

**MINUTES OF THE MEETING  
OF THE  
ASSEMBLY COMMITTEE ON JUDICIARY**

**Seventy-Sixth Session  
April 5, 2011**

The Committee on Judiciary was called to order by Chairman William C. Horne at 7:39 a.m. on Tuesday, April 5, 2011, in Room 3138 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4401 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at [www.leg.state.nv.us/76th2011/committees/](http://www.leg.state.nv.us/76th2011/committees/). In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: [publications@lcb.state.nv.us](mailto:publications@lcb.state.nv.us); telephone: 775-684-6835).

**COMMITTEE MEMBERS PRESENT:**

Assemblyman William C. Horne, Chairman  
Assemblyman James Ohrenschall, Vice Chairman  
Assemblyman Steven Brooks  
Assemblyman Richard Carrillo  
Assemblyman Richard (Skip) Daly  
Assemblywoman Olivia Diaz  
Assemblywoman Marilyn Dondero Loop  
Assemblyman Jason Frierson  
Assemblyman Scott Hammond  
Assemblyman Ira Hansen  
Assemblyman Kelly Kite  
Assemblyman Richard McArthur  
Assemblyman Tick Segerblom  
Assemblyman Mark Sherwood

**COMMITTEE MEMBERS ABSENT:**

None

**GUEST LEGISLATORS PRESENT:**

None

**STAFF MEMBERS PRESENT:**

Dave Ziegler, Committee Policy Analyst  
Nick Anthony, Committee Counsel  
Jeffrey Eck, Committee Secretary  
Michael Smith, Committee Assistant

**OTHERS PRESENT:**

Heidi Gansert, Chief of Staff, Office of the Governor  
Lee Amaitis, President and CEO, Cantor Gaming  
Mark Lipparelli, Chairman, State Gaming Control Board  
Phillip Flaherty, representing Cantor Gaming  
George Ross, representing the Association of Gaming  
Equipment Manufacturers  
Robert Faiss, Chairman, Gaming Law Practice Group, Lionel Sawyer  
& Collins, Las Vegas, Nevada; and representing Cantor Gaming  
Kevin Schiller, Director, Washoe County Department of Social Services

**Chairman Horne:**

[Roll was called.] Today, we have two bills on the agenda and a work session. We will work with the bills first, and then we will take a short break and move into the work session. As a reminder, work sessions are not for the rehearing of bills or new evidence, but you may be asked for clarification on a particular bill and/or its amendment.

Today, we will start with Assembly Bill 279, Assemblyman Ohrenschall's bill. We will open the hearing on that.

**Assembly Bill 279: Authorizes independent testing laboratories to inspect and certify gaming devices, equipment and systems. (BDR 41-570)**

[Assemblyman Ohrenschall left the dais to testify.]

**Assemblyman James Ohrenschall, Clark County Assembly District No. 12:**

Good morning, Mr. Chairman and members of the Committee. I am here to present A.B. 279. In Governor Sandoval's State of the State message, he voiced a concern that I know is shared by a number of us in this Committee as we deal with measures affecting the future of gaming control and our gaming industry.

The Governor said that the competition our state and the gaming industry face from throughout the world demands a new approach to our regulatory

infrastructure with respect to technology. Assembly Bill 279 provides a structure for that approach. It adds to our gaming policy, with the goal of adopting and implementing procedures that balance the interest of the state in inspecting gaming devices and other technology with maintaining a competitive gaming industry in which technology can be efficiently and expeditiously brought to the market.

In its original form, A.B. 279 provided the Nevada Gaming Commission with the discretion to adopt regulations that will utilize licensed, independent testing laboratories to assist the outstanding State Gaming Control Board (GCB) laboratory to maintain the orderly and timely flow of technology to the gaming industry without any lessening of inspection standards. I realize that the GCB has general authority to obtain assistance from the private sector and has, on occasion, contracted with independent testing laboratories. However, I believe the importance of this additional compliance resource deserves control from its own regulations.

After discussions with the Governor and other stakeholders, I believe that adoption of the independent testing laboratory regulations should be mandated in A.B. 279, rather than being discretionary. An amendment ([Exhibit C](#)) for that change should be before you on the Nevada Electronic Legislative Information System (NELIS). I have with me Lee Amaitis, President and CEO of Cantor Gaming. He is here to support A.B. 279. Because of his recognized leadership in the development of gaming technology, he will be able to explain why, as the creator of mobile gaming, he believes A.B. 279 is the right step. I also have a former member of this body, former Assemblywoman Heidi Gansert, here on behalf of Governor Sandoval, and she will testify in support of the bill.

Mark Lipparelli, Chairman of the GCB, is available to explain how A.B. 279, if it is adopted, may be implemented. I will leave explanation and justification of A.B. 279 to those spokespersons, but it may be helpful to close with these comments: The assistance of independent testing laboratories for gaming technology is well-established. In fact, Nevada is one of the few governments that fund their own government-run testing laboratories. Even fewer have their government-run laboratories exclusively do all their testing. So long as GCB remains in charge of technology standards and the overall testing process, I believe there is benefit to be gained from the presence of independent testing laboratories.

Mr. Chairman, I would be happy to answer any questions, or I could yield at this point to former Assemblywoman Gansert.

**Chairman Horne:**

I see no questions for Mr. Ohrenschall. We will go to Ms. Gansert first, if that is your desire. Good morning, Ms. Gansert.

**Heidi Gansert, Chief of Staff, Office of the Governor:**

Good morning. Thank you, Mr. Chairman. I am here today to support A.B. 279 and the amendment proposed by Assemblyman Ohrenschall. I would note, however, that in the amendment we may need to move the time frame back, given some discussions I have had with Chairman Lipparelli.

Assembly Bill 279 required the GCB to adopt regulations to allow independent testing of new gaming devices. We believe having additional options, as far as private labs available for manufacturers, is very important. Nevada's gaming licensure is considered the "gold standard" in the industry, and we believe access to independent testing labs as part of the licensure process will encourage and support innovation.

Our Governor has made economic development a top priority in his administration. We expect the innovation of gaming devices to play a role in our state's economic recovery and urge your support of A.B. 279. Thank you for your time and your consideration.

**Chairman Horne:**

Thank you. Are there any questions for Ms. Gansert? I see none.

**Lee Amaitis, President and CEO, Cantor Gaming:**

I salute Governor Sandoval for his forceful recognition that Nevada must be the place for gaming innovation, and Vice Chairman Ohrenschall for creating A.B. 279 to provide a framework to help us maintain that position.

There is no question that the world of technology is changing at an ever-increasing pace and that means an even greater challenge to keep pace with tremendous opportunities afforded by creative integration of new technologies into our daily lives.

[Mr. Amaitis read from a prepared statement ([Exhibit D](#)).]

Thank you for the opportunity to speak this morning. I am happy to answer any questions.

**Chairman Horne:**

Are there any questions? Mr. Frierson.

**Assemblyman Frierson:**

Thank you, Mr. Chairman. Are we proposing to allow the Commission to contract with private bodies because it is more cost-effective, or are we proposing to do it because it would allow for flexibility for technology advancement, or both?

**Lee Amaitis:**

I think that it is really just an opportunity for the GCB to actually see new technology quicker and to adopt regulations to be able to control that submission. I think that what happens is, in the past, this sort of technology stacks up in a line, like an assembly line, and then people basically tend to take it to other places, as opposed to bringing it here for us in Nevada to see first. I think that giving the GCB the ability to actually use third party laboratory testing gives them a great amount of flexibility in being able to offer new technology to the gaming industry.

**Chairman Horne:**

Mr. Ohrenschall, you have Chairman Lipparelli to answer technical questions on the "meat" of the bill, particularly subsection 7, on establishing those uniform protocol procedures, et cetera. Is that correct?

**Assemblyman Ohrenschall:**

Yes, I do, Mr. Chairman. Mr. Lipparelli has traveled to Carson City today to be with us.

**Mark Lipparelli, Chairman, State Gaming Control Board:**

Good morning.

**Chairman Horne:**

Could you walk the Committee through how this basically is going to work with the independent testing laboratories and how the GCB oversees the standards? I am assuming they will meet the same standards that our current lab does, et cetera.

**Mark Lipparelli:**

They certainly will. I think that if the state were to decide to go this way, the focus of the lab would likely shift from being one that performs the testing functions to one that would have to be primarily geared towards establishing standards, managing those standards, and making sure that the requirements associated with someone to become a test lab to do these functions on behalf of the state, that today is entirely controlled by the state, would have to be at a level equal to or better than what we do today.

The other piece of it would be that we have to watch the watchdog. At least some of that staff would have to become auditors of the testing labs to ensure the testing that is being performed outside of our review is being done at a level that would continue to satisfy us. Clearly, we would have to write a set of rules and qualifications for labs to perform those functions on our behalf. It would also give the opportunity for our group to spend more time looking at policy questions such as what kinds of technology should be approved, what kinds of testing should be implemented. So, there is some flexibility in this for our staff to spend time on more policy-related issues, as opposed to the core testing that goes on today. There would be a set of qualifications that would need to be implemented before someone could do that on our behalf.

**Chairman Horne:**

Would those labs have to actually exist in the State of Nevada? I am assuming these labs exist already.

**Mark Lipparelli:**

Generally speaking, they are fairly widespread in many other markets. I am not sure what the sponsors of the bill had considered, with respect to requiring those resources to be local. Many of them do have resources locally, although they are matrix organizations. It could be that they have existing facilities in other offices around the world. That is one of the advantages they have. They can move their work around as their volumes move from office to office. If that were going to be a requirement, I think we would have to address that proactively, although I know of some who are already in Nevada.

**Chairman Horne:**

But it is not a requirement that you would suggest be in place. As the GCB is concerned, does it matter whether the lab is located in the State of Nevada or elsewhere?

**Mark Lipparelli:**

It would certainly make it more convenient for our staff to have an interface locally.

**Chairman Horne:**

Approximately how many of these labs do you see licensing to do this?

**Mark Lipparelli:**

This is my industry experience talking, more than my Board experience. There are probably two or three labs that are actively engaged. There are probably five or six worldwide. Beyond land-based gaming and moving into things like Internet gaming, there are quite a few more internationally, so I am guessing it

would be at least 10, but not more than 15 worldwide, 3 or 4 of which are the primary land-based organizations.

**Chairman Horne:**

Mr. Hansen.

**Assemblyman Hansen:**

Thank you, Mr. Chairman. If I understand, all the current labs are in Nevada, and, if we pass this bill, it would basically expand it to the international market. Is the GCB comfortable with changing the bill from "may" in the original language to making it mandatory in the amendment?

**Mark Lipparelli:**

The testing labs are generally spread out worldwide to match up with the distribution of gaming around the world. I think they have principal offices primarily here and a couple others that they call their "home" offices. The reason for that is a lot of the manufacturers are based here. There is a connection for them and a justification to be here, which, from the Governor's perspective, is a positive. If that nexus continues to exist or is embellished, there would be a reason for them to maintain resources here. There is quite a bit of interplay among engineers and test labs on a fairly consistent basis where that constant contact is important, primarily for speed and accuracy.

Concerning your question about whether we are comfortable with it, we certainly are. At least I am, if we have the ability to transition the work over an adequate period of time. If the Committee were going to suggest that we have to do this in 90 days, I would be very uncomfortable. We were contemplating taking this in and creating a phased plan for how to do this in an orderly fashion, primarily because the "train does not stop running." There are constant submissions, and I do not want to put any of the licensees in the position of having to deal with a "go-dark" scenario while we get our house in order. I am not suggesting that you would imply that, but we would need an adequate period of time to write regulations and create plans for that kind of transition.

**Assemblyman Hansen:**

Thank you.

**Chairman Horne:**

Mr. Daly.

**Assemblyman Daly:**

Thank you, Mr. Chairman. I want to make sure I understand how this works. It is somewhat new to me.

Right now, we have a process where every gaming device is tested if it is manufactured in this state and shipped anywhere in the world. If it is manufactured someplace else, it is going to come here. It gets tested by the GCB staff, is what I understand. If I understand Mr. Amaitis' testimony, the new devices that are coming out are wireless connections and noncash-based. I am assuming the types of things you test for are accuracy, statistical probabilities, the security of the device, and similar things to make sure it is a fair game for the people engaging in it. The expertise needed to test those devices is what we are lacking at this time, and that is why we are looking to outsource, if you will. That is where my concern comes in. I am generally against privatization, but if we need to meet a demand, then that is what I understand. How would we make sure that we are keeping up and doing those things as much as we can with current forces, rather than a continual outsource?

**Mark Lipparelli:**

Assemblyman Daly, I will try to give you my context of it, and certainly Mr. Amaitis can add to it if he wishes. I think you nailed it, with just a couple of exceptions.

Any product that is destined to be on a casino floor in Nevada that meets the definition of "gaming device" and certain other types of technologies have to go through our test lab before they can see the light of day on a casino floor for all the reasons you mentioned—security, assurance, et cetera. And not to advocate on behalf of a private lab, if they were here, they would tell you that as a private entity they have the ability to bulge and reduce as necessary as demands are made by manufacturers. If a manufacturer visits a private lab with an expectation to roll out hundreds of products because it has a new dose of capital it wants to move fast, they have the ability to enter into commitments with the lab to staff up to cover that base. That is a luxury that a private lab has over a state-run lab, where we are bound by the limitations we have with our budget. They would advocate a way that makes them relevant to the industry in terms of speeding up processes and not allowing a testing process to delay their business outcome. We do not have that luxury. We do everything we can to meet a 30-day standard, and we do meet that. I think that has been a testament to this body's willingness to add funding.

I think the more salient point that Mr. Amaitis is trying to make is that the expense and nature of technology continues to grow, and we have a choice as a state. We either come back to you for additional resources on a fairly continual basis, or we augment the program we have by allowing these private labs to serve what I call the "doing" function. We have a lot of work that goes on in both doing and planning. On the planning side, we have a great staff of



people that has a great history in the industry and know about all these technologies. A large portion of their resources is spent actually performing the testing. In many jurisdictions that use private labs, that is done by the private labs with deference to the state for final approval. They finish a report; ship it off to the client, which is the state, and the state reviews that work product and issues the final letter of approval. I do not think we would lose that control. The state would retain that control position in terms of issuing an approval.

**Chairman Horne:**

Follow up, Mr. Daly.

**Assemblyman Daly:**

Thank you, Mr. Chairman. I think I understand we need to meet the new technology. We need to have experts who know about that, but if there is an ongoing process where we test existing machines and, like the Bureau of Weights and Measures, we go in once a year to check things, is that part going to be retained and done by the state, or is that going to be done by the labs more and more? I understand the flexibility of a private industry to go up and down. I have made the argument in terms of construction maintenance for a while, so I understand that. I just want to make sure that it will be fair to the state employees. Do we still do those tests on an ongoing basis with state employees to maintain the fairness of the games?

**Mark Lipparelli:**

We absolutely do.

**Lee Amaitis:**

I would like to make one comment on the Chairman's remark on how the train never stops moving. Part of the issue is that, again, the GCB's budget is approved by the state and basically does not have the ability to expand and contract as private entrepreneurs can in terms of testing labs. Clearly, from the standpoint of manufacturers outside of Nevada, they have an advantage in being able to go to these private laboratories to get approval for certain types of games. Of course, that does not lower any standards. Nevada would still have control of all of its standards, and nobody is suggesting that it should not. We feel that, with this bill, there would be a timing period where they would have a length of time to be able to write regulations and rules that all of these third party labs would have to abide by, one of which, we hope, would actually have a stronger presence here in the state and create jobs. This actually helps the interface between the private and what I would call the state-controlled labs.

I think it is good overall, and clearly it is a decision by the State Gaming Control Board to be able to accept one or two of these outside private contractors to pass that test.

**Chairman Horne:**  
Mr. Hammond.

**Assemblyman Hammond:**

Thank you, Mr. Chairman. I have a question for any of you. We were speaking of cost a minute ago. Currently, there is a staff that takes care of checking the equipment and making sure that it is correct. Obviously, we are going to have a loss there. We are going to sustain some sort of loss in jobs there. However, you mentioned that some of the people who might lose their jobs for the state may become the "watchdogs." They may not be the same people, but you may have to hire auditors and so forth. It looks like it has a very minimal startup cost according to the fiscal note. What do you plan for as far as the savings for the state if we do this? Obviously, if we do this, we are going to have a faster reaction time getting these pieces of technology approved, et cetera. What kind of savings to the state can you anticipate?

**Mark Lipparelli:**

Assemblyman Hammond, not to be glib, but one of the challenges we have with this is that you will not save much in the sense that many of our resources are billable resources, so there is some neutrality cost. It is basically revenue neutral to the state, so a lot of the testing function that goes on today is funded by industry. In a kind of an odd twist, there actually may be a requirement or a need to consider a different kind of fee structure. In a sense, if we moved people out of billable hour mode and moved them into policy-setting type roles and auditing roles, they would not be billable, so that would actually be a cost to the state in hard terms. There may be a need to introduce the notion of an approval fee of some sort, because the fees will be paid by industry to private labs. Those fees will start to move towards the private labs. In that final step of approval, the state would be issuing the approval letter; so there may be a need to introduce the concept of an approval fee in order to make that revenue neutral to the state if we made this transition. There may be an opportunity for saving, but I cannot commit to that today. I am just getting a sense of what this bill might mean; so I think I can come back to you with a relevant answer on the potential savings.

**Assemblyman Hammond:**

What you are saying is these companies come in and perform the "doing" function, which is where the savings are, because they can get the equipment approved a little quicker. Is that the reason we are doing this? Are we

switching over because they are able to perform the function faster and not necessarily better? You mentioned that they will establish standards that are equal to or better than what we do right now. You are hoping that that is where the savings come in, as far as getting the equipment approved faster. Perhaps I should not say "savings," but that is where the intent of this bill is. Is that correct?

**Mark Lipparelli:**

That relationship will exist principally between the manufacturer and the lab in terms of the willingness and commercial discussion that they have between each other. In my experience, how this generally works is the companies will meet with their private labs and describe their roadmap for technology for where they want to go. It is time- and money-based, so the faster you want to see things proceed, the more likely it is you are going to have to advance resources to those private labs to get them under a time frame. I think we perform at least as good, or possibly better, in turnaround time than private laboratories do today. An experience with our lab is that inside of 30 days, if you submit a modification, you are going to have an approval letter, presuming there is nothing wrong with your technology. I am not certain that private labs, on average, turn their products in 30 days. They very well may do so. It is my experience that it is probably about the same time, maybe a little bit longer, but that is really a commercial relationship between the manufacturer and the private lab in terms of how much funding and resource commitment they want to make to the private lab.

**Assemblyman Hammond:**

So, simply put, the benefit to doing this is . . . ?

**Mark Lipparelli:**

There is one very important element that is present. That is in writing source code, or programs. You have to write those programs for the various markets where you participate. We, as a pretty stern state organization, have a set of technical standards, a set of code has to be written to meet the Nevada standard, and, separately, it has to be written for all the other jurisdictions. One benefit, potentially to a manufacturing organization, is that they can have a single set of code that envelops the Nevada requirements instead of having multiple sets of code for various marketplaces. I think if some of the major manufacturers were here, they would tell you one of the principal reasons for that is they have one initiative that covers multiple markets. It is the stability of the code and the flexibility to submit to one jurisdiction or one private lab that covers multiple jurisdictions.

**Chairman Horne:**

Ms. Dondero Loop.

**Assemblywoman Dondero Loop:**

Thank you, Mr. Chairman. Do I understand this to be like a bid process, where there are several companies that can do this?

**Mark Lipparelli:**

We would qualify labs that meet what we would set up as the requirements to be a testing lab. I think, generally, that is the approach. We would allow the manufacturers to select from a qualified group of labs. We would not select a single particular lab; I would certainly argue against that. We would qualify any number of labs that want to apply to our process, and then they would have to meet the testing requirements that we impose on them, and then it would be up to industry to select from that group of labs whom they want to use.

**Lee Amaitis:**

From a manufacturer's point of view, if you are writing a standard set of code for two jurisdictions, you are actually writing for one. You have extra costs associated with writing for another jurisdiction. I think that is a cost that industry manufacturers would welcome. They could actually save that money overall by combining. Having Nevada as a standard, they could be accepted in their general code as well. It does not take away from what is actually done today, in the sense that as we are trying to get this bill in place, it allows the Nevada lab to set a standard that the testers have to meet. If they do not meet the standard, they cannot be a part of the process. I think that there are enough independent labs willing to use resources to do that, and there is certainly enough of an appetite from the manufacturers to invest the capital to continue that process.

I do not know, and I cannot say that it will save any money for Nevada. I do think that it will produce a new set of technology investment for manufacturers to come in and possibly get to market sooner. Thirty days is pretty quick. There is a very quick approval process here in Nevada, but you have a very long "train." There is only a certain number of people who can spend time on a particular submission. If there were standards that were accepted and controlled by Nevada, then I think you would see that train speed up. New technologies would hit the casino floors in general and then create new revenue for the state.

**Assemblywoman Dondero Loop:**

My concern, as always, is that the bidding process be fair with the use of funds, jobs, and then protecting our industry so that other states do not

ultimately get to tap into our standards. Because we have such a high set of standards, I would not want the resorts to be in a situation where we lose that gold standard.

**Lee Amaitis:**

I do not think this bill suggests that there is any loss of gold standard from a GCB point of view. I think this bill just basically puts it in the hands of the GCB to be able to say, "Look, I will take some of the other lifting that I do in my everyday job to be able to approve these submissions and outsource to third party labs that meet our requirements" and then be able to shift the emphasis to say, "Okay, how do I get this out to the casino floor?" It may be multiple times quicker than it is in terms of one submission at a time. I think that that is clearly what the bill is trying to entail here.

**Assemblywoman Dondero Loop:**

Efficiency. Thank you.

**Chairman Horne:**

Mr. Hansen.

**Assemblyman Hansen:**

Thanks, Mr. Chairman. Mr. Lipparelli, in your testimony you said, "We perform as well as or better than private labs currently." My concern is whether this will affect Nevada jobs. We are here trying to build jobs, and that is a huge issue. We currently have somewhat of a monopoly on this. If you already are doing as good as or better than the private labs, and the possibility of outsourcing a lot of those jobs exists in this bill, why would we do it? The bigger question is, will it cost Nevadans' jobs?

**Mark Lipparelli:**

I think that question would be best directed to the industry. I can tell you why we need to continue to be open to this idea, and we have been in the past. The agency has used private labs; and we want to ensure that if a private lab is going to set up a significant operation, that it be in Nevada. We continue to build nexus in this community of developers by ensuring that there is interplay among all the stakeholders. The less interplay there is, the fewer manufacturers will feel flexibility to move their resources to other marketplaces. I am not here advocating for any one way. If the likelihood is that there are resources being moved to all kinds of different marketplaces by implementing things here that keep people here, such as the location of a testing lab and the relationships that get built up among testing organizations and manufacturers, I think it could prove to be a positive to the state. There will likely be a reduction in resources over a longer period of time, but that is on the state's side. That is principally

going to be driven by the kinds of technologies and the kinds of things we see coming down the pipe. If there is more and more innovation, the state is going to need more resources either to write those rules or establish that expertise within our building. It is a give-and-take, based on what we see coming from the industry.

**Assemblyman Hansen:**

In your opinion then, are we going to have an expansion of jobs in Nevada if we pass this bill?

**Mark Lipparelli:**

My initial sense is, in going back to Chairman Horne's point of view, if we were to make a requirement that testing resources reside in the state, my sense is there would have to be a staff increase among the private labs to meet that demand.

**Assemblyman Hansen:**

Perfect. Thank you.

**Chairman Horne:**

Mr. Daly.

**Assemblyman Daly:**

I want to follow up a bit on the question asked by my colleague from southern Nevada. If we are going out and hiring these private labs to do this work for us and to set a standard for the state, is it possible for the state, either by regulation or law, to say that the code becomes the intellectual property of the state? I am thinking about interstate compacts and their utilization. I do not know whether that is possible, but I think that was part of the question. I think it could be. It seems to me we are commissioning to have people develop this and give us the information. That should be knowledge property of the state.

**Mark Lipparelli:**

Assemblyman Daly, I think that "horse left the barn" a while ago. If we had charged for our expertise around the world, we would probably be a revenue-generating agency, as opposed to one that is not. Our standards are looked upon generally as the gold standard for testing. A lot of states will implement things short of our standards.

Concerning Ms. Dondero Loop's question, I think the Nevada standard in these private labs would actually become the standard because very few manufacturers are going to write something less than "all." If Nevada is "all," they will all begin to write their code to meet the aggregate standard, so they

would envelop all the other jurisdictional requirements. There would still be jurisdiction by jurisdiction requirements. I am an intellectual property guy, so if there is a way to create some patents or business process patents for the benefit of the state, I am happy to look at it.

**Chairman Horne:**  
Mr. Sherwood.

**Lee Amaitis:**  
This is Lee Amaitis. May I just make a comment on the last point?

**Chairman Horne:**  
Quickly, Mr. Amaitis. We have some other . . .

**Lee Amaitis:**  
Assemblyman Hansen, I think that this is actually going to create jobs here. I think that, by Nevada having control of the standards set here, you will see private labs investing people and energy into the state so that they can hit that standard. They clearly do not want to leave this state from a point of view of being able to have technology succeed here. I think that, with the advent of new technology that comes out every day, you will see much more investment here and much more focus on being able to achieve the standard that is set in Nevada.

**Chairman Horne:**  
Mr. Sherwood.

**Assemblyman Sherwood:**  
Thank you, Mr. Chairman. This seems like a great bill. I would just hope that we set our standards higher than just staying in front of New Jersey. Maybe we can go after Asia and Europe with the technology. Thank you for a good bill. I appreciate it.

**Chairman Horne:**  
Are there any other questions? I see none. Mr. Ohrenschall, do you have anyone else you wish to testify on A.B. 279? If not, I will go by the Attendance Roster.

**Assemblyman Ohrenschall:**  
I do not have anyone else. There might be someone else who has signed in.

**Chairman Horne:**  
I have Phil Flaherty. Go ahead.

**Phillip Flaherty, representing Cantor Gaming:**

I am here to lend support in case there are any unusual questions. I, too, am a firm believer that this move will actually increase the job rolls of the state of Nevada in that not only will the testing laboratories relocate here, but the opportunities for new venture capitalists to bring new products will come here, as opposed to places like California and other jurisdictions. Are there any questions?

**Chairman Horne:**

Are there questions? I do not see any. Thank you. Is there anyone else here in Carson City wishing to testify in favor of A.B. 279? Mr. Ross.

**George Ross, representing the Association of Gaming Equipment Manufacturers:**

The gaming equipment manufacturers support this bill. We think it will help greatly in efficiency and bringing products to market quickly. Thank you very much.

**Chairman Horne:**

Thank you. I see no questions. Does anyone else wish to testify in favor of A.B. 279?

**Assemblyman Ohrenschall:**

Thank you, Mr. Chairman and members of the Committee for your time. As my colleague Ms. Dondero Loop said, Nevada's gaming industry, through its technology and regulatory framework, has always represented the gold standard in the world. I believe that A.B. 279 will enable our state's gaming industry to grow. It will enable us to increase the amount of high-tech jobs in our state, and it will help keep Nevada at the forefront technologically and regulatorily. I appreciate your support. Thank you.

**Chairman Horne:**

Thank you, Mr. Ohrenschall. Is there anyone in Las Vegas to testify in favor?

We will move to the opposition. Is there anyone opposed to A.B. 279 in Carson City or in Las Vegas?

Last, we will move to the neutral position for here or in Las Vegas. Seeing none, I will close the hearing on A.B. 279 and bring the bill back to Committee. Thank you, Mr. Ohrenschall.

I will open the hearing on Assembly Bill 294, which is my bill brought on behalf of Cantor Gaming.



**Assembly Bill 294:** Revises various provisions governing mobile gaming.  
(BDR 41-1042)

I am going to allow Mr. Bob Faiss to come up and make a presentation with his team.

**Robert Faiss, Chairman, Gaming Law Practice Group, Lionel Sawyer & Collins, Las Vegas, Nevada; and representing Cantor Gaming:**

I am appearing as counsel for Cantor Gaming.

[Mr. Faiss read from a prepared statement ([Exhibit E](#)).]

Beginning more than 10 years ago, Lee began developing the core technology at Cantor Fitzgerald and its affiliates that would eventually allow him to reach a goal of enhancing and energizing the Nevada gaming industry with new ideas, new technology, and new jobs, all as a new citizen of Nevada. He will tell you now why A.B. 294 helps brings us closer to that goal.

**Lee Amaitis, President and CEO, Cantor Gaming:**

Chairman Horne, Vice Chairman Ohrenschall, and members of the Committee, I am here to speak on behalf of Cantor Gaming and its mobile gaming patrons in support of A.B. 294.

[Mr. Amaitis read a prepared statement ([Exhibit F](#)).]

Mr. Chairman, I thank you and other members of the Judiciary Committee for your time this morning, and I am more than willing to take any questions at this time.

**Chairman Horne:**

We have a question from Mr. Hammond.

**Assemblyman Hammond:**

Mr. Amaitis, you talked about the procedure for checking into a hotel and then being able to game on a mobile device. I want to make sure that I understand that when you check in at the counter and say that you would like to game on a mobile device, you actually give them the cash right there so that they can see that you are over 18. They can see you and your identification. It is not like my son, who is 11, can get on my mobile phone and game. They give you a personal identification number (PIN) and all the other information. They do not call you up and ask for your grandmother's maiden name or anything like that.

They see you at the counter. You give them the cash, so they know with a high percentage of certainty that you are not underage.

**Lee Amaitis:**

Our current system requires all of what you just described, and also demands that you produce proper identification to prove that you are 21 years of age or over. We have a personal identification requirement as well as a personal funding requirement when you open an account. Unless you produce that identification, you will not be able to open a mobile gaming account.

**Assemblyman Hammond:**

By "personal funding," you mean that it is not like I am using my credit card. You are talking about me giving you \$400 in cash. If I use up that \$400, would I have to go down and give you more?

**Lee Amaitis:**

That is correct.

**Assemblyman Hammond:**

Thank you.

**Chairman Horne:**

Ms. Dondero Loop.

**Assemblywoman Dondero Loop:**

Thank you, Mr. Chairman. Mr. Amaitis, could you explain the deletion in section 3, subsections 5 and 6 of the amendment ([Exhibit G](#))?

**Robert Faiss:**

I probably ineptly described the reason the amendment takes this out. This was the funding system whereby the mobile gaming operator could pay license fees directly to the State Gaming Control Board (GCB) instead of the present system where they pay into the resort hotel, and the resort hotel pays it to the GCB.

**Assemblywoman Dondero Loop:**

Okay, so it takes out that middleman.

**Robert Faiss:**

It would, but the GCB found some functional problems that make it advisable not to place that matter before the Committee when you have so many more important things to deal with.

**Assemblywoman Dondero Loop:**

Thank you, Mr. Faiss.

**Chairman Horne:**

Mr. Ohrenschall.

**Assemblyman Ohrenschall:**

Thank you very much, Mr. Chairman. My question is for any of the witnesses. If A.B. 294 passes, what areas within a gaming establishment would be available to patrons to use the mobile gaming devices?

**Lee Amaitis:**

It would be the intent of the bill that the mobile devices could be used in any area of the resort today, which would include the hotel rooms, restaurants, and third party operations on the resort floors, because the technology has advanced to the point where we can now track people much better than we were able to six or seven years ago and in a much broader sense.

Part of the concern, I think, of this Committee and some regulators when the bill was adopted in 2005, was whether we were able to provide the technology to maintain this sort of "technology surveillance" where a patron could play. Technology has advanced to the point where we can do that. The banking control industry has taken a strong leap forward in being able to identify encryption software that we also use to identify repeat patrons once they have opened their accounts. There are a number of different ways in which you can work with the regulators to change passwords and PINs so that you can continually monitor underage gambling. Our intent is for patrons to use this anywhere on the resort and in any place people would want to play.

**Assemblyman Ohrenschall:**

Is it logical that this would possibly generate more revenue because people could continue to place bets while they are in their room, at the pool, or in the restaurant?

**Lee Amaitis:**

The simple answer to that is I think it will make the commercial aspects of gaming much better for the operator and the hotel industry by the fact that the patron survey always indicates that the number one place to play is in the hotel room. We believe it will increase a significant amount of play on the devices. We also feel that it is a segue to Internet-related issues that this Committee is facing. You have mobile gaming as a segue to control of certain areas of technology to monitor use and play. Yes, it will increase. Yes, I think that our casino partners are anxious and happy about the fact that this bill has been

submitted. It can increase the play. We actually think that it will also bring on a significant amount of competition.

**Assemblyman Ohrenschall:**

Thank you very much. Thank you, Mr. Chairman.

**Chairman Horne:**

Mr. Daly.

**Assemblyman Daly:**

Thank you, Mr. Chairman. You mentioned the device being timed out. What would be the procedure to then "time back in?" Are they going to use the same PIN, or would they have to go downstairs and get a new one? How long would it take to time out? We would not want people to play if they did not want to just because it is going to time out after an hour and because they would have to go through an elaborate procedure.

Also, what happens if a person has a device, and I am assuming you people have a closed network, and he goes outside the perimeter, and play is cut off? This is similar to another issue we had where if somebody leaves a device in the room, and it still has credits on it, what will you do with that money?

**Lee Amaitis:**

We have red zones and green zones, so the footprint of the resort has those zones today, and gaming is not permitted in the rooms. The rooms are red zones. We actually shut off these devices if they get into an elevator bank, at a considerable cost, by the way. The technology to shut them off is far more expensive than the technology to turn them on.

I think that the concept of being able to control them is much better. Some of you probably have Internet banking accounts where you will be prompted to answer a question from time to time when you log back in. The regulators will set the parameters of what they want to see from a control device. They will set the time out. We feel that if you put the device down, it should time out rather quickly, within 30 or so seconds, because we do not want somebody just walking up and picking it up and using it. You will have to log back in. You will be prompted for another PIN, or you might be prompted with another question. That is going to be part of what the regulators will impose on us, which is fine.

I think that as a presenter of technology, we have seen that the public is very comfortable with the fact that they must answer questions and provide PINs and do all the things necessary if they want to play. The world of the Internet has proven that. People will spend more time on control of their own ability to

play games than they do today in an environment other than a traditional casino floor. Technology has that advantage.

**Phillip Flaherty, representing Cantor Gaming:**

May I augment Mr. Amaitis' answer a little bit? Assemblyman Daly, your question with regard to credits left on the machine, there really are no credits left on the machine. These are account-based systems. It tracks with you, unlike the ticket-in, ticket-out world where you have an independent ticket that comes out. In our world, it is perfect reconciliation in that if you have a winning event, the money goes back into your account. If you have unused funds, they go back into your account.

**Chairman Horne:**

Mr. Segerblom.

**Assemblyman Segerblom:**

Thank you, Mr. Chairman. I know that you allow real time betting, such as betting that the next play will be a run, the next play will be a pass, on the next play they will make a first down, and who makes the first touchdown, et cetera. I wonder whether you thought about the scenario where there are something like ten geniuses in a room with lots of computers, and they are trying to outsmart you. You cannot see them or what the next bet is going to be.

**Lee Amaitis:**

They have tried, and will always try that. I think that when you get into the world of account wagering, where you allow people to have instant access to technology that allows them to make a wager, it is no different from the trading world where people try to get more efficiencies and stay ahead of the pack. I think that people will always try to build a smarter mousetrap to apply their algorithm to beat ours. That is just the world of wagering. I think that we, as gaming operators, understand those challenges all the time and are very comfortable in the security and encryption of our system which does not allow people to "pre-bet." In other words, they will not be able to pick us off in that way. Clearly, they will not be able to "post-bet" either; so we are very comfortable with our technology in that sense.

Are they smarter than us in that we have maybe a stale line? I mean, that is just the responsibility of our own algorithms to be able to keep track, but we are very comfortable with the situation, and our success in the sports wagering world has lent to the credibility of the computer-based algorithm by setting lines and allowing people to make wagers during the game. At the M Casino last year, we did over \$400 million worth of wagers, of which about 10 percent was in running.

**Chairman Horne:**

Are there any other questions? I see none. Is there anyone else here in Carson City wishing to testify in favor of A.B. 294? How about in Las Vegas? There are none.

We will move to the opposition. Is there anyone opposed to A.B. 294? Is there anyone in Las Vegas?

Is anyone in the neutral position?

**Mark Lipparelli, Chairman, State Gaming Control Board:**

Mr. Chairman, we at the GCB do not take a "for" or "against" position on this bill. However, we would like to point out that, with regard to enforcement of underage gaming, we have worked with these particular licensees and others with respect to who can access a mobile device.

A central part of our enforcement mechanism is having agents in these casinos on a fairly consistent basis to observe activities. Public access is part of our public policy statement, which states that gaming has to be publicly accessible. We also deal with underage gaming, cheating, and observation of employees. If you were to change policy with respect to mobile gaming and allow it into a hotel room, I think our Enforcement Division's view is that you would essentially eliminate its ability to police underage gaming that might be taking place in a hotel room. It is really unenforceable.

That is not to say that we have not worked with applicants who have wanted to have mobile gaming within cabanas around pools. We have tried to work with the industry on ways to ensure that. If it is going to be an adult pool, for example, it is permitted. If you are going to have gaming in a cabana, we know that we can do physical observations to find out whether a parent is handing off the device to a minor. There are mechanisms to make it difficult for minors to gamble, but in a hotel room setting there are some challenges with our Enforcement Division's ability to determine whether there is a minor gambling behind the closed door of a hotel room.

**Chairman Horne:**

Thank you, Mr. Lipparelli. In working with these various licensees, are you comfortable with the current procedures and protocols they have in place to prevent intrusions like multiple queries and PINs, et cetera? It seems to be an evolving type of security measure.

**Mark Lipparelli:**

There are evolving security measures, but once a patron is behind closed doors, the ability to check up on those measures diminishes greatly. At some point, there has to be some physical observation of what is actually occurring. There could be some progress made in the area of biometrics that would be a "keep-alive" requirement that would potentially add another layer of benefit, but sometimes those can be defeated as well. We will continue to work with the industry and make sure that we will make it as difficult as possible for a minor to access the account. I wanted to point out to the Committee that that would be an enforcement challenge for our group.

**Chairman Horne:**

Thank you. Mr. Frierson.

**Assemblyman Frierson:**

Thank you, Mr. Chairman. I think that we are concerned about underage gamblers. There is a lot to be said about parent responsibility, and, to some extent, there is not a whole lot we can do in the same way that a parent can allow a minor to drink in a hotel room. We do not endorse that conduct, but we cannot stop it necessarily. It sounds to me like we are allowing the industry to flourish with new innovations. We simply cannot do everything to prevent abuses of that system.

**Chairman Horne:**

Thank you, Mr. Frierson. Are there any other questions or comments? Is there anyone else in the neutral position on A.B. 294? Seeing none, we will close the hearing on A.B. 294. We will bring the bill back to Committee. I thank everyone, and we will take a quick ten-minute recess.

[The Committee recessed at 8:50 a.m. and reconvened at 9:05 a.m.]

We will now begin our work session. I believe the work session document is on the Nevada Electronic Legislative Information System (NELIS). For those of you who did not get to see the document until this morning, I said that we were going to try to get things on NELIS the day before, but yesterday I lost both my attaché and my committee manager. We were able to get it on eventually, but not yesterday. We will not go to Assembly Bill 96. We will start with Assembly Bill 111.

**Assembly Bill 111:** Revises provisions relating to domestic relations.  
(BDR 11-197)

**Dave Ziegler, Committee Policy Analyst:**

Thank you, Mr. Chairman. Assembly Bill 111 was sponsored by this Committee on behalf of the Legislative Committee on Child Welfare and Juvenile Justice. [Work session document ([Exhibit H](#)) was reviewed.] We first heard it on March 8, 2011.

If a child is in the custody of an agency that provides child welfare services, A.B. 111 authorizes prospective adoptive parents who live outside Nevada to attend a hearing on petition for adoption by telephone and authorizes a petition to be granted to a petitioner who has not resided in Nevada for six months.

Assembly Bill 111 also allows a court to address a prospective adoptive parent by telephone, prior to entering an order of adoption, when the court inquires whether that person has knowledge of an agreement that provides for post-adoptive contact.

The bill also revises the provisions that apply to notice and scheduling of hearings on whether to include an order for visitation in an adoption decree.

The Division of Child and Family Services, Department of Health and Human Services, and the Washoe County Department of Social Services have proposed several amendments. Copies of the amendments are attached.

Mr. Chairman, I have spoken primarily with Mr. Schiller from the Washoe County Department of Social Services on this amendment, and I think it takes care of a number of the issues that came up at the hearing. Thank you.

**Chairman Horne:**

Thank you, Mr. Ziegler, for the opportunity to look over the amendments. Does anyone have any questions or concerns? If there are none, I will entertain a motion. Mr. McArthur.

**Assemblyman McArthur:**

Thank you, Mr. Chairman. I am still reading through this amendment, but I have one question. Can they actually make the adoption without any face time whatsoever between the adoptive parents and the child?

**Chairman Horne:**

Are you referring to the child never meeting the adoptive parents?



**Assemblyman McArthur:**

Yes. It looked like that was mostly the purpose, and it looked like they could do it without ever seeing each other.

**Kevin Schiller, Director, Washoe County Department of Social Services:**

If I understand the question correctly, it is whether the parents have had contact with the prospective adoptive parents and with the child they are adopting. Is that the question?

**Assemblyman McArthur:**

Yes.

**Kevin Schiller:**

Typically, pursuant to statute, the child visits and then is placed in the prospective adoptive parent's home, and we cannot move toward finalization for a period of six months. Even though we could finalize the adoption, if it is an out-of-state placement, the child will have been placed there, and there will be follow-up documentation and ongoing communication around the status and the relationship with the child.

**Assemblyman McArthur:**

So, adoption can take place without face time, but there is basically a probationary period before it is finalized.

**Kevin Schiller:**

That is correct. One of the key components, as we move to consent to the adoption, is that face time and the stability of the relationship between the prospective adoptive parent and the child.

**Assemblyman McArthur:**

Thank you.

**Chairman Horne:**

Mr. Hammond.

**Assemblyman Hammond:**

Thank you, Mr. Chairman. It looks like section 6, subsection 4 has been stricken from the bill. Is that correct? Was it added in another area?

**Chairman Horne:**

Mr. Ziegler, your thoughts.

**Dave Ziegler:**

My understanding of the amendment is that the provision in section 6 was located in *Nevada Revised Statutes* (NRS) Chapter 127; and, upon reflection, I think that the parties felt that it was better located in Chapter 432B. Section 6.5 essentially replaces the former section 6.

**Chairman Horne:**

Does that answer your question, Mr. Hammond?

**Assemblyman Hammond:**

Yes, it does. Thank you.

**Chairman Horne:**

Are there any other questions? Mr. Frierson.

**Assemblyman Frierson:**

Just to clarify, the intention is not to allow an adoption by a family that has never actually seen the child. The intention is to allow an out-of-state potential adoptive family who has seen the child to participate via telephone or videoconferencing. The language says "any," but I am presuming the intention is "any, but not all." I do not know whether we need to articulate that, given the system, but I want to make sure the record is clear that that is the intention.

**Kevin Schiller:**

That is correct. To alleviate those concerns in current practice under NRS Chapter 432B, as we move towards the finalization of that adoption, that child is placed in that prospective home as a foster child. The intention is really in accordance with what currently is occurring in practice to prepare for finalization of that adoption. It really is just allowing us, as the jurisdiction in Nevada, to finalize the adoption and not be dependent on the out-of-state jurisdiction to achieve permanency for the child.

**Chairman Horne:**

We have another question from Mr. Hammond.

**Assemblyman Hammond:**

Thank you very much for allowing me this last question. I just want to make sure that I understand the changes that were made. Some of the language in the bill previously stated things like "must" for sibling visitation. It "must" happen here; you "must" do this, et cetera. It looks like it has changed to "reasonable." Is that, in fact, the change?

**Kevin Schiller:**

That is correct. The reason we moved towards "reasonable" was really specific to how it is going to impact the interests of other adoptive and foster parents where there is a sibling order. We tried to mirror language that exists in current statute.

**Assemblyman Hammond:**

Thank you, Mr. Schiller.

**Chairman Horne:**

I will entertain a motion.

ASSEMBLYMAN FRIERSON MOVED TO AMEND AND DO PASS  
ASSEMBLY BILL 111.

ASSEMBLYMAN OHRENSCHALL SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

Mr. Ziegler will present the next bill.

**Dave Ziegler, Committee Policy Analyst:**

Thank you, Mr. Chairman. The next bill is Assembly Bill 125, sponsored by this Committee on behalf of the Legislative Committee on Senior Citizens, Veterans, and Adults with Special Needs. [Work session document ([Exhibit I](#)) was reviewed.]

**Assembly Bill 125:** Revises provisions concerning the reporting of crimes against older persons. (BDR 14-154)

Assembly Bill 125 is related to the Repository for Information Concerning Crimes Against Older Persons. It provides that the Repository must contain a record of all reports of abuse, exploitation, isolation, or neglect of older persons, rather than the broader term, "crimes against older persons." It also provides that the records must include the items of information listed in the existing statute creating the Repository. The key phrase in that sentence is "must include."

On February 21, 2011, the American Civil Liberties Union (ACLU) submitted a letter to the Committee saying that section 5 of the bill should prohibit disclosure of the identity of anyone accused but not convicted of abuse, exploitation, isolation, or neglect of older persons. Thank you, Mr. Chairman.

**Chairman Horne:**

Thank you. We do not have a draft of that, do we?

**Dave Ziegler:**

No, sir, we did not draft any conceptual language on that.

**Chairman Horne:**

Mr. Ohrenschall.

**Assemblyman Ohrenschall:**

Thank you, Mr. Chairman. This is a great bill. I think we need to really compliment former Assemblywoman Kathy McClain and Assemblyman Lynn Stewart, who spearheaded this effort. I like the bill. I am more comfortable with the ACLU amendment.

**Chairman Horne:**

Mr. Brooks.

**Assemblyman Brooks:**

Thank you, Mr. Chairman. I am trying to find the ACLU amendment. In my notes it says, "no need for personal identifying information." We noted that that was not the intent of this bill. Where did we amend it to coincide with their request?

**Chairman Horne:**

Mr. Ziegler.

**Dave Ziegler:**

In the Nevada Electronic Legislative Information System (NELIS), under the hearing held on February 21, 2011, there is a letter from Ms. Rebecca Gasca of the ACLU. In that letter, she makes the statement that ". . . section 5 of the bill should prohibit the disclosure of the identity of anyone accused but not convicted of abuse, exploitation, isolation, or neglect. . . ." To expand, there was testimony that day from the people who run the Repository, saying that this is statistical data, and it does not contain personal identifying information. Also, existing statute says, "the data and findings generated under this section must not contain information that may reveal the identity of an individual victim." So, I think we would be adding a sentence saying that it would also not identify the accused.

**Assemblyman Brooks:**

So, it has not yet been added to the amendment, and you are going to add it.

**Dave Ziegler:**  
That is correct.

**Assemblyman Brooks:**  
Under what section would that be?

**Dave Ziegler:**  
The suggestion of the ACLU is to insert that in section 1, subsection 5 of *Nevada Revised Statutes* 179A.450.

**Assemblyman Brooks:**  
Thank you.

**Chairman Horne:**  
Mr. Frierson.

**Assemblyman Frierson:**  
I think it was addressed by counsel that it already has somewhat of a prohibition. I presume Mr. Ohrenschall's suggestion would simply be to add the phrase "or perpetrator" in section 5.

**Chairman Horne:**  
Mr. Ohrenschall.

**Assemblyman Ohrenschall:**  
Thank you, Mr. Chairman. I agree with Mr. Frierson. Thank you.

**Chairman Horne:**  
Mr. Daly.

**Assemblyman Daly:**  
I want to be clear on the amendment, with which I agree. The ACLU was talking about someone accused. If you are convicted, then there is no prohibition against disclosure. Only the accused are protected is what I understand.

**Chairman Horne:**  
Mr. Ziegler.

**Dave Ziegler:**  
That would be consistent with the ACLU letter.

**Chairman Horne:**

I believe there was testimony on the purpose of this data. The purpose was to gather statistical information. It is not a disclosure to the public. Is that correct, Mr. Anthony?

**Nick Anthony, Committee Counsel:**

That is correct, Mr. Chairman. The law, as currently written in section 1, subsection 5, states that "the data pursuant to this section is confidential and must only be used for the purpose of research." Additionally, I believe there was testimony put on the record that it was only for statistical purposes and, in essence, is only a tally mark of each record of abuse, neglect, or exploitation.

**Chairman Horne:**

I do not particularly believe there is a need for the ACLU amendment. Mr. Frierson.

**Assemblyman Frierson:**

I agree with you, Mr. Chairman, given the record that we made that there is no intention whatsoever to release or use this information for anything other than statistical purposes. It is my position that releasing the name of the accused or convicted would subsequently also release the name of the victim by virtue of public record. I do not think it would serve anybody's purpose to release the names of either, and I think it was clear in the testimony that that was not their intention. I would be comfortable proceeding with the bill as is.

**Chairman Horne:**

Mr. Hansen.

**Assemblyman Hansen:**

On the reports that the Repository is going to use, will there be any names of any of the people who were actually involved with the crime? If there will be, then the ACLU has a good point. We do not need to be putting people on the record who have not, in fact, been convicted. I want to find out what is actually in the report that the statistical information will be compiled from.

**Chairman Horne:**

Were there any questions on that, Mr. Ziegler, during the hearing?

**Dave Ziegler:**

From my notes, which certainly are not an official record of the meeting, I see that Julie Butler from the Department of Public Safety testified that "there is no registry of people who commit these crimes. We do not collect names; we collect incidents."

**Chairman Horne:**

Okay, so no names are collected, only incidents. Mr. Ohrenschall.

**Assemblyman Ohrenschall:**

In light of the record we have established, this is purely statistical. It will not be any kind of a registry. I am comfortable with going ahead without the ACLU amendment. I think we are accomplishing the safeguards they want for folks who might have been accused but never convicted.

**Chairman Horne:**

Mr. Segerblom.

**Assemblyman Segerblom:**

I hate to disagree with Mr. Ohrenschall, but I think that these names and databases have a life of their own, and once you get into that system, who knows where it is going to end up? I prefer to add something that makes it clear that the name of the victim or the perpetrator, unless there is a conviction, should not be released. If it does get out there, you can always go to the state and point out that it would be a clear violation of the law.

**Chairman Horne:**

But, they do not collect the names. Ms. Butler testified that only incidences are collected, not names.

**Assemblyman Segerblom:**

Well, then why does it say "victim?"

**Assemblywoman Diaz:**

My colleague's point is that it states in section 1, subsection 5, "the data and findings generated pursuant to this section must not contain information that may reveal the identity of the individual victim." We are suggesting adding some balance by putting, maybe, "may not reveal the identity of any individual victim, nor the accused or perpetrator." I do not know what the best language is, but that way, we would ensure that both parties would be excluded. I guess we are seeking protection for both sides.

**Chairman Horne:**

Mr. Brooks.

**Assemblyman Brooks:**

That is why I brought it up. I agree with my colleague from the south. If it is going to say "the victim," and for the protection of the perpetrator, you need to also put in there that there were no findings in particular.

**Chairman Horne:**  
Mr. Daly.

**Assemblyman Daly:**  
I would say the same thing. It would be precautionary to put it in there.

**Chairman Horne:**  
Mr. Hansen.

**Assemblyman Hansen:**  
I do not see how the amendment from the ACLU would hurt this in any way. It might protect some innocent person down the road; so I would support the bill with the amendment.

**Chairman Horne:**  
Mr. Hammond.

**Assemblyman Hammond:**  
Do we need the amendment as written? I am not sure we need the entire amendment. If you just add "alleged perpetrators," are we not covered?

**Chairman Horne:**  
Mr. Anthony.

**Nick Anthony:**  
Thank you, Mr. Chairman. I believe, yes, you would be covered there if you made an amendment which reads "or an alleged perpetrator or accused" right after the phrase, "identity of an individual victim."

Mr. Chairman, certainly, bill drafting has the intent, and we can work with that language to clarify that it is only a person that has been accused.

**Chairman Horne:**  
Mr. Frierson.

**Assemblyman Frierson:**  
Thank you, Mr. Chairman. Another option would be to say, ". . . the identity of any individual involved in the abuse, neglect . . . ." That way, we cover the victim, the accused, witnesses, et cetera. I think that the Legal Division has the conceptual idea, though.

**Chairman Horne:**  
I will entertain a motion, if we have some consensus.



ASSEMBLYMAN BROOKS MOVED TO AMEND AND DO PASS  
ASSEMBLY BILL 125.

ASSEMBLYWOMAN DIAZ SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

Please present the next bill, Mr. Ziegler.

**Dave Ziegler, Committee Policy Analyst:**

Thank you, Mr. Chairman. The next bill is Assembly Bill 126, sponsored by this Committee on behalf of the same legislative committee. [Work session document ([Exhibit J](#)) was reviewed.]

**Assembly Bill 126: Makes various changes concerning vulnerable persons.  
(BDR 18-153)**

Assembly Bill 126 expands the scope of the existing Unit for the Investigation and Prosecution of Crimes Against Older Persons in the Office of the Attorney General to include vulnerable persons. It requires the Unit to sponsor multidisciplinary teams to review allegations of abuse, exploitation, isolation, or neglect, authorizes such a team to include a representative of a local government agency, and requires each organization represented on such a team to assist in carrying out the duties of the team, at the request of the Attorney General.

When a person has made a required report of abuse, exploitation, isolation, or neglect of a vulnerable person and has reasonable cause to believe it involves an act or omission of a law enforcement agency, the bill requires the report to be forwarded to the Unit. Similarly, required reports involving the death of a vulnerable person must be forwarded to the Unit.

On February 21, 2011, which was the day of the hearing, Special Deputy Attorney General Brett Kandt submitted an amendment, a copy of which is attached ([Exhibit J](#)). I think the gist of the amendment is that it removes the requirement that the Attorney General must form the multidisciplinary teams, and it takes it down to the local level and makes it discretionary there. Thank you, Mr. Chairman.

**Chairman Horne:**

We have not heard back from the sponsors of the bill. I believe Ms. McClain, who handed this off, is okay with the proposed amendment, if only in a

lukewarm fashion. I think that is a good characterization. I will give everyone an opportunity to look over the amendment.

I have a question. If we are going to push this down to the local county level, why are we making it permissive? The Attorney General did not want to do it. They said it would be best if the county did it. We pushed it to the county and said the county can do it if they want to do it. Are we defeating the purpose of the bill? Is there anyone in the audience who can answer that question? Is there anything in the testimony, Mr. Ziegler?

**Dave Ziegler:**

After quickly reviewing my notes taken on the day of the hearing, I think you ask an open question. I believe that the testimony was along the lines that there has only been one of these multidisciplinary teams formed, and it was formed at the local level in Washoe County. I think they felt that it had been successful. Thank you, Mr. Chairman.

**Chairman Horne:**

Mr. Daly.

**Assemblyman Daly:**

Thank you, Mr. Chairman. I want to make sure I understand. On page 3 of the original bill, it says, "the Unit shall . . . ." They changed it from "the Unit may." And then, in the amendment, they are changing it to say the county "may organize . . . ." So, what do we want to do, make it "shall" or "may?" Otherwise, I agree with you, Mr. Chairman. It changes it back to what it was.

**Chairman Horne:**

Mr. Sherwood.

**Assemblyman Sherwood:**

As I recall the testimony, it seemed like this was one of those passive-aggressive, signing in neutral events, and their local folks were opposed to it. I think that was the issue. If you put the "shall" in, you will take resources away from the departments, and that they can kind of walk and chew gum at the same time was the compromise. I think the point of the amendment is to have them on board without saying they are opposed to elder abuse. Nobody wants to be accused of that.

**Chairman Horne:**

We are allowing them to come on board if they want to. That is basically how the amendment would read. Mr. Brooks.

**Assemblyman Brooks:**

Thank you, Mr. Chairman. I think I have some clarification. My notes say that the Nevada Sheriffs' and Chiefs' Association in Washoe County stated that the Las Vegas Metropolitan Police Department is concerned with changing this word to make them organize multidisciplinary teams. That was in the original amendment when we put "shall" in there. It looks like there was some type of compromise to put "may."

**Chairman Horne:**

I understand that, but basically we have gone from the bill requiring the Attorney General to form the teams to pushing it down to local level and not requiring action from the agencies at the local level but permitting them to do it.

Mr. Frierson.

**Assemblyman Frierson:**

Thank you, Mr. Chairman. This amendment sounds like one of those "I am neutrally opposed" amendments. It sounds like it essentially deletes the whole bill. I think that it is permissive now. The intent of the bill was to make it mandatory, and this amendment seems to go back to making it permissive, which is fine. If they do not have the resources to do it, then this is like opposition, it seems to me.

**Chairman Horne:**

Mr. Hammond.

**Assemblyman Hammond:**

Thank you, Mr. Chairman. I was looking at my notes, as well. There were several others, such as Chuck Callaway and Tim Kuzanek, I believe, who also thought that the language was too constricting, and they wanted it to be more permissive. I have in my notes that some of the reasoning for passing this was to have a better reporting of all these alleged crimes, so that we might be eligible for more federal funds. It sounds like the counties are having a problem with it because they were worried that they may not have the resources to account for it, and the only reason why we are accounting for it is perhaps to get more federal funds.

**Chairman Horne:**

Mr. Sherwood.

**Assemblyman Sherwood:**

Concerning the proposed amendment, and considering the law enforcement representatives from whom we heard, nobody is shirking his responsibility.

I think the amendment simply allows law enforcement to do their job. I am certainly in favor of the bill as amended, so that we are on the record that we are aware of the problem. However, at a certain level, I think we have to trust the Office of the Attorney General and the Las Vegas Metropolitan Police Department. They know what works best to keep us protected.

**Chairman Horne:**

Ms. Dondero Loop.

**Assemblywoman Dondero Loop:**

However, under the intent of the proposed amendment, it clearly says, “. . . without the necessity of Attorney General sponsorship.” So, we might trust in the Attorney General, but the Attorney General is saying its involvement is discretionary. Thank you.

**Chairman Horne:**

Are there any other comments, questions, or concerns? Ms. Diaz.

**Assemblywoman Diaz:**

I am looking at the original bill and trying to contrast it with the proposed amendment from the Office of the Attorney General. The only difference I see is that they are taking the Attorney General out of the whole procedure. On the original bill, it says, “each member and each organization represented on a multidisciplinary team shall, at the request of the Attorney General, assist in carrying out the duties of the multidisciplinary team.” I think they are just taking themselves out of that process and just letting the team do what they need to get done. Do I understand it correctly?

**Chairman Horne:**

I think you do, but I think the only multidisciplinary team that we have of record is in Washoe County. Mr. Frierson.

**Assemblyman Frierson:**

I failed to note previously that it does define a “vulnerable person;” so in that regard, it is not useless as far as an amendment goes. It defines a vulnerable person and includes that definition, but it takes out the language for the mandatory development of this group. In that regard it at least encompasses the definition of “vulnerable person.”

**Chairman Horne:**

Thank you, Mr. Frierson. I do not see a consensus of comfort among the Committee members. Ms. Diaz.

**Assemblywoman Diaz:**

Do we know where the sponsors are with the proposed amendment?

**Chairman Horne:**

We have not heard from Mr. Stewart. Mr. Hansen.

**Assemblyman Hansen:**

Thanks, Mr. Chairman. If you look at section 5, line 2, it originally read, ". . . the Unit may organize . . . ." We are changing that to "shall organize" for the Attorney General's Office. The Attorney General's Office is sending us an amendment that they want the county to go to "may." I would be much more comfortable with both of these if we left them as "may." Why would we make it mandatory for the Attorney General and not mandatory for the county? This whole thing is a little confusing to me, and my gut instinct tells me to leave the law as it is unless we can get that clearly resolved. I do not want to make it mandatory on either party. Both seem to want to have a little bit of flexibility as to whether or not they want to do this.

**Chairman Horne:**

I am going to pull A.B. 126 back to Committee until we get some comfort.

Mr. Ziegler, the next bill, please.

**Dave Ziegler Committee Policy Analyst:**

Thank you, Mr. Chairman. The next bill is Assembly Bill 181. [Work session document ([Exhibit K](#)) was reviewed.]

**Assembly Bill 181:** Provides for the involuntary civil commitment of sexually dangerous persons. (BDR 39-95)

This bill is sponsored by you, Mr. Chairman. It was heard in this Committee on March 4, 2011. The bill authorizes a district attorney, for reasonable cause, to petition the district court alleging a person serving a sentence or in juvenile confinement for a sex offense is sexually dangerous. If, after a hearing before a grand jury, the jury finds by unanimous verdict that the person is sexually dangerous and requires commitment, the court must enter an order committing the person to the custody of a program for the treatment of sexually dangerous persons established under the bill.

The bill also requires the Division of Mental Health and Developmental Services to adopt regulations establishing the program, including guidelines for treatment, care, secure confinement, and other factors.

Mr. Chairman, I believe the Committee members recall this hearing. You have recommended amending the bill as a whole with an amendment to *Nevada Revised Statutes* 176.0125, relating to the duties of the Advisory Commission on the Administration of Justice (ACAJ). The amendment would include in the duties of the Advisory Commission an evaluation of policies and practices related to the civil commitment of sexually dangerous persons.

Members, you will recall there was some discussion the day of the hearing that this be transformed into an interim study. The proposal on the table today is that it be placed within the purview of the ACAJ, which could then study this during the interim. Thank you, Mr. Chairman.

**Chairman Horne:**

Thank you, Mr. Ziegler. Are there any questions on the conceptual proposed amendment? Basically, we are sending it to the ACAJ to study civil commitment of sexual offenders, how that works in the state, cost, numbers, et cetera. On the ACAJ sit legislators, judges, law enforcement personnel, private citizens, representatives from the Department of Parole and Probation, the Department of Corrections, et cetera. They could study this, have hearings, and request information and data from a variety of sources to make a recommendation and possibly bring it back to the next legislative session. Mr. McArthur.

**Assemblyman McArthur:**

To clarify, if we vote for this, are we just voting for the conceptual amendment to do what you just said?

**Chairman Horne:**

That is correct. Mr. Sherwood.

**Assemblyman Sherwood:**

With that understanding, I would be comfortable making a motion if you are ready to entertain one, Mr. Chairman.

**Chairman Horne:**

Seeing no other questions, I would entertain a motion.

ASSEMBLYMAN SHERWOOD MOVED TO AMEND AND DO PASS  
THE CONCEPTUAL AMENDMENT TO ASSEMBLY BILL 181.

ASSEMBLYMAN OHRENSCHALL SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

The next bill, please, Mr. Ziegler.

**Dave Ziegler, Committee Policy Analyst:**

The next bill is Assembly Bill 194. [Work session document ([Exhibit L](#)) was reviewed.]

**Assembly Bill 194:** Revises provisions relating to court interpreters for persons with a communications disability. (BDR 4-85)

This bill is sponsored by Assemblyman Ohrenschall, and it was heard in this Committee on March 16, 2011. Assembly Bill 194 relates to witnesses in civil proceedings. The bill provides that a person with a communications disability, for whom an interpreter is appointed, may not be charged a fee or be required to pay any part of the interpreter's compensation. There were no amendments proposed the day of the hearing. Thank you, Mr. Chairman.

**Chairman Horne:**

Thank you, Mr. Ziegler. Are there any questions from the Committee on A.B. 194? Mr. Ohrenschall.

**Assemblyman Ohrenschall:**

Thank you, Mr. Chairman. I want to reiterate in case anyone did not remember the hearing. This bill would increase access to the courts for people with a hearing disability. I was initially contacted by the Civil Rights Division at the U.S. Department of Justice to introduce this bill. It will bring us in compliance with federal law.

**Chairman Horne:**

I will entertain a motion.

ASSEMBLYMAN FRIERSON MOVED TO DO PASS  
ASSEMBLY BILL 194.

ASSEMBLYMAN SEGERBLOM SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

**Chairman Horne:**

May we have the next bill, Mr. Ziegler?

**Dave Ziegler, Committee Policy Analyst:**

Thank you, Mr. Chairman. Assembly Bill 261 has to do with small claims. [Work session document ([Exhibit M](#)) was reviewed.]

**Assembly Bill 261**: Increases the monetary limit in actions for small claims adjudicated in a justice court. (BDR 6-1029)

This bill is sponsored by Assemblyman Hansen. It was heard in this Committee on March 29, 2011. Assembly Bill 261 changes the upper limit on small claims actions in the justice courts from \$5,000 in the introduced version to \$9,000.

On the day of the hearing, the sponsor and the Nevada Judges of Limited Jurisdiction proposed an amendment, a copy of which is attached, which would change the upper limit on small claims actions to \$7,500 and impose a \$125 fee for preparation and filing of an affidavit and order if the sum exceeds \$5,000 but does not exceed \$7,500. Thank you, Mr. Chairman.

**Chairman Horne:**

Are there questions? Mr. Daly.

**Assemblyman Daly:**

The addition of the \$125 fee was not done in the original bill. Does that make it a two-thirds vote requirement for passage?

**Chairman Horne:**

It does. Are there any other questions? I will entertain a motion.

ASSEMBLYMAN SEGERBLOM MOVED TO AMEND AND DO PASS  
ASSEMBLY BILL 261.

ASSEMBLYMAN FRIERSON SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.



**Chairman Horne:**

That concludes our work. We pulled back A.B. 126 and A.B. 96. Is there any other business to come before the Committee today? We are adjourned [at 9:53 a.m.].

RESPECTFULLY SUBMITTED:

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Jeffrey Eck  
Committee Secretary

APPROVED BY:

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Assemblyman William C. Horne, Chairman

DATE: \_\_\_\_\_

**EXHIBITS**

**Committee Name:** Committee on Judiciary

**Date:** April 5, 2011

**Time of Meeting:** 7:39 a.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
A.B. 279	C	Assemblyman Ohrenschall	Proposed Amendment
A.B. 279	D	Lee Amaitis	Prepared Statement
A.B. 294	E	Robert Faiss	Prepared Statement
A.B. 294	F	Lee Amaitis	Prepared Statement
A.B. 294	G	Brin Gibson	Proposed Amendment
A.B. 111	H	Dave Ziegler	Work Session Document
A.B. 125	I	Dave Ziegler	Work Session Document
A.B. 126	J	Dave Ziegler	Work Session Document
A.B. 181	K	Dave Ziegler	Work Session Document
A.B. 194	L	Dave Ziegler	Work Session Document
A.B. 261	M	Dave Ziegler	Work Session Document