is made whether to conduct an investigation or to identify alternate actions prior to making a referral.

Chair Roberson concurred with Assemblyman Stewart that the following items be placed on the Commission's next meeting agenda: (1) follow-up regarding the efficacy of changes implemented by DHCFP that were recommended by the Division; and (2) progress made in recouping Medicaid overpayments made to the provider identified in the Division's audit report.

Mr. Karst concluded that when an allegation of professional standards by a provider is breached or a patient's health and well-being is at risk or in eminent danger, the allegation is immediately referred to the Board of Dental Examiners of Nevada (BDE) and to MFCU. Furthermore, when a patient is at risk of eminent danger, the person making the allegation is encouraged to contact law enforcement, immediately. Mr. Karst said when terminating a provider, a copy of the letter is sent to the BDE.

Ms. Squartsoff said a follow-up report would be available to the Commission before December 15.

Chair Roberson said the Commission could meet again as early as September and the DHCFP's presence at the meeting would be expected.

#### **LEGISLATIVE COMMISSION POLICY:**

##### **A. Approval of Correction of Error in Senate Bill No. 176 (2015 Session) Pursuant to NRS 218D.720—Brenda J. Erdoes, Legislative Counsel**

Brenda J. Erdoes, previously identified, explained the error in Senate Bill 176 (Chapter 314, *Statutes of Nevada 2015*) occurred in an amendment. She said a specific type of gun was entered in the wrong section leaving no penalty for the provision, which was not the Legislature's intent. If the bill were challenged as is, it would not stand up in court. Prosecutions would be in question, and it would result in litigation. She requested the Commission approve the correction to the enrolled S.B. 176, pursuant to Nevada Revised Statutes (NRS) 218D.720.

Vice Chair Settelmeyer, the sponsor of S.B. 176, said it was not his intent to eliminate all criminal penalties and urged support of the correction.

Ms. Erdoes confirmed that the vote required unanimous approval of the Commission.

VICE CHAIR SETTELMAYER MOVED APPROVAL OF  
CORRECTING THE ERROR IN S.B. 176, PURSUANT TO  
NRS 218D.720.

ASSEMBLYMAN HANSEN SECONDED THE MOTION.

THE MOTION CARRIED.

B. Review of Administrative Regulations–Brenda J. Erdoes, Legislative Counsel, Legal Division, LCB (A list of the regulations may be viewed here: [http://www.leg.state.nv.us/register/IndexesRegsReviewed/LCMtg\\_List\\_2015\\_Aug10.pdf](http://www.leg.state.nv.us/register/IndexesRegsReviewed/LCMtg_List_2015_Aug10.pdf))

1. Adopted Regulations Submitted Pursuant to NRS 233B.067
  - a. R050-13 (Commission for Common-Interest Communities and Condominium Hotels)
  - b. R052-13 (Commission for Common-Interest Communities and Condominium Hotels)
  - c. R131-14 (Commission on Off-Highway Vehicles)
  - d. R004-15 (State Board of Pharmacy)

Referring to the list of State agency regulations to be reviewed by the Legislative Commission ([Exhibit F](#)), the Commission members asked Chair Roberson to hold the following regulations for discussion: R050-13; R131-14; R083-14; and R029-15.

VICE CHAIR SETTELMAYER MOVED APPROVAL OF R052-13 AND R004-15.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED.

#### Regulation 050-13

A REGULATION relating to common-interest communities; revising provisions governing reserve studies; amending provisions governing the preparation of financial statements by an association; revising provisions governing the qualifications and duties of a person who conducts reserve studies; and providing other matters properly relating thereto ([Exhibit G](#)).

Assemblyman Nelson asked whether removing comparative bids obscured the regulation and was problematic.

Joseph (JD) Decker, Administrator, Real Estate Division (RED), Department of Business and Industry (DBI), said in the reserve study regulation, RED was looking for points of clarification collected from the marketplace, which this clarifies. In addition, RED is attempting to ensure an association pays for the reserve study and provides a report that allows the association to implement a plan. Comparative bids on a reserve study can be precarious because they are hypothetical as to what the association may need to purchase. Mr. Decker said he thought “comparative bids” was removed from the section because it was an unnecessary variable in an attempt to provide a solid study for the association.

Assemblyman Nelson asked whether “negligence” was removed and “gross negligence” remained in R050-13 to ensure minor issues did not beset the association.

Mr. Decker concurred with Assemblyman Nelson. He offered a caveat that a certified public accountant who is a member of the Commission for Common-Interest Communities and Condominium Hotels, RED, DBI, composed the regulation, and the intent was to remove the “unnecessary, minor issue” as a challenge to the reserve study.

Assemblyman Nelson stressed “gross negligence” is a difficult and high standard to establish.

Referring to the level of specifics required for the financial analysis of the data, development of the funding plan, and verification of previous inventory, Vice Chair Settlemeyer said he was concerned the detail could be problematic. He asked whether it only applied to the larger common-interest communities or whether it also applied to the smaller communities consisting of five or ten homes.

Mr. Decker said the section applied to all homeowners associations (HOA).

Vice Chair Settlemeyer pointed out the cost for a study was problematic for a smaller HOA.

Mr. Decker stated some of the smaller HOAs fall under some of the same requirements as the majority of HOAs; however, for the most part, they are exempt. The HOAs with major components, such as large common-area parks, need to take into account the maintenance and repairs of those areas. Theoretically, the reserve study would cost a smaller HOA less to complete than a larger HOA.

Responding to Vice Chair Settlemeyer’s question of whether the smaller HOAs attended and testified at the regulation hearings, Teralyn Thompson, Administration Section Manager, RED, DBI, said no testimony was heard from smaller HOAs.

Vice Chair Settlemeyer surmised the smaller HOAs apparently were not concerned.

Assemblyman Stewart expressed concern regarding the increase from 45 to 210 for the days allowed to submit the report. He asked for the current insurance costs and whether the increase would be prohibitive for some of the HOAs.

Mr. Decker said there is a surety bond requirement, and the same type of professional liability standard was imposed during the 2015 Session on community

managers. He emphasized there is a professional liability insurance requirement on the licensed reserve study specialist who compiles the information for the HOA.

Responding to Assemblyman Stewart's comment that the 210-day period appeared to be too long, Mr. Decker stated RED thought the longer period to submit the summary report would be useful to the HOAs and study specialists.

ASSEMBLYMAN STEWART MOVED APPROVAL OF R050-13.

ASSEMBLYWOMAN KIRKPATRICK SECONDED THE MOTION.

THE MOTION CARRIED.

#### Regulation 131-14

A REGULATION relating to motor vehicles; establishing a program for the awarding of grants for projects concerning off-highway vehicles and related trails and facilities; and providing other matters properly relating thereto ([Exhibit J](#)).

Assemblyman Stewart asked whether there is a system in place to grant money for off-highway vehicle projects and what has been the practice until now.

Greg McKay, Chair, Commission on Off-Highway Vehicles (COHV), stated an attempt was made for a grant program; however, it was inadequate and this regulation is COHV's attempt to correct the inadequacy by making the process legal.

Responding to Assemblyman Stewart's question of whether there was oversight on how the money is expended, Mr. McKay said COHV would submit reports to the proper State authorities on its activities and the dispersing of funds, as they occur, and that the funds have not yet been expended.

Providing brief background on the creation of the COHV, the Account for Off-Highway Vehicles, and the grant program in 2009, Assemblywoman Kirkpatrick stated there was much discussion in the Assembly Committee on Transportation (Committee) because the grant process was not yet in place and the dollars could not be dispersed. At that time, the Committee asked the COHV to return the following session and provide updates to the Commission and the Interim Finance Committee (IFC); otherwise, the Committee would make changes to the COHV. She asked Mr. McKay whether that was a fair statement.

Mr. McKay confirmed Assemblywoman's assessment. He said the COHV was meeting in ten days regarding minor edits to the grant guidebook. He hoped to make an announcement with respect to grants in Nevada; he confirmed he would keep the Commission updated concerning the COHV's progress.



VICE CHAIR SETTELMAYER MOVED APPROVAL OF R131-14.

ASSEMBLYWOMAN KIRKPATRICK SECONDED THE MOTION.

THE MOTION CARRIED.

2. Adopted Regulation Resubmitted Pursuant to NRS 233B.0675 R083-14 (State Board of Education)

#### Regulation 083-14

A REGULATION relating to education; replacing existing standards for mathematics with the Common Core State Standards for mathematics developed by the Common Core State Standards Initiative for high school; providing for the implementation of the Common Core State Standards in prescribed school years; and providing other matters properly relating thereto ([Exhibit K](#)).

Assemblyman Hansen asked whether Nevada's State Board of Education (Board) would maintain the current mathematical standards if R083-14 was not passed. He commented he has more concerns with the Common Core State Standards (CCSS) than any other issue from the 2015 Session and those concerns were the result of strong opposition from his constituency.

Steve Canavero, Ph.D., Deputy Superintendent for Student Achievement, Nevada Department of Education (NDE), used R019-11, approved by the Commission in 2012, which adopted the CCSS in English language arts and mathematics, as a point of reference. He said it was not until May 2014 when the Superintendent of Public Instruction (Superintendent), NDE, and Mr. Canavero discovered an administrative oversight in R019-11 that omitted high school mathematics content standards.

To address the oversight, Mr. Canavero said the Board and the Council to Establish Academic Standards for Public Schools (CEAS) held a workshop in May and a public hearing in August. Regulation 083-14 was brought before the Commission in October; it was deferred, pending the request for more information, which has been provided. Mr. Canavero said if R083-14 were not passed, it would be problematic. The English language arts and mathematic content standards for prekindergarten (pre-K) and K-12 were implemented during the 2010–2011 transition. He said the NDE has aligned the standards from pre-K through grade 12. The field is moving forward concerning the implementation of high school mathematics content standards, and assessments are in place. He thought Assemblyman Hansen's question was a legal matter that would require discussion with the Superintendent.

Assemblyman Hansen expressed his opposition was based upon the objection to the CCSS from his constituency.

Assemblywoman Kirkpatrick asked why the subject was not discussed during the 2015 Session. She did not think the oversight was solely that of a specific group; typically, discussion is heard from groups opposed to and in support of an issue. Regulations are not usually implemented right away, and ample time is given for professional development. Assemblywoman Kirkpatrick agreed that CCSS is very contentious, as was the No Child Left Behind Act of 2001 (NCLB), because it requires the State to work under the guidelines of the federal government. She said that is why the Nevada Academic Content Standards (NACS) were established several years prior and suggested the CEAS be utilized in the future for further discussion.

Mr. Canavero confirmed Assemblywoman Kirkpatrick's summation and that there had been a long public process involving the Legislature, the Legislative Commission, Executive orders, the Nevada CCSS Steering Committee (Steering Committee), NACS meetings, and the Board, where this issue was discussed. He said from 2010 through 2011, a gap analysis of the new and higher standards and the existing standards set the foundation for the transition plan that originated from a committee comprised of teachers and the public. The transition plan was fully implemented during School Year 2014–2015 for English language arts and mathematics. He said NACS would be conducting its annual review on the performance and content standards.

Assemblywoman Kirkpatrick reiterated her point that interested parties need a venue to discuss and vet CCSS concerns. She said there is significant CCSS history and with term limits, accessible and consistent resources to discuss these matters are needed. She recommends her constituents refer to NACS and the Steering Committee and encourages the Board to reach out in the future.

Vice Chair Settlemeyer suggested CCSS should be exceeded in Nevada and that standard used as a benchmark; in addition, more needed to be done for Nevada's students. He said that during the 2015 Session, legislation was considered to reverse CCSS, which did not occur. Vice Chair Settlemeyer explained that although he does not care for CCSS, he supports the regulation and thinks the Commission should address the matter.

Responding to Assemblyman Stewart's question if R083-14 was not passed, would the result be one-half English content standards based upon a CCSS assessment and one-half assessments based upon the pre-CCSS mathematical assessments, which he thought would create a conflict, Mr. Canavero replied it would be incredibly difficult.

Assemblyman Stewart opined it would be confusing for the students because mathematics would be taught until high school, but the assessment would be based upon the pre-CCSS.

Assemblywoman Benitez-Thompson commented if sections of NRS were repealed, it would leave a void with no mathematic standards. She was emphatic that in 2015, Nevada should have definitive standards, especially in mathematics, that parents can expect their children to have learned. She concluded that a void in mathematic content standards would be bad public policy.

Referring to the NCLB, Assemblyman Hansen pointed out that Nevada was replacing one set of federal standards with another in less than one decade, and the NCLB either did not meet expectations or failed public schools. Nevada is fiftieth in the nation and—once again—is adopting a federal mandatory-type system. It appears to him Nevada’s parents are rejecting the CCSS for the same reasons they rejected the NCLB. He asked whether the mathematical standards for NCLB were also very high.

Mr. Canavero clarified the federal government did not prescribe the content standards. He approximated 43 states, including Nevada, elected to adopt the content standards. The federal rules require states that are under the waiver system from the NCLB, which applies to Nevada, to adopt vetted and rigorous academic content standards. He said CCSS is an improvement over the NCLB where the standards are vague regarding specific benchmarks and achievement gap measures.

In response to Assemblyman Hansen’s question regarding whether Nevada will lose federal funding if it fails to meet the federal standards, Mr. Canavero stated it was a possibility and approximately \$100 million could be subject to review.

ASSEMBLYWOMAN KIRKPATRICK MOVED APPROVAL  
OF R083-14.

ASSEMBLYMAN STEWART SECONDED THE MOTION.

THE MOTION CARRIED. ASSEMBLYMAN HANSEN VOTED NO.

3. Regulation Submitted for Early Review Pursuant to NRS 233B.0681 R029-15 (Nevada Transportation Authority)

#### Regulation 029-15

A REGULATION relating to transportation network companies; providing for the regulation of transportation network companies; establishing provisions relating to the issuance of permits for transportation network companies; establishing fees and annual regulatory assessments for transportation network companies; establishing provisions relating to the regulation of drivers affiliated with transportation network companies; establishing provisions relating to complaints; establishing provisions relating to practice before the Nevada Transportation Authority; and providing other matters properly relating thereto ([Exhibit L](#)).

Assemblywoman Kirkpatrick asked: (1) whether the regulation states the transportation network companies (TNCs) will ensure compliance by the independent contractors to obtain and retain current business licenses, as required; and (2) whether a TNC is fined if it does not enforce business license compliance.

Andrew J. MacKay, Chair, Nevada Transportation Authority (NTA), DBI, replied there is no language in the regulation requiring contracted drivers to obtain a business license. He said business license compliance falls under the authority of the Office of the Secretary of State (SOS) and local municipalities.

Assemblywoman Kirkpatrick asked who would provide the list of independent contracted drivers for verification of a business license.

Mr. MacKay stated a list of contracted drivers' names could be made available to a licensing agency, if requested, but only within the confines of what is not deemed confidential. Reflecting on previous testimony, Mr. MacKay suggested the legislative intent was the independent contracted drivers would need to obtain and retain current business licenses.

Vice Chair Settlemeyer expressed concern with treating one industry differently regarding business license compliance. He said the SOS would determine who is trying to evade the requirement to obtain a business license, regardless of the industry. The TNCs are required to delineate on the application their business license status, and they understand the need to acquire and maintain a business license. Vice Chair Settlemeyer asserted penalizing a business and making it responsible for the actions of an independent contractor would be going too far. Regarding the confidentiality of the drivers' information, he requested assurance from the NTA that the acquired information from the TNCs will be confidential. In an effort to protect the drivers, he is concerned the information is personal and proprietary, and if shared with competitors, it could be used against drivers for their affiliations and makes them a target. Although he understands the regulation addresses confidentiality, he asked Mr. MacKay for further clarification.

Mr. MacKay assured Vice Chair Settlemeyer that protecting personal and confidential information was a high priority for the NTA. The information will not be shared unless required by a court order or subpoena, in which case it would not be released to the public.

Assemblywoman Kirkpatrick stressed to business license enforcement entities that she wants to ensure the independent contracted drivers will not be allowed to claim unlawful business license exemptions by asserting they are home-based businesses since that practice could affect projected revenues.

Chair Roberson mentioned none of the Commission members considered a TNC independent contract driver to fall under the definition of a home-based business, nor did the SOS.

Assemblywoman Kirkpatrick asked: (1) who regulates the validity of permits issued to drivers that authorizes them to drive for a TNC; and (2) who will “police” the flow of traffic within the vicinity of the properties to ensure there is ingress and egress for drivers and traffic.

Mr. MacKay said the NTA considers the staging of vehicles and entrances to properties to be a business decision for TNCs, which is consistent with the NTA’s current practice with carriers. The question of determining whether a vehicle has met the requisite standards and the TNC has discharged its inspections was discussed during workshops with the TNCs. If an NTA officer identifies a vehicle void of the requisite permit, the officer will confirm whether the vehicle is a certificated carrier by verifying the certificate number and the company name provided in the temporary “trade dress.” If the officer determines the driver does not have authority to operate, the vehicle is impounded. Mr. MacKay stated that during inspection renewals, the NTA works with existing TNCs to ensure the vehicles are inspected and that the information is transmitted to the NTA.

Assemblywoman Kirkpatrick said R029-15 does not state the NTA will perform the inspections and asked Mr. MacKay whether the NTA will receive data regarding the outcome of inspections. She wants to discourage drivers from using unsafe or inappropriate vehicles for passenger services. Because there is no language in Assembly Bill 176 (Chapter 279, *Statutes of Nevada 2015*) or in the regulations authorizing the NTA to assist with inspections, she surmised the NTA relinquished its authority.

Mr. MacKay responded that the NTA did not give up its authority; the onus of inspections is on the TNCs in R029-15. When the vehicle is placed into service, the NTA ensures it has the requisite identifications, is registered to the proper entity, and the insurance comports. The NTA conducts a safety walk-through of the vehicle, but it does not perform the physical inspection. As part of its regulatory oversight of the TNCs, the NTA will randomly pull vehicle samples and verify whether they have been inspected according to the statute. He concluded the NTA did not relinquish authority because he thought it did not have that authority to begin with.

Assemblywoman Kirkpatrick asked whether the Commissioner of Insurance (Commissioner), Division of Insurance (DOI), DBI, was a participant in discussions regarding the cost of drivers’ insurance.

Mr. MacKay said the Commissioner was not involved in such discussions, but Amy Parks, Esq., Acting Commissioner of Insurance, will be promulgating regulations related to insurance. He was unsure of the extent of the DOI’s involvement.

Assemblywoman Kirkpatrick said she wants to ensure insurance for Nevada drivers is cost-effective. She concluded her questions by asking Mr. MacKay about the postaccident drug testing.

Mr. MacKay said drug testing was discussed during the hearings on A.B. 175 (Chapter 278, *Statutes of Nevada 2015*) and A.B. 176, but drug testing was not included in the approved legislation. Although not adopted, Amendment No. 7858 to S.B. 440 required a study by the NTA to observe the efficacy of postaccident drug testing, as well as the real-time transmission of the passenger, if the NTA suspects the driver may be under the influence. When the NTA enacts regulations, it studies the legislative intent only when the statute is not clear on its face. Although the Legislature did contemplate drug testing requirements, ultimately, Amendment No. 1067 to S.B. 440, which was adopted, is devoid of drug-testing language. In Mr. MacKay's opinion, if drug-testing language had been included in R029-15, it would have violated the law.

Assemblywoman Kirkpatrick commented that concerned parties were supposed to address drug testing with the NTA; however, that did not occur.

Vice Chair Settlemeyer commented it was in the TNC industry's best interest to contract with drivers with acceptable vehicles, and drivers must maintain, at minimum, a 4.7 rating to continue as a TNC driver. If the TNC fails to impose that standard, it will affect their business. He said the fees in Nevada are far more onerous than other states with much higher populations. Vice Chair Settlemeyer asked if in the future the NTA finds the fees in R029-15 are not enough, will it ask for them to be raised. Conversely, if the fees exceed the NTA's necessities, will the TNCs be able to claim credit for the following year.

Mr. MacKay replied the NTA intends to collect only the revenue required to enforce and regulate the provisions of the law. He assured the Commission the NTA's intent was not to create a gigantic revenue stream and reserve account. Theoretically, the balance could be as low as zero. Las Vegas is going to be an enormous market, nationally and globally, and is one of the most robust limousine markets in the country. Mr. MacKay said the NTA will be coming before the IFC for the hiring of positions and associated expenditures; although this request will be expensive, it will ultimately be very beneficial to Nevada. In response to Vice Chair Settlemeyer's question regarding whether unexpended funds collected through fees will be credited or refunded, Mr. MacKay said that is the decision of the Commission.

Assemblyman Nelson is of the opinion the fees are excessive but understood Nevada desires the best regulation and highest safety standards for tourists and the public. He asked Mr. MacKay for confirmation that the majority of the funds collected from fees will be applied toward the hiring of new staff.

Mr. MacKay confirmed the majority of funds would be used for personnel. He stated information technology expenses would also be high due to the substantial volume of data provided from the TNCs.

In response to Assemblyman Nelson's question regarding the number of staff the NTA anticipates hiring, Mr. MacKay said it intends to hire approximately eight new staff, compared to California, which has a total of three. He justified the disparity in the number of staff by explaining that Las Vegas is a small geographic, yet heavily populated area, with clientele who expect to be transported quickly. Mr. MacKay reiterated it is not his intent to transform the NTA into a prodigious government agency.

Assemblywoman Kirkpatrick thought it odd that drivers are not required to show proof of licensure in order to receive a permit from the NTA. She asked Mr. MacKay who will monitor local licensure compliance.

Mr. MacKay stated he is unsure whether drivers will be required to obtain local licensing because that has not yet been determined by licensing municipalities. If local licensing is required, those entities will enforce compliance.

Answering Assemblywoman Bustamante Adams' query regarding the purpose of the \$200 fee, Mr. MacKay said it is for the transfer of ownership and related fees. During the original drafting of R029-15, testimony from potential TNCs revealed driver fees could be a significant barrier to their ability to transact business. The fees presented in the final draft of R029-15 are different from the fees in the original draft. He added the \$600 fee is for nonprofit entities who desire to provide transportation to the elderly and persons with disabilities.

Assemblywoman Bustamante Adams asked whether the 30-day period in which a permit will be issued after the receipt of an application, if approved, is business or calendar days.

Conversation followed with Ms. Erdoes stating the general rule for days in the Nevada Administrative Code and NRS is calendar days, which includes holidays; an exception to the rule is if they are specifically excluded.

Vice Chair Settlemeyer said the 30-day language was copied from A.B. 176 and inserted into the regulation.

Assemblywoman Bustamante Adams asked Mr. MacKay whether the National Conference of Insurance Legislators (NCOIL) had been involved in discussions with the Commissioner and/or the NTA in past meetings.

Mr. MacKay was unaware of actions taken by the Commissioner. The NTA had not encountered NCOIL directly at the meetings; however, representatives of

NCOIL had attended the emergency regulation hearings and the workshops on the permanent regulations.

Senator Atkinson thought the issue of the drivers' business license compliance was important and needed to be addressed because a commitment had been made that the funds from the licenses would be available. He asked to what the funds generated by the fees would be applied.

Mr. MacKay said the NTA contemplates hiring three additional compliance enforcement investigators, a senior attorney, two auditors—one with supervisory duties, a management analyst, an administrative assistant, an information technology professional, and the salary reclassification of a legal secretary.

Answering Senator Atkinson's question of what criteria the NTA used to arrive at those positions, Bruce Breslow, Director, DBI, said the DBI worked diligently in building the NTA's budget to ensure it is not extravagant. The budget does not include unnecessary expenditures, and it will be presented to the IFC for approval. Local ordinances determine who is required to have a business license, they set the fees, and they are responsible for enforcement. A State business license is issued and regulated by the SOS. Drivers' names are not considered confidential; therefore, if a local government asks the NTA for the drivers' names in their jurisdiction, the NTA will be able to provide that information. In addition, sensitive information, such as social security numbers and financial history, is not provided.

Responding to Vice Chair Settelmeyer's comment supposing drivers' names are proprietary, Mr. Breslow assured him the NTA will work with the Deputy AG to ensure the information provided is appropriate.

Replying to Senator Atkinson's question of whether a mechanism will be in place to confiscate from a driver the nontransferable decal that identifies the permit number once a driver is no longer contracted with a TNC, Mr. MacKay said TNCs are required to notify the NTA when a driver is no longer contracted, and he surmised the decal will be removed.

Chair Roberson commented it was the intent of the Legislature that TNC drivers will be on the road by the summer of 2015; he acknowledged NTA's hard work to ensure it happens. Chair Roberson stated the Commission is anticipating preapproval of R029-15 today, and the NTA will then need to adopt the regulations. The legislation passed during the 2015 Session required the NTA to approve applications of TNCs as long as they complied with the legislation passed prior to adoption of regulations. Chair Roberson asked if a TNC submits applications this week, complies with the law, and agrees to abide by the preapproved regulations, how quickly the NTA expected to approve the applications.



Mr. MacKay stated the NTA issued a declaration of emergency, which was endorsed by Governor Sandoval, and the NTA took action within the prescribed 30 days to begin accepting applications from TNCs. To date, the NTA has not received any applications. Mr. MacKay said the actions of the Commission today would determine the rate of applications received by the NTA. Once the NTA receives draft regulations from the LCB, the 30-day clock begins. In anticipation of the regulations being approved today, the adoption hearing is scheduled for September 11, 2015, at 9 a.m. He is unsure when the regulations will become operational but stressed the NTA understands the urgency of implementing the regulations.

Mr. MacKay said when the NTA adopted the emergency regulations, there was a declaration by the NTA that TNCs will not operate until permanent rule making is complete; accepting applications did not constitute operating authority. Theoretically, regulations can become operational within 30 days.

Vice Chair Settlemeyer identified that Section 49 of A.B. 176 dictates a permit shall be issued within 30 days of receiving an application if the TNC can prove it complies with NRS. He added that Section 54 states once the NTA adopts regulations, TNCs are issued a permit and have 30 days to comply with new regulations. Vice Chair Settlemeyer exhorted TNCs could operate without regulation, and then they will have 30 days to comply with any new regulations the NTA passes, as long as the requirements of A.B. 175 and A.B. 176 are met. To Vice Chair Settlemeyer's understanding, the NTA has 30 days to deny a permit, if it determines the TNC has not met the requirements.

Chair Roberson repeated his initial question that if the regulation is preapproved and the NTA receives applications this week, is the NTA required to grant a permit within 30 days of the filing of an application, as long as the TNC complies with the requirements in A.B. 175 and A.B. 176.

Mr. MacKay answered Chair Roberson's question in the affirmative and that once applications are received, they will be promptly vetted and evaluated and the NTA will hold an emergency meeting to approve those applications.

Chair Roberson asked Mr. MacKay how many days it would take to approve an application after it was received, stressing the intent of the legislation was to approve regulations by August 10 and TNCs would be operating in Nevada by the end of August 2015.

Mr. Breslow interjected permits would be issued as soon as possible but not later than 30 days. The NTA will implement regulations with existing staff, and the TNCs have been communicative with the NTA. He stated the TNCs have not submitted their applications because they need time to overhaul their processes.

VICE CHAIR SETTELMAYER MOVED PREAPPROVAL OF R029-15.

SENATOR ATKINSON SECONDED THE MOTION.

Prior to a vote, Chair Roberson confirmed with Ms. Erdoes the proper motion was to preapprove R029-15.

THE PREVIOUS MOTION BY VICE CHAIR SETTELMAYER TO PREAPPROVE R029-15 AND SECONDED BY ASSEMBLYMAN ATKINSON CARRIED. ASSEMBLYWOMAN KIRKPATRICK VOTED NO.

C. Approval of Resolution Recognizing 104th Anniversary of the Founding of the Republic of China (Taiwan)—Rick Combs, Director, LCB

Mr. Combs provided an overview of the Resolution Recognizing the 104th Anniversary of the Founding of the Republic of China (Taiwan). He stated that before October 10 of each year, the Commission adopts a resolution recognizing the close and ongoing Sister-state relationship between Nevada and the Republic of China (Taiwan) ([Exhibit M](#)).

VICE CHAIR SETTELMAYER MOVED APPROVAL OF THE RESOLUTION RECOGNIZING THE 104TH ANNIVERSARY OF THE FOUNDING OF THE REPUBLIC OF CHINA (TAIWAN) AND ITS ON-GOING SISTER-STATE RELATIONSHIP BETWEEN NEVADA AND THE REPUBLIC OF CHINA (TAIWAN).

ASSEMBLYMAN HANSEN SECONDED THE MOTION.

THE MOTION CARRIED.

D. Approval of Transfer of \$55,463 Appropriated for Fiscal Year 2014–2015 to Fiscal Year 2015–2016 for Upgrades and Modifications to the Budget Analysis System of Nevada—Rick Combs, Director, LCB

Mr. Combs referred to the memorandum dated June 12, 2015, ([Exhibit N](#)) requesting the balance forward of general funds from Fiscal Year (FY) 2014–2015 to FY 2015–2016 to support modifications to the Budget Analysis System of Nevada. The request concerns funds that were not spent during the 2013–2015 Biennium. The funds were discussed during the budget closing for the LCB during the 2015 Session with the understanding that a request would be presented to the Commission. Mr. Combs said using the funds in this manner had enabled the LCB to request a reduced appropriation for the current biennium.

VICE CHAIR SETTELMAYER MOVED APPROVAL OF TRANSFER OF \$55,463 APPROPRIATED FOR FY 2014–2015 TO FY 2015–2016 FOR UPGRADES AND MODIFICATIONS TO THE BUDGET ANALYSIS SYSTEM OF NEVADA.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED.

**APPOINTMENTS OF MEMBERS TO COMMITTEES AND APPROVAL OF BUDGETS -**  
Rick Combs, Director, LCB

Chair Roberson acknowledged that he and Mr. Combs discussed with Leadership the proposed appointees to the committees and the chairs and vice chairs of some of the committees. He asked Mr. Combs to identify the individuals who had been discussed for appointment to the various committees.

A. Appointments to Ongoing Statutory Committees:

1. Commission on Special License Plates (NRS 482.367004)

Mr. Combs reminded the Commission that Assemblyman Wheeler had been appointed as chair and Senator Hammond as vice chair of the Commission on Special License Plates at the June 25, 2015, Legislative Commission meeting. He stated Leadership wishes to recommend approval of Senator Gustavson, Assemblyman Carrillo, and Assemblywoman Dickman as members to the Commission on Special License Plates.

VICE CHAIR SETTELMAYER MOVED APPROVAL OF THE APPOINTMENTS TO THE COMMISSION ON SPECIAL LICENSE PLATES.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED.

2. Committee to Consult With the Director (NRS 218E.225)

Mr. Combs stated the statute was silent as to the number of members required for the Committee to Consult With the Director. The recommendations by Leadership are Senator Kieckhefer, chair; Assemblyman Paul Anderson, vice chair; Senator Hardy; Senator Manendo; Assemblyman Armstrong; Assemblywoman Bustamante Adams; Assemblyman Hambrick; and Assemblywoman Swank.

VICE CHAIR SETTELMAYER MOVED APPROVAL OF THE APPOINTMENTS TO THE COMMITTEE TO CONSULT WITH THE DIRECTOR.

ASSEMBLYWOMAN KIRKPATRICK SECONDED THE MOTION.

THE MOTION CARRIED.

3. Subcommittee to Review Regulations (NRS 233B.067)

Mr. Combs stated the statute was silent as to the number of members required for the Subcommittee to Review Regulations, and Leadership is recommending that the following seven members be appointed: Senator Settelmeyer, chair; Senator Ford; Senator Goicoechea; Assemblywoman Bustamante Adams; Assemblywoman Kirkpatrick; Assemblyman Nelson; and Assemblyman Silberkraus.

VICE CHAIR SETTELMAYER MOVED APPROVAL OF THE APPOINTMENTS TO THE SUBCOMMITTEE TO REVIEW REGULATIONS.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED.

4. Legislative Committee for the Review and Oversight of the Tahoe Regional Planning Agency and the Marlette Lake Water System (NRS 218E.555)

Mr. Combs stated three members are selected from each house, and Leadership has selected the following members for appointment: Senator Kieckhefer, Senator Parks, Senator Settelmeyer, Assemblyman Sprinkle, Assemblywoman Titus, and Assemblyman Wheeler. Mr. Combs said the committee leaders select the chair and vice chair.

VICE CHAIR SETTELMAYER MOVED APPROVAL OF THE APPOINTMENTS TO THE LEGISLATIVE COMMITTEE FOR THE REVIEW AND OVERSIGHT OF THE TAHOE REGIONAL PLANNING AGENCY AND THE MARLETTE LAKE WATER SYSTEM.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED.

5. Legislative Committee on Child Welfare and Juvenile Justice  
(NRS 218E.705)

Mr. Combs stated three members are selected from each house, and it is the Senate's turn to chair the committee and the Assembly's turn for vice chair. He said Leadership has selected the following members for appointment: Senator Hammond, chair; Assemblyman Hambrick, vice chair; Senator Harris; Senator Woodhouse; Assemblyman O'Neill; and Assemblyman Ohrenschall.

VICE CHAIR SETTELMAYER MOVED APPROVAL OF THE APPOINTMENTS TO THE LEGISLATIVE COMMITTEE ON CHILD WELFARE AND JUVENILE JUSTICE.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED.

6. Legislative Committee on Health Care (NRS 439B.200)

Mr. Combs stated three members are selected from each house, and it was the Assembly's turn to chair the committee and the Senate's turn for vice chair. He said Leadership has recommended the following members for appointment: Assemblyman Oscarson, chair; Senator Hardy, vice chair; Senator Kieckhefer; Senator Spearman; Assemblywoman Benitez-Thompson; and Assemblyman Gardner.

VICE CHAIR SETTELMAYER MOVED APPROVAL OF THE APPOINTMENTS TO THE LEGISLATIVE COMMITTEE ON HEALTH CARE.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED.

7. Legislative Committee on Public Lands (NRS 218E.510)

Mr. Combs stated four members are selected from each house, and the committee selects the chair. He said Leadership has recommended the following members for appointment: Senator Goicoechea, Senator Gustavson, Senator Kieckhefer, Senator Parks, Assemblyman Ellison, Assemblyman Hansen, Assemblywoman Swank, and Assemblywoman Titus.

Vice Chair Settelmeyer suggested the Commission appoint Ron Cerri, Humboldt County Commissioner, as the local government elected official.

VICE CHAIR SETTELMAYER MOVED APPROVAL OF THE APPOINTMENTS TO THE LEGISLATIVE COMMITTEE ON PUBLIC LANDS.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED.

B. Appointments to Advisory and Technical Advisory Committees:

1. Advisory Committee to Develop a Plan to Reorganize the Clark County School District (Section 25 of A.B. 394, [Chapter 543, *Statutes of Nevada 2015*])

Chair Roberson said the Advisory Committee to Develop a Plan to Reorganize the Clark County School District would consist of nine legislators: two legislators appointed by each caucus and the ninth legislator appointed by the Commission. He recommended the Commission appoint Senator Hardy to the committee emphasizing the importance of including a member who represents the rural portions of Clark County.

VICE CHAIR SETTELMAYER MOVED APPROVAL OF THE APPOINTMENT TO THE ADVISORY COMMITTEE TO DEVELOP A PLAN TO REORGANIZE THE CLARK COUNTY SCHOOL DISTRICT.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED.

2. Technical Advisory Committee to Develop a Plan to Reorganize the Clark County School District (Section 26 of A.B. 394)

Chair Roberson referred to Section 26 of A.B. 394 that requires members of the Technical Advisory Committee to Develop a Plan to Reorganize the Clark County School District (Technical Advisory Committee) and that certain members be appointed from a list of names provided by the following organizations: Clark County Education Association (CCEA); Las Vegas Asian Chamber of Commerce (LVACC); Latin Chamber of Commerce, Nevada Inc. (LCC); Nevada Parent Teacher Association (NPTA); and the Urban Chamber of Commerce (UCC). Chair Roberson said a list of recommendations had not been received from the LVACC; therefore, the Commission is unable to make an appointment. The following names were received from the other organizations as follows: Hannah Brown, UCC; Stavan Corbett, NPTA; Tom Rodriguez, LCC; and John Vellardita, CCEA ([Exhibit O](#)).

VICE CHAIR SETTELMEYER MOVED APPROVAL OF THE APPOINTMENTS TO THE TECHNICAL ADVISORY COMMITTEE TO DEVELOP A PLAN TO REORGANIZE THE CLARK COUNTY SCHOOL DISTRICT.

SENATOR KIECKHEFER SECONDED THE MOTION.

Prior to a vote, Senator Atkinson received confirmation from Chair Roberson that Ken Evans from the UCC had made the recommendation to appoint Hannah Brown to the Technical Advisory Committee.

Regarding the two names submitted by the LCC, Assemblywoman Bustamante Adams asked the reason for selecting Tom Rodriguez rather than Jose L. Melendrez.

Mr. Combs explained the LCC recommended Mr. Rodriguez because he would most likely be able to devote the needed time and attention to the committee.

Chair Roberson confirmed for Vice Chair Settelmeyer that the LVACC would be requested to provide a list of names before the next Commission meeting. He stated Assemblyman Nelson is a member of the LVACC and that he would reach out to them so that a list of recommended names can be submitted as soon as possible.

THE MOTION CARRIED.

C. Appointments to Nonlegislative Committees:

1. Nevada AIDS Advisory Task Force

Mr. Combs acknowledged information regarding the Nevada AIDS Advisory Task Force (NAATF) was not in the meeting packet. He stated that in the past, two names were recommended to the DHHS for service on the NAATF. Mr. Combs' understanding was Leadership has recommended Senator Farley and Assemblyman Thompson for those positions during the 2015–2016 Interim.

VICE CHAIR SETTELMEYER MOVED APPROVAL OF THE APPOINTMENTS TO THE NEVADA AIDS ADVISORY TASK FORCE.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED.

2. Nevada Commission on Aging (NRS 427A.032)

Mr. Combs stated two members are typically appointed to the Nevada Commission on Aging during the interim. Leadership has selected Senator Woodhouse and Assemblyman Trowbridge to serve during the 2015–2016 Interim.

SENATOR KIECKHEFER MOVED APPROVAL OF THE APPOINTMENTS TO THE NEVADA COMMISSION ON AGING.

VICE CHAIR SETTELMAYER SECONDED THE MOTION.

THE MOTION CARRIED.

3. State Council for the Coordination of the Interstate Compact on Educational Opportunity for Military Children (NRS 392C.020)

Mr. Combs stated the Commission is authorized to select one member who represents the interests of the Legislature in the State Council for the Coordination of the Interstate Compact on Educational Opportunity for Military Children. Leadership has recommended the appointment of Assemblyman Kirner.

VICE CHAIR SETTELMAYER MOVED APPROVAL OF THE APPOINTMENT TO THE STATE COUNCIL FOR THE COORDINATION OF THE INTERSTATE COMPACT ON EDUCATIONAL OPPORTUNITY FOR MILITARY CHILDREN.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED.

4. Task Force on Alzheimer's Disease (NRS 439.5083)

Mr. Combs stated the Commission appoints one member from each house as voting members of the Task Force on Alzheimer's Disease. Leadership has recommended the appointments of Senator Hardy and Assemblyman Oscarson.

VICE CHAIR SETTELMAYER MOVED APPROVAL OF THE APPOINTMENTS TO THE TASK FORCE ON ALZHEIMER'S DISEASE.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED.

5. Advisory Council on the State Program for Wellness and the Prevention of Chronic Disease (NRS 439.518)

Mr. Combs stated the Commission appoints one member from each house to the Advisory Council on the State Program for Wellness and the Prevention of Chronic Disease. Leadership has recommended the appointments of Senator Hardy and Assemblywoman Joiner.



SENATOR KIECKHEFER MOVED APPROVAL OF THE APPOINTMENTS TO THE ADVISORY COUNCIL ON THE STATE PROGRAM FOR WELLNESS AND THE PREVENTION OF CHRONIC DISEASE.

VICE CHAIR SETTELMAYER SECONDED THE MOTION.

THE MOTION CARRIED.

D. Appointment of Chair and Vice Chair of Certain Committees:

1. Committee on High-Level Radioactive Waste (NRS 459.0085)

Chair Roberson requested to defer a decision to appoint a chair and vice chair to the Committee on High-Level Radioactive Waste until the next Commission meeting. He stated the committee requires four members from each house and the decisions on those members were still pending.

VICE CHAIR SETTELMAYER MOVED APPROVAL TO DEFER THE DECISION TO APPOINT A CHAIR AND VICE CHAIR TO THE COMMITTEE ON HIGH-LEVEL RADIOACTIVE WASTE.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED.

2. Legislative Committee on Education (NRS 218E.605)

Chair Roberson stated it was the Assembly's turn to chair the Legislative Committee on Education. He suggested appointing Assemblywoman Woodbury as chair and Senator Harris as vice chair.

VICE CHAIR SETTELMAYER MOVED APPROVAL OF THE APPOINTMENTS OF CHAIR AND VICE CHAIR TO THE LEGISLATIVE COMMITTEE ON EDUCATION.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED.

3. Legislative Committee on Senior Citizens, Veterans and Adults with Special Needs (NRS 218E.750)

Chair Roberson recommended Senator Hardy as chair and Assemblyman O'Neill as vice chair of the Legislative Committee on Senior Citizens, Veterans and Adults with Special Needs.

VICE CHAIR SETTELMAYER MOVED APPROVAL OF THE APPOINTMENTS OF CHAIR AND VICE CHAIR TO THE LEGISLATIVE COMMITTEE ON SENIOR CITIZENS, VETERANS AND ADULTS WITH SPECIAL NEEDS.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED.

4. Legislative Committee on Energy (NRS 218E.805)

Chair Roberson stated the Assembly chairs the Legislative Committee on Energy this interim, and Assemblyman Nelson has been recommended as chair and Senator Settelmeyer as vice chair.

VICE CHAIR SETTELMAYER MOVED APPROVAL OF THE APPOINTMENTS OF CHAIR AND VICE CHAIR TO THE LEGISLATIVE COMMITTEE ON ENERGY.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED.

5. Legislative Commission's Subcommittee to Conduct a Study of Postacute Care (A.B. 242, [Chapter 306, *Statutes of Nevada 2015*])

Chair Roberson recommended the appointments of Assemblywoman Titus as chair and Senator Hardy as vice chair of the Legislative Commission's Subcommittee to Conduct a Study of Postacute Care.

SENATOR KIECKHEFER MOVED APPROVAL OF THE APPOINTMENTS OF CHAIR AND VICE CHAIR OF THE LEGISLATIVE COMMISSION'S SUBCOMMITTEE TO CONDUCT A STUDY OF POSTACUTE CARE.

VICE CHAIR SETTELMAYER SECONDED THE MOTION.

THE MOTION CARRIED.

E. Approval of Budgets for Interim Studies and Statutory Committees

Mr. Combs drew the Commission's attention to the suggested Interim Study Budgets for Interim Studies and Statutory Committees for FY 2015–2016 on page 69 of the meeting packet ([Exhibit P](#)). He stated the amounts were consistent with the Legislature-approved budget for the Legislative Commission, with some exceptions. Referring to the budget for the Advisory Committee on the Reorganization of the Clark County School District on page 71 of the meeting packet ([Exhibit P](#)), Mr. Combs said the amount had been taken from testimony he

provided during the 2015 Session; it covers travel expense reimbursements for members, but it does not cover pay. He stated it applies to both the Advisory Committee and the Technical Advisory Committee to Develop a Plan to Reorganize the Clark County School District.

Regarding the Subcommittee on Postacute Care on page 70 of the meeting packet ([Exhibit P](#)), Mr. Combs said he based the cost estimate on similar committees in the past with a projection it will meet four times during the interim. He noted that although the meeting numbers are spelled out by fiscal year, sometimes the committees adjust their schedules and meet more often than anticipated.

Mr. Combs requested approval of the budgets with the number of meetings indicated and the authority to transfer money between the two fiscal years based on the committees' meeting schedules and as needed.

VICE CHAIR SETTELMAYER MOVED APPROVAL OF BUDGETS FOR INTERIM STUDIES AND STATUTORY COMMITTEES.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED.

F. Approval for Certain Committees to Meet Before or After Statutory Period for Meetings of Interim Committees

Mr. Combs pointed out that statutory committees, in general, are limited to meeting between November 1 and August 31. Taking into consideration the timely appointments of committee members and the major overhaul of the LCB's videoconferencing system scheduled at the end of this calendar year, which will disable all videoconferencing for a period, Mr. Combs stated it might be beneficial to allow the statutory committees ([Exhibit Q](#)) to begin meetings as early as October 1. He also noted a typographical error in the dates for which the statutory committees may meet ([Exhibit Q](#)).

VICE CHAIR SETTELMAYER MOVED APPROVAL FOR CERTAIN COMMITTEES TO MEET BEFORE OR AFTER STATUTORY PERIOD FOR MEETINGS OF INTERIM COMMITTEES.

Prior to the motion being seconded, Assemblywoman Kirkpatrick qualified that although members could hold meetings earlier than November 1, they were still required to manage the meetings within budget, produce bill draft requests within a specified period, and abide by the maximum meetings allotted.

Chair Roberson concurred with Assemblywoman Kirkpatrick.

THE PREVIOUS MOTION BY VICE CHAIR SETTELMAYER WAS  
SECONDED BY SENATOR KIECKHEFER.

THE MOTION CARRIED.

Assemblywoman Kirkpatrick mentioned there was unfinished work during the last interim and since money is left from the budget, she asked whether other interim committee studies might be authorized and, if so, can they be added to the agenda for the next Commission meeting.

Chair Roberson agreed to put Assemblywoman Kirkpatrick's suggestion on the agenda for the next Commission meeting.

**INFORMATIONAL ITEMS:**

- A. Summary of Quarterly Reports on Disciplinary Action from the Licensing Boards and State Agencies
- B. Miscellaneous Reports or Correspondence from State Agencies and Others
  - 1. Tesla Gigafactory Quarterly Activity Report, 2nd Quarter Pursuant to subsection 2 of NRS 360.975
  - 2. Nevada Department of Administration, Public Works Division's Bidder's Preference Report Pursuant to NRS 338.0117
  - 3. Las Vegas Convention and Visitors Authority Bidders' Preference Report Pursuant to NRS 338.0117
  - 4. Nevada Department of Transportation Bidder's Preference Report for the period from July 1, 2014, to June 30, 2015, Pursuant to NRS 338.0117
  - 5. City of Sparks Annual Tourism Improvement District Report Pursuant to NRS 271A.105

Chair Roberson asked the members whether they would like to hear testimony on any of the informational items on the agenda.

Assemblywoman Bustamante Adams asked that the *Tesla Gigafactory* (Project) *Quarterly Activity Report, 2nd Quarter 2015* (Tesla Report) be pulled ([Exhibit H](#)).

Referring to the Summary of Quarterly Reports on Disciplinary Action from the Licensing Boards and State Agencies ([Exhibit I](#)), Vice Chair Settelmeyer asked whether someone could contact him personally to explain the reason for the seemingly high number of licenses removed last year by the State Board of Nursing.

Chair Roberson said he would hear testimony regarding the Tesla Report when a representative from the Nevada Governor's Office of Economic Development (GOED) arrived.

Steve D. Hill, Executive Director, GOED, provided a summary of the Tesla Report ([Exhibit H](#)), as required by subsection 2 of NRS 360.975. He stated there are no significant updates as the Project is proceeding satisfactorily. He reported nearly 1,500 construction workers have been employed on the site, with 72 employees hired in the 2nd Quarter. Seventy percent of those hired in the 2nd Quarter are Nevada residents with a Project-to-date total of 73 percent or 1,465 employees. By the end of June 2015, Tesla Motors, Inc. (Tesla) hired 31 permanent employees and Panasonic Energy Corporation of North America (Panasonic) hired 5.

The total wages for “qualified employees,” i.e. qualified to receive transferrable tax credits (TTCs) because of hiring permanent employees, is \$1.4 million. The 2nd Quarter investment is nearly \$40 million, which brings the total investment for the Project to over \$180 million. He said Tesla and Panasonic are working with Grant Thornton LLP on a certified audit that will be submitted to and reviewed by GOED. Information will be used to calculate the first TTCs on the Project. If the information and the audit agree, the 36 employees would generate \$12,500 each in TTCs, totaling \$450,000. The \$183 million investment at a 5 percent rate for TTCs will generate approximately \$9.3 million in TCCs, totaling approximately \$9.75 million earned through June 30, 2015.

Chair Roberson extolled Mr. Hill’s efforts and expressed optimism concerning the Project and its future.

In response to Assemblywoman Bustamante Adams’ question of whether he has any insight regarding housing in Storey County (County), Mr. Hill said the County announced at a meeting held by GOED that more housing tracts would open. The workforce for the Project would come from the surrounding counties, Fernley communities are showing interest, and the housing industry is looking to respond.

Vice Chair Settlemeyer commented there is a large glut of incomplete subdivisions in Lyon and Storey Counties and in parts of Fernley due to the subsequent downturn of the economy. As a representative for those counties, he said there is robust growth in that industry in anticipation of housing needs for the prospective workforce of the Project.

Responding to Assemblywoman Bustamante Adams’ request for an update regarding workforce development training, Mr. Hill said he recently accompanied Governor Sandoval on the European trade mission. One of the reasons for the mission was to address workforce development with an emphasis on advanced manufacturing and, in general, the auto industry. The purpose of ongoing conversations between GOED and “chambers” or “guilds” in Germany is to bring certification curriculum that is recognized by German manufacturers from Germany to Nevada. Mr. Hill stated school districts and community colleges in Nevada have adopted into the programs designed by GOED’s Technology Commercialization Director. He stated the programs would

advance the training of employees to a high level of quality that will be recognized globally, and particularly by German manufacturers.

Replying to Assemblyman Stewart's question as to the status of the road construction and whether the Project is on schedule, Mr. Hill said the anticipated completion of USA Parkway is late 2017, and although construction has not yet started, the design and bid processes are underway. The Project is on track, and nothing has changed since the last Commission meeting.

Assemblyman Stewart said Tesla has not met its projection for building cars and asked whether that affects the Project.

Mr. Hill stated the primary market for the batteries is in the mass production of cars at a much lower price that will be built and released over the next couple of years. In addition, the demand for batteries will be in stationary storage, which will not affect the Project.

Assemblyman Stewart asked Mr. Hill whether he was satisfied with the cooperation between the education community, GOED, and Tesla regarding the training of workers to future staff positions once the Project is complete.

Mr. Hill said cooperation between all interested parties has been great, particularly with Tesla and Panasonic, as well as the education community in terms of outreach and response. He stated GOED is working with Tesla and Panasonic to design the curriculum for positions, and Mr. Hill is confident the curriculum will provide many opportunities for future and current Nevada residents.

## **PUBLIC COMMENT**

Chair Roberson called for public comment; however, no testimony was provided.

Jere McBride, Sr. Litigation Paralegal, Strategic Technology Manager, Yellow Checker Star Transportation, Las Vegas, Nevada, submitted the written testimony of Marc C. Gordon, General Counsel, Yellow Checker Star Transportation, regarding R029-15 ([Exhibit R](#)).

Chair Roberson commented there will be another Commission meeting within the next couple of months, and the date would be made known as soon as possible.

There being no further business to come before the Commission, the meeting was adjourned at 2:23 p.m.

Respectfully submitted,

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Debbie Gleason, Secretary for Minutes  
Legislative Commission

APPROVED BY:

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Senator Michael Roberson, Chair  
Legislative Commission

## LIST OF EXHIBITS

[Exhibit A](#) is the “Meeting Notice and Agenda,” provided by Rick Combs, Director, Legislative Counsel Bureau (LCB).

[Exhibit B](#) is the attendance sign-in sheets dated August 10, 2015, from Carson City, Nevada, and Las Vegas, Nevada.

[Exhibit C](#) is a letter dated July 31, 2015, to Members of the Legislative Commission, regarding the 60-day plan for corrective action of the Division of Health Care Financing and Policy (DHCFP), Department of Health and Human Services (DHHS), provided by Paul V. Townsend, Legislative Auditor, Audit Division, LCB.

[Exhibit D](#) is a report titled *Corrective Action Plan, Legislative Counsel Bureau Audit Division, Performance Audit Report No. LA 16-02*, of the DHCFP, dated July 2015, provided by the Legislative Counsel Bureau Audit Division, by Paul V. Townsend, Legislative Auditor, Audit Division, LCB.

[Exhibit E](#) is a document containing the highlights of the Legislative Auditor report on the DHCFP, issued May 4, 2015, Report No. LA 16-02, provided by Paul V. Townsend, Legislative Auditor, Audit Division, LCB.

[Exhibit F](#) is a list of State agency regulations to be reviewed by the Legislative Commission, dated August 10, 2015, provided by the Legal Division, LCB.

[Exhibit G](#) is the Adopted Regulation of the Commission for Common-Interest Communities and Condominium Hotels, LCB File No. R050-13, effective August 10, 2015, provided by the Legal Division, LCB.

[Exhibit H](#) is the *Tesla Gigafactory Quarterly Activity Report (Q2 2015)*, provided by Brad Mamer, Director of Business Development, Nevada Governor’s Office of Economic Development.

[Exhibit I](#) is the Summary of Quarterly Reports on Disciplinary Action From the Licensing Boards and State Agencies, Occupational Licensing, Quarter 2 of 2015, provided by Rick Combs, Director, LCB.

[Exhibit J](#) is the Adopted Regulation of the Commission on Off-Highway Vehicles, LCB File No. R131-14, effective August 10, 2015, provided by the Legal Division, LCB.

[Exhibit K](#) is the Adopted Regulation of the State Board of Education, LCB File No. R083-14, effective August 10, 2015, provided by the Legal Division, LCB.



[Exhibit L](#) is the Adopted Regulation of the Nevada Transportation Authority, LCB File No. R029-15, effective August 7, 2015, provided by the Legal Division, LCB.

[Exhibit M](#) is the Double Tenth Day Proclamation recognizing the 104th Anniversary of the Establishment of the Republic of China (Taiwan) on October 10, 2015, and the 30th Anniversary of the Sister-state Relationship between the State of Nevada and the Republic of China (Taiwan), provided by Senator Michael Roberson, Chair, Legislative Commission, and Richard S. Combs, Director, LCB.

[Exhibit N](#) is a memorandum dated June 12, 2015, to Rick Combs, Director, LCB, from Cathy Crocket, Program Analyst, Fiscal Analysis Division, LCB, requesting to transfer General Fund appropriations from Fiscal Year (FY) 2015 to 2016.

[Exhibit O](#) is the recommended list of Appointments to Advisory and Technical Advisory Committees from the Clark County Education Association; the Latin Chamber of Commerce, Nevada Inc.; the Nevada Parent Teacher Association; and the Urban Chamber of Commerce, provided by Rick Combs, Director, LCB.

[Exhibit P](#) is the Interim Study Budgets for Interim Studies and Statutory Committees for FY 2015–2016, provided by Rick Combs, Director, LCB.

[Exhibit Q](#) is a request for Approval for Certain Committees to Meet Before or After Statutory Period for Meetings of Interim Committees, provided by Rick Combs, Director, LCB.

[Exhibit R](#) is the written the testimony of Marc C. Gordon, General Counsel, Yellow Checker Start Transportation regarding R029-15, provided by Jere McBride, Sr. Litigation Paralegal, Strategic Technology Manager, Yellow Checker Star Transportation, Las Vegas, Nevada.

This set of “Minutes of the Legislative Commission” is an informational service. Exhibits in electronic format may not be complete. Copies of the complete exhibits are on file in the Director’s Office of the Legislative Counsel Bureau, Carson City, Nevada.