

**MINUTES OF THE
SENATE COMMITTEE ON JUDICIARY**

**Seventy-Seventh Session
May 30, 2013**

The Senate Committee on Judiciary was called to order by Chair Tick Segerblom at 9:23 a.m. on Thursday, May 30, 2013, in Room 2149 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to the University of Nevada, Las Vegas, 4505 S. Maryland Parkway, System Computing Services Building, Room 102. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Tick Segerblom, Chair
Senator Ruben J. Kihuen, Vice Chair
Senator Aaron D. Ford
Senator Justin C. Jones
Senator Greg Brower
Senator Scott Hammond
Senator Mark Hutchison

STAFF MEMBERS PRESENT:

Mindy Martini, Policy Analyst
Nick Anthony, Counsel
Ilena Madraso, Committee Secretary

OTHERS PRESENT:

Gail J. Anderson, Administrator, Real Estate Division, Department of Business and Industry
Garrett Gordon, Olympia Companies

Chair Segerblom:

I will open the work session for the Senate Committee on Judiciary. We will begin by hearing Assembly Bill (A.B.) 7.

ASSEMBLY BILL 7 (2nd Reprint): Revises provisions relating to the Gaming Policy Committee. (BDR 41-333)

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Mindy Martini (Policy Analyst):

I have prepared a work session document concerning this bill ([Exhibit C](#)).

SENATOR HUTCHISON MOVED TO DO PASS A.B. 7.

SENATOR KIHUEN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Chair Segerblom:

Now we will hear A.B. 311.

ASSEMBLY BILL 311 (1st Reprint): Creates the Contingency Account for Victims of Human Trafficking. (BDR 16-715)

Ms. Martini:

I have prepared a work session document concerning this bill ([Exhibit D](#)).

SENATOR BROWER MOVED TO DO PASS A.B. 311.

SENATOR HUTCHISON SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Chair Segerblom:

Moving on to A.B. 370.

ASSEMBLY BILL 370 (1st Reprint): Revises provisions concerning common-interest communities. (BDR 3-1016)

Ms. Martini:

I have prepared a work session document concerning this bill ([Exhibit E](#)). Mr. Gordon brought in a revised amendment ([Exhibit F](#)). The amendment has revised only the first part of three parts of the amendment.

Gail J. Anderson (Administrator, Real Estate Division, Department of Business and Industry):

My concern and comments pertain to the percent transition numbers in the proposed amendment. Our charge at the Real Estate Division in particular is for the owners of common-interest communities. The benchmark extends the limitation of homeowners' control over the budget, assessments, service contracts of the association and any decisions regarding litigation. The decision is made by minority members of a board and would be a permanent decision representing the entire association, and these are large associations. The step-by-step transition would be made by a minority of nondeclarant association board members. Most often, that would be two members. At a specific point in time it becomes set, and once established there is no going back. Developers tend to be generous in their declaration filings about the number of units to be developed to cover the maximum possibilities. The reality is that the number is set high, and the benchmark—which could come 80 percent, 85 percent, or 90 percent maximum—could effectively mean that association might never transition. That is not a given; it is just a possibility given the projections developers make to have as many units as possible in the declaration.

My other concern is that there has been no opportunity for homeowners, who would be affected by this significant change in the law, to review or comment in support or opposition.

Chair Segerblom:

This whole issue is important to consider—looking at phasing in the projects over a matter of time—you are right that some of these housing projects will not ever be completed based on the initial numbers. If those numbers are unrealistic, then I am concerned about changing the control period from 75 percent.

Senator Hammond:

Do you mind if we hear from the sponsor of the bill whether he wants all of the amendment, rather than just part?

Garrett Gordon (Olympia Companies):

[Exhibit F](#) has three parts. The first part was important to my client. We attempted to add a provision important to Jonathan Friedrich and another provision important to a constituent of Assemblywoman Melissa Woodbury. We ask that [Exhibit F](#) be treated as an all or nothing amendment given that we

believed there were compromises on our part in sections 2 and 3 in exchange for section 1. We recognize that the totality or portions of an amendment, once submitted, are at the mercy of the Committee.

Senator Hammond:

You would rather have the whole amendment researched and prepare for action 2 years from now. Is that what you are saying?

Mr. Gordon:

Yes. If any portion of the amendment is not satisfactory to the Committee, we would rather work with Gail Anderson on the provisions during the interim. We would rather not piecemeal this amendment today.

Senator Ford:

I do not understand the rationale for not accepting what could be passed today and then working on what is left out during the interim to be brought before the Committee in 2 years. When you and I spoke just before the meeting, I asked if you could follow up with Mr. Friedrich on whether he would agree to the revised portion of [Exhibit F](#); did you have a chance to talk with him?

Mr. Gordon:

I did call Mr. Friedrich, but he did not pick up his phone. The amendment is important to him—to increase the statute of limitations on alleged violations from 1 year to 18 months. That is why I included that in [Exhibit F](#). When we discussed the compromise of 90 percent in the Assembly hearings, Mr. Friedrich was willing to give up to 90 percent in exchange for the 1-year to 18-month provision. In good faith, I have tried to include our desired changes and Mr. Friedrich's desired changes.

Senator Ford:

Why would you not want to have those portions of your amendment that are agreed upon by all parties be made a part of law?

Mr. Gordon:

Sections 2 and 3 were difficult for us to swallow, but in exchange for section 1 we were willing to make the compromise. We are asking if the entire amendment is not acceptable to this Committee, that we work with Mr. Friedrich, Ms. Anderson and the Legal Aid Society of Southern Nevada during the interim to come up with a solution that works for everyone.

Senator Ford:

In your view, the whole amendment was a grand compromise and should be viewed as such?

Mr. Gordon:

Yes.

Senator Hutchison:

Do you believe that all of the parties with whom you negotiated agreed to this, including the Real Estate Division? Or was it just Legal Aid and others?

Mr. Gordon:

There was negotiation on the Assembly side. This language was passed by the Assembly Homeowners' Association Subcommittee and subsequently passed by the Assembly Committee on Judiciary. There was ample time to comment. We worked with Mr. Friedrich, who is passionate about these issues. We also worked with a constituent of Assemblywoman Woodbury, who wanted the ability to be on the board sooner; that is in section 2. And finally, we worked with Legal Aid and the sponsor to add, in section 1, additional language creating triggers and nondeclarant unit owners on the board, which would approve each extension control at each trigger. The Real Estate Division's concerns were news to me. I first heard the concerns yesterday. I reached out to Ms. Anderson and amended section 1 in response to her concerns. I believed amending the language to say that consent by the nondeclarant board members must be unanimous was a compromise, and I was respecting Ms. Anderson's comments made on the record yesterday.

Senator Ford:

I suggest we pass this bill without any amendments.

Chair Segerblom:

I have spoken to the sponsor, Assemblyman Ohrenschall, and that is his desire.

SENATOR FORD MOVED TO DO PASS A.B. 370.

SENATOR KIHUEN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Chair Segerblom:

Let us hear the final bill, A.B. 499.

ASSEMBLY BILL 499: Ratifies certain technical corrections made to NRS and Statutes of Nevada. (BDR S-522)

Ms. Martini:

I have prepared a work session document concerning this bill ([Exhibit G](#)).

Chair Segerblom:

We previously held this bill at the request of Senator Hutchison. Are you comfortable with this bill now?

Senator Hutchison:

Yes. I have spoken with our Legal Counsel, Nicholas Anthony, and have conferred with my colleague who had some concern. I am comfortable with this now.

SENATOR FORD MOVED TO DO PASS A.B. 499.

SENATOR KIHUEN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Chair Segerblom:

I will close the work session, and seeing no public comment, I will adjourn the Senate Judiciary Committee at 9:39 a.m.

RESPECTFULLY SUBMITTED:

Ilena Madraso,
Committee Secretary

APPROVED BY:

Senator Tick Segerblom, Chair

DATE: _____

<u>EXHIBITS</u>				
Bill	Exhibit		Witness / Agency	Description
	A	1		Agenda
	B	2		Attendance Roster
A.B. 7	C	1	Mindy Martini	Work session document
A.B. 311	D	1	Mindy Martini	Work session document
A.B. 370	E	2	Mindy Martini	Work session document
A.B. 370	F	2	Garrett Gordon	Revised Proposed Amendment to AB 370 (May 29, 2013)
A.B. 499	G	1	Mindy Martini	Work session document