

**MINUTES OF THE MEETING OF THE
SENATE COMMITTEE ON FINANCE
AND
ASSEMBLY COMMITTEE ON WAYS AND MEANS
SUBCOMMITTEES ON GENERAL GOVERNMENT**

**Eighty-second Session
April 11, 2023**

The joint meeting of the Subcommittees on General Government of the Senate Committee on Finance and the Assembly Committee on Ways and Means was called to order by Chair Dina Neal at 8:04 a.m. on Tuesday, April 11, 2023, in Room 1214 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412E 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.

SENATE SUBCOMMITTEE MEMBERS PRESENT:

Senator Dina Neal, Chair
Senator Dallas Harris
Senator Pete Goicoechea

ASSEMBLY SUBCOMMITTEE MEMBERS PRESENT:

Assemblywoman Sarah Peters, Chair
Assemblyman Cameron (C.H.) Miller, Vice Chair
Assemblywoman Tracy Brown-May
Assemblywoman Heidi Kasama
Assemblyman P.K. O'Neill

COMMITTEE MEMBERS ABSENT:

Assemblywoman Shea Backus (Excused)

STAFF MEMBERS PRESENT:

Sarah Coffman, Assembly Fiscal Analyst
Alex Haartz, Principal Deputy Fiscal Analyst
Morgan Barlow, Program Analyst

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Michelle Friedlander, Committee Secretary
Helen Wood, Committee Secretary

MORGAN BARLOW (Program Analyst):

Before the Subcommittees today are 17 budgets that comprise the Department of Business and Industry (B&I). This is only a portion of the Department's budgets. The remainder will be heard at a later date in April 2023. Two of the 17 budgets were heard on February 15, 2023. The remaining 15 budgets are considered staff closings as shown on the April 11, 2023, Closing List #2 ([Exhibit C](#)).

Beginning on page 3 of [Exhibit C](#) is the B&I Administration budget for the Director's Office, Budget Account (B/A) 101-4681. This budget account provides administrative, fiscal and informational technology support and oversight to the divisions, agencies and commissions that constitute the Department.

COMMERCE & INDUSTRY

BUSINESS AND INDUSTRY

B&I - Business and Industry Administration — Budget Page B&I-14 (Volume II)
Budget Account 101-4681

During the February 15, 2023, budget hearing, the new registration fee revenues for structured settlement purchase companies were identified and discussed. The Governor recommends \$5,250 in new fee revenue in each year of the 2023-2025 biennium for the Consumer Affairs Unit to collect. These revenues are initial and renewal registration application fees from companies required to register as structured settlement purchase companies.

Senate Bill No. 332 of the 81st Session provided the B&I Consumer Affairs Unit the ability to register these companies. However, the bill did not provide authority for the Consumer Affairs Unit to adopt regulations or collect fees to fund activities associated with registering the structured settlement purchase companies.

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During the February 15, 2023, Subcommittees hearing, a bill draft request (BDR) was submitted to provide the Consumer Affairs Unit with the authority to adopt such regulations. As of April 7, 2023, the associated BDR is now before the Senate Judiciary Committee as Senate Bill (S.B.) 449.

SENATE BILL 449: Revises provisions governing structured settlement purchase companies. (BDR 3-1074)

The associated fees include a \$250 initial and renewal registration application fee, a \$375 late registration renewal fee and a \$500 registration reinstatement fee. The Agency indicated all fees collected by the Consumer Affairs Unit would be nonrefundable and deposited into the B&I Administration B/A 101-4681. The fees would be used to acquire or approve technology used by the Consumer Affairs Unit.

The Consumer Affairs Unit is dependent upon the case management system to track, manage and coordinate its cases. The case management system requires periodic software upgrades, and these recommended fees would be used to support the system. According to the Agency, B&I registers but does not regulate the structured settlement purchase companies.

Do the Subcommittees wish to recommend approval of \$5,250 in new fee revenue to be placed in reserve in each year of the 2023-2025 biennium related to the registration of structured settlement purchase companies as recommended by the Governor, contingent upon passage and approval of enabling legislation?

ASSEMBLYWOMAN PETERS MOVED TO RECOMMEND TO THE FULL COMMITTEES FOR B/A 101-4681 APPROVAL OF \$5,250 IN NEW FEE REVENUE TO BE PLACED IN RESERVE IN EACH YEAR OF THE 2023-2025 BIENNIUM RELATED TO THE REGISTRATION OF STRUCTURED SETTLEMENT PURCHASE COMPANIES AS RECOMMENDED BY THE GOVERNOR, CONTINGENT UPON PASSAGE AND APPROVAL OF S.B. 449.

ASSEMBLYMAN MILLER SECONDED THE MOTION.

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ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MR. BARLOW:

Fiscal staff recommends Other Closing Items 1, 2 and 3 as shown on page 5 of [Exhibit C](#) be closed as recommended by the Governor and requests authority to make technical adjustments as necessary.

ASSEMBLYWOMAN PETERS MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE OTHER CLOSING ITEMS 1, 2 AND 3 FOR B/A 101-4681 AS DESCRIBED ON PAGE 5 OF [EXHIBIT C](#) AND AS RECOMMENDED BY THE GOVERNOR WITH AUTHORITY FOR FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR HARRIS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MR. BARLOW:

The Division of Industrial Relations B/A 210-4680 begins on page 7 of [Exhibit C](#). This Division regulates workers' compensation insurance and enforces federal and State health and safety standards, assists employers with workplace safety programs and provides safety training and inspections for all active mines in Nevada.

B&I - Division of Industrial Relations — Budget Page B&I-59 (Volume II)
Budget Account 210-4680

During the hearing on February 15, 2023, one Major Closing Issue, the modernization of the claims and regulatory data system was identified and

discussed. The Governor recommends \$1.6 million in fiscal year (FY) 2023-2024 and approximately \$537,000 in FY 2024-2025 in workers' compensation and safety fund allocations to modernize the Division of Industrial Relations' claims and regulatory data system. The system utilizes legacy and manual systems, resulting in untimely and inefficient payment tracking and regulatory oversight.

The Workers' Compensation Section of the Division of Industrial Relations regulates workers' compensation programs to ensure timely and accurate delivery of workers' compensation benefits.

According to the Agency, the current claims and regulatory data system was originally implemented in April 2017 and was designed to automate and streamline the workers' compensation section's systems and processes. While the 2017 update improved the system, the Agency indicated some manual processes remain.

According to the estimates provided by the Agency's current technology vendor, the modernization project is expected to take approximately 18 months from commencement to completion and total \$2.1 million in contractual expenditures over the 2023-2025 biennium. The Agency indicated the initial implementation completed in April 2017 lacked key features to assist the regulatory process that would be addressed by this recommended enhancement, including the ability to accept online payments and the ability for external users to upload reports and related physician information.

The Agency confirmed its intent to charge users of the online payment portal a convenience surcharge to offset costs associated with accepting electronic payments pursuant to *Nevada Revised Statutes* (NRS) 353. The Agency indicated the fee would be similar to the approved 2 percent convenience fee the Real Estate Division charges their users for online payments.

The Agency testified the system does not directly address the resolution of workers' compensation claims, but rather aids in the regulation and oversight of employers required to provide workers' compensation insurance and associated insurers.

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According to the Agency, no ongoing expenditures above the expenditures in the base budget would be needed to maintain the system beyond the 2023-2025 biennium due to the State owning the code for the claims and regulatory data system.

Do the Subcommittees wish to recommend approval of \$2.1 million in workers' compensation and safety funds over the 2023-2025 biennium to fund the modernization of the Division of Industrial Relations claims and regulatory data system as recommended by the Governor?

ASSEMBLYWOMAN PETERS MOVED TO RECOMMEND TO THE FULL COMMITTEES FOR B/A 210-4680 APPROVAL OF \$2.1 MILLION IN WORKERS' COMPENSATION AND SAFETY FUNDS OVER THE 2023-2025 BIENNIUM TO FUND THE MODERNIZATION OF THE DIVISION OF INDUSTRIAL RELATIONS CLAIMS AND REGULATORY DATA SYSTEM AS RECOMMENDED BY THE GOVERNOR.

SENATOR HARRIS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MR. BARLOW:

Fiscal staff recommends Other Closing Items 1 through 6 for B/A 210-4680 as described on page 9 of [Exhibit C](#) be closed as recommended by the Governor and requests authority to make technical adjustments as necessary.

ASSEMBLYWOMAN PETERS MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE OTHER CLOSING ITEMS 1 THROUGH 6 FOR B/A 210-4680 AS DESCRIBED ON PAGE 9 OF [EXHIBIT C](#) AS RECOMMENDED BY THE GOVERNOR WITH AUTHORITY FOR FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR GOICOECHEA SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MR. BARLOW:

Page 11 of [Exhibit C](#) starts the section of Staff closed budgets. Similar to previous biennia, Staff closed budgets are those budgets with no significant issues identified or significant informational items. These budgets have not been heard previously by the Committees. Fiscal staff is responsible for developing recommendations for the closings of these budgets. Page 45 of [Exhibit C](#) contains the summary page with a singular motion for these Staff closed budgets.

Staff closed budgets begin on page 11 of [Exhibit C](#) with the Office of Business and Planning B/A 101-4677. This budget contains programs to assist and support the growth, development and diversification of business and industry in the State. There are no Major Closing Issues.

B&I - Office of Business and Planning — Budget Page B&I-8 (Volume II)
Budget Account 101-4677

There are two Other Closing Items described on page 11 of [Exhibit C](#). Closing recommendations for this budget and all subsequent budgets are included on the summary page 45 of [Exhibit C](#).

The New Markets Performance Guarantee B/A 101-4678 is on page 13 of [Exhibit C](#). This budget provides oversight on economic development related to the Nevada New Markets Job Act. There are no Major Closing Issues. There is one Other Closing Item described on page 13 of [Exhibit C](#).

B&I - New Markets Performance Guarantee — Budget Page B&I-12 (Volume II)
Budget Account 101-4678

The Private Activity Bonds B/A 101-4683 begins on page 15 of [Exhibit C](#). The Director's Office administers the bonds programs to include the private activity

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bonds program to improve access to capital and promote business development and expansion in the State. There are no Major Closing Issues. There is one Other Closing Item shown on page 16 of [Exhibit C](#).

B&I - Private Activity Bonds — Budget Page B&I-20 (Volume II)
Budget Account 101-4683

The Insurance Regulation B/A 504-3813 begins on page 17 of [Exhibit C](#). The Division of Insurance is responsible for regulating the insurance industry in Nevada and protecting the rights of consumers and the public in general dealings with the insurance industry. There are no Major Closing Issues. There are four Other Closing Items described on page 17 of [Exhibit C](#).

B&I - Insurance Regulation — Budget Page B&I-32 (Volume II)
Budget Account 504-3813

Captive Insurers B/A 504-3818 begins on page 19 of [Exhibit C](#). This budget regulates and supervises captive insurers domiciled in Nevada. There are no Major Closing Issues. There are two Other Closing Items described on page 19 of [Exhibit C](#).

B&I - Captive Insurers — Budget Page B&I-38 (Volume II)
Budget Account 504-3818

The Insurance Recovery B/A 504-3821 is on page 21 of [Exhibit C](#). This budget was created to provide a means of satisfying claims against persons licensed under the NRS, replacing the bonding requirements for brokers, surplus lines brokers and adjusters. There are no Major Closing Issues or Other Closing Items.

B&I - Insurance Recovery — Budget Page B&I-42 (Volume II)
Budget Account 504-3821

SENATOR GOICOECHEA:

In this budget and a couple others, there are zero full-time equivalents (FTEs). It is not a lot of money, but several of these budgets have no FTEs. Is there a connection? If so, how do we tie them together? How is the work getting done?

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MR. BARLOW:

The Department of Business and Industry's Administration B/A 101-4681 administers many of these programs. They are supported through cost allocations.

The Self Insured - Workers' Compensation B/A 210-4684 begins on page 23 of [Exhibit C](#). This budget was established to support activities required to qualify and regulate employers and associations of employers who elect to self-insure for their workers' compensation risk pursuant to the NRS. There are no Major Closing Issues. There are two Other Closing Items described on page 23 of [Exhibit C](#).

B&I - Self Insured - Workers' Compensation – Budget Page B&I-43 (Volume II)
Budget Account 210-4684

The Occupational Safety & Health Enforcement (OSHA) B/A 210-4682 begins on page 25 of [Exhibit C](#). This budget enforces OSHA standards promulgated under the Nevada Occupational Safety and Health Act and ensures safe and healthful working environments for Nevada employers. There are no Major Closing Issues.

B&I - Occupational Safety & Health Enforcement – Budget Page B&I-66
(Volume II)
Budget Account 210-4682

There are 11 Other Closing Items identified for B/A 210-4682 described on page 26 of [Exhibit C](#). Item 11 has an associated Budget Amendment No. A231144682 ([Exhibit D](#)). This Amendment recommends a decrease of \$131,587 to the workers' compensation and safety funds to eliminate one vacant administrative assistant position which, according to the Agency, is recommended to be eliminated as associated duties are no longer necessary.

The Safety Consultation and Training B/A 210-4685 begins on page 29 of [Exhibit C](#). This budget assists employers in developing and implementing effective safety and health programs to reduce and prevent workplace hazards. There are no Major Closing Issues. There are eight Other Closing Items listed on page 29 of [Exhibit C](#).

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B&I - Safety Consultation and Training — Budget Page B&I-74 (Volume II)
Budget Account 210-4685

The Mine Safety and Training B/A 210-4686 is shown on page 31 of [Exhibit C](#). The Mine Safety and Training Section provides for mine inspection, technical assistance, consultation, safety and health training to prevent mine accidents and occupational illness. There are no Major Closing Issues identified for this budget.

B&I - Mine Safety & Training — Budget Page B&I-81 (Volume II)
Budget Account 210-4686

Other Closing Items 1 through 8 are listed on page 32 of [Exhibit C](#). Item 8 is a technical adjustment to enhancement units E-710 shown in Other Closing Item 3, and E-712 is shown in Other Closing Item 5. This is a revenue and expenditure neutral technical adjustment to correct enhancement units relating to new computer equipment.

E-710 Equipment Replacement — Page B&I-84
E-712 Equipment Replacement — Page B&I-85

The Real Estate Technology B/A 101-3822 is shown on page 35 of [Exhibit C](#). This account was established during the Eighty-first Legislative Session. It maintains, upgrades and enhances the Division's technology as it relates to software, infrastructure, hardware, professional services and content delivery. There are no Major Closing Issues. There is one Other Closing Item listed on page 35 of [Exhibit C](#).

B&I - Real Estate Technology Account — Budget Page B&I-131 (Volume II)
Budget Account 101-3822

The Real Estate Administration B/A 101-3823 begins on page 37 of [Exhibit C](#). The Division regulates real estate brokers and salesman, timeshare agents, property managers, appraisers, qualified intermediaries, and building inspectors. There are no Major Closing Issues. There are three Other Closing Items.

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B&I - Real Estate Administration — Budget Page B&I-133 (Volume II)
Budget Account 101-3823

The Real Estate Education and Research B/A 216-3826 begins on page 37 of [Exhibit C](#). This account supports the review and approval of continuing education courses for Nevada's real estate licensees and the licensing of instructors for those courses. There are no Major Closing Issues. There are four Other Closing Items.

B&I - Real Estate Education and Research — Budget Page B&I-139 (Volume II)
Budget Account 216-3826

The Real Estate Recovery B/A 216-3827 begins on page 41 of [Exhibit C](#). This fund is used for satisfying claims against persons licensed under NRS 645. There were no Major Closing Issues identified for this budget.

The one Other Closing Item is an adjustment to the base budget. This is a revenue and expenditure neutral technical adjustment and corrects base expenditures to facilitate the transfer of authority between categories.

B&I - Real Estate Recovery Account — Budget Page B&I-144 (Volume II)
Budget Account 216-3827

The Common Interest Communities B/A 101-3820 begins on page 43 of [Exhibit C](#). This account includes the Office of the Ombudsman for Common-Interest Communities and Condominium Hotels. The Ombudsman provides assistance to homeowner associations, their members and owners through education, facilitation and equitable treatment. There are no Major Closing Issues. There are four Other Closing Items.

B&I - Common Interest Communities — Budget Page B&I-146 (Volume II)
Budget Account 101-3820

The summary is shown on page 45 of [Exhibit C](#). Fiscal staff is responsible for developing recommendations for the closing of budgets previously discussed. Fiscal staff recommends the budgets listed on page 45 be closed as recommended by the Governor with the technical adjustments noted and

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requests authority for Fiscal staff to make other technical adjustments as necessary.

SENATOR HARRIS MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE THE CLOSURE OF B/A 101-4677, B/A 101-4678, B/A 101-4683, B/A 504-3813, B/A 504-3818, B/A 504-3821, B/A 210-4684, B/A 210-4682 INCLUDING BUDGET AMENDMENT NO. A231144682, B/A 210-4685, B/A 210-4686 INCLUDING TECHNICAL ADJUSTMENTS NOTED FOR OTHER CLOSING ITEMS 3 AND 5 REFERENCED IN OTHER CLOSING ITEM 8, B/A 101-3822, B/A 101-3823, B/A 216-3826, B/A 216-3827, INCLUDING THE TECHNICAL ADJUSTMENT NOTED IN OTHER CLOSING ITEM 1 TO CORRECT BASE EXPENDITURES AND B/A 101-3820 WITH THE TECHNICAL ADJUSTMENTS NOTED BY FISCAL STAFF AND WITH AUTHORITY FOR FISCAL STAFF TO MAKE OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYWOMAN PETERS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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CHAIR NEAL:

Seeing no public comment, this meeting is adjourned at 8:32 a.m.

RESPECTFULLY SUBMITTED:

Helen Wood,
Committee Secretary

APPROVED BY:

Senator Dina Neal, Chair

DATE: _____

Assemblywoman Sarah Peters, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit Letter	Introduced on Minute Report Page No.	Witness / Entity	Description
	A	1		Agenda
	B	1		Attendance Roster
	C	2	Morgan Barlow, LCB Fiscal Analysis Division	General Government Joint Subcommittee Closing List #2 dated 04/11/2023
	D	9	Morgan Barlow, LCB Fiscal Analysis Division	Budget Amendment No. A231144682