

**MINUTES OF THE MEETING  
OF THE  
ASSEMBLY COMMITTEE ON LEGISLATIVE OPERATIONS AND ELECTIONS**

**Seventy-Eighth Session  
February 12, 2015**

The Committee on Legislative Operations and Elections was called to order by Chair Lynn D. Stewart at 4 p.m. on Thursday, February 12, 2015, in Room 3142 of the Legislative Building, 401 South Carson Street, Carson City, 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: [www.leg.state.nv.us/App/NELIS/REL/78th2015](http://www.leg.state.nv.us/App/NELIS/REL/78th2015). In addition, copies of the audio or video of the meeting may be purchased, for personal use only, 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 Lynn D. Stewart, Chair  
Assemblywoman Shelly M. Shelton, Vice Chair  
Assemblyman Elliot T. Anderson  
Assemblywoman Michele Fiore  
Assemblyman John Moore  
Assemblyman Harvey J. Munford  
Assemblyman James Ohrenschall  
Assemblywoman Victoria Seaman  
Assemblyman Tyrone Thompson  
Assemblyman Glenn E. Trowbridge

**COMMITTEE MEMBERS ABSENT:**

None

**GUEST LEGISLATORS PRESENT:**

None



**STAFF MEMBERS PRESENT:**

Carol M. Stonefield, Committee Policy Analyst  
Brenda J. Erdoes, Committee Counsel  
Patricia Hartman, Committee Secretary  
Olivia Lloyd, Committee Assistant

**OTHERS PRESENT:**

Brett Kandt, Special Assistant Attorney General, Office of the Attorney General  
K. Kevin Benson, Senior Deputy Attorney General, Office of the Attorney General  
Alan Glover, Special Assistant, Office of the Secretary of State

**Chair Stewart:**

[Roll was taken.] Today, we are hearing Assembly Bill 63. Presenters, please come forward and identify yourselves.

**Assembly Bill 63:** Clarifies that certain candidates who are elected despite ending their campaigns must file with the Secretary of State certain campaign finance reports. (BDR 24-436)

**Brett Kandt, Special Assistant Attorney General, Office of the Attorney General:**  
I am here to present Assembly Bill 63 for your consideration [referred to letter from the Office of the Attorney General ([Exhibit C](#))]. Assembly Bill No. 35 of the 77th Session, was a fairly comprehensive piece of legislation in the area of campaign finance. Assembly Bill 63 is designed to clarify campaign finance reporting requirements in a very limited situation. That situation is one in which a candidate drops out of a race without formally withdrawing but ends up being elected anyway.

To my left is Senior Deputy Attorney General Kevin Benson from our office. He represents the Office of the Secretary of State in all election matters. He will be speaking more in depth regarding this bill.

**K. Kevin Benson, Senior Deputy Attorney General, Office of the Attorney General:**

As Mr. Kandt mentioned, I represent the Secretary of State, and in that capacity one of the things I do is bring actions to enforce the campaign finance laws. Unfortunately, over the years we have seen new candidates and candidates in smaller races who do not have political consultants run afoul of these laws

without intending to. We have seen people who, because of health issues, end their campaigns.

Last session, in A.B. No. 35 of the 77th Session, we created a mechanism whereby those candidates, if it is past the time to formally withdraw, can shut down their campaign, and file all of their contribution and expense (C&E) reports that are due from that time forward. They pay off any outstanding bills and say they are not campaigning or accepting any more contributions. That way they can avoid keeping track of when reports are due. The biggest concern is, say, if someone stops campaigning in August, their last report is due in January of the next year. By then, they will have moved on with their lives, especially if they have the health problems or other issues that have caused them to end their campaign in the first place. That was the intent of A.B. No. 35 of the 77th Session. What we are doing here is a minor cleanup.

During the last election, we had some questions about the law from candidates who wanted to take advantage of those provisions but were concerned about the language that if they were campaigning for a small office, they might get elected anyway. The language was not clear that once they were elected, they would not be liable for the reports not filed. What we are trying to do is make it clear they are required to file only those reports that come due after they are elected. Mainly, it is the January 15 report that is due after the election. That report has to cover the entire prior year. If all of the reports are filed up until then, it is just the last period. They just filed the last report after the last election, so we are getting the same disclosure we would get anyway. However, this bill would make it clear they are not liable for any of the civil penalties or anything that goes along with having not filed those interim reports. By the way, the candidates will still be on the hook to keep reporting once they are elected. That is what we are trying to achieve in this bill. It is a fairly technical bill, but this is a narrow change.

**Alan Glover, Special Assistant, Office of the Secretary of State:**

I am here on behalf of Barbara Cegavske, Secretary of State. She asked me to convey to the Committee that she and our office are in favor of this bill. It is simply a clean-up bill and clarifies the issues of not wanting to put candidates in a bad situation. From my experience, I know it can happen. A couple of years ago, a candidate filed and then withdrew due to health reasons. She only lost by 14 votes and could have been elected. It does occur, although not very often. We believe this clean-up bill gives a lot of clarity, and we want to ensure all candidates are treated fairly and know the rules.

**Chair Stewart:**

Are there any questions from the Committee?

**Assemblyman Ohrenschall:**

Let us say a candidate for health or other reasons, decides to fill out the paperwork to end his candidacy officially with the Secretary of State's Office. Under this proposed change, if he wins the election, the only report he would be required to file is the January 15 annual report and he would not suffer any penalties for the lack of filing the other reports. Is that correct?

**Kevin Benson:**

Yes, that is correct. The one caveat is that once he is elected, the candidate will have to file the January 15 report and the annual reports going forward, just like everyone else who was elected.

**Assemblyman Ohrenschall:**

In regard to candidates who do not win their elections and shut down their campaigns pursuant to the provisions of *Nevada Revised Statutes* (NRS) 294A.350, the disposition of campaign contribution requirements already in the NRS apply to them just as they would to any other candidate, correct?

**Kevin Benson:**

Yes, that is correct. They first have to make sure they have disposed of the unspent contributions and have paid any outstanding debts. They basically have to wind it down to where there is nothing left. At that point, they can take advantage of the provision from A.B. No. 35 of the 77th Session.

**Assemblyman Elliot T. Anderson:**

Did anything happen in the last interim that alerted you to the need to clarify this issue, or was it in reviewing the statutes?

**Kevin Benson:**

We did not have too much going on with this because it only applies in the first case to narrowing down the number of candidates. We had a number of candidates who contacted the Secretary of State's Office inquiring whether or not they would have to file the reports, and would they be liable if elected. One or two of them decided not to use the provisions of A.B. No. 35 of the 77th Session, because they were afraid it was unclear that they would not be liable if elected. That is the reason we decided to clean up this bill.

**Assemblyman Elliot T. Anderson:**

Thank you.

**Chair Stewart:**

Mr. Kandt, are you going to be the voice of continuity in the Office of the Attorney General?

**Brett Kandt:**

Yes, I will be handling legislative affairs for the Attorney General's Office.

**Chair Stewart:**

Thank you. Are there any other questions from the Committee?

**Assemblywoman Shelton:**

When this report is available, assuming it will go through the Secretary of State's Office, how are you going to differentiate the reports from the actual candidates versus those who are no longer candidates?

**Kevin Benson:**

We do not currently have an elections deputy. My understanding of how the process works is that they file the same reports as if they were active candidates, but they file them all at the same time. They check all the boxes in each report, and at that point the contributions and expenses should all be zeros, because one of the things they have to say is that they are not going to accept further contributions, they have disposed of their unspent funds.

**Assemblywoman Shelton:**

They would be filing the same reports as if they were candidates, but since they are no longer candidates, they would zero out everything. Is that correct?

**Kevin Benson:**

Yes, that is correct. Under the statutes, they are still considered candidates at that point so they still file the same reports.

**Assemblywoman Shelton:**

Then, no matter where they quit in the process, however many reports are left would be zeroed out.

**Kevin Benson:**

That is correct. There might be two or three reports left, depending on the timing.

**Assemblyman Trowbridge:**

If a candidate says I quit, would he not also be inclined to say I do not have to file any more silly reports? What happens now? Do you tell him, you are still actively a candidate, even though you have not done any campaigning, but you still owe us reports two, three, and four?

**Alan Glover:**

That is more common. They just give up and will be in trouble for not filing the reports. As a candidate, you have to fill out all of the reports even if you said you withdrew, and if you formally withdraw, the reports still have to be filed. People say, I just give up, I cannot raise any money, or life is not good, but they are still required to file the reports. If they do not, they are subject to the penalties, and our office will go after them for not filing the reports.

**Chair Stewart:**

I can vouch that your office is very tough. I was two days late and fined \$50 two years later.

**Assemblywoman Seaman:**

Is it not true the way the law stands, if you miss one of those reports because you did not know you were supposed to fill them out, you could be subject to a \$10,000 fine?

**Kevin Benson:**

The fines are set in statute on a graduated scale according to the lateness of the report. If the report is one day late, the fine is \$25; two days late, the fine is \$50. After a week, the fine goes up to \$50 a day, and after two weeks of being late, the fine is \$100 a day, up to a maximum of \$5,000 per report. The fees can get high if you have missed multiple reports and they have been late for a long time.

**Assemblywoman Seaman:**

This is actually a good clean-up bill.

**Kevin Benson:**

Going back to Assemblyman Trowbridge's questions, that was the reason we enacted A.B. No. 35 of the 77th Session in 2013. It was for those candidates who just drop out, to say that is fine but you need to tell us you are dropping out. Then we tell them this is how you wrap up your campaign, and then you are done and do not have to worry about these reports anymore.

**Chair Stewart:**

When the candidate officially informs you that he or she is dropping out, you then inform that person of the procedures needed to be followed, is that correct?

**Kevin Benson:**

My understanding is that the form goes to the Secretary of State's Office. There is a special form for this process that has to be filled out in addition to

their Notice of Completion of Campaign report. It is a short form and says the person is not going to accept further contributions and so forth.

**Chair Stewart:**

Are there any other questions from the Committee? [There were none.] Are there others in favor of this bill? [There were none.] Is there anyone opposed to the bill? [There was no one]. Do we have anyone in the neutral position on this bill? [There was no one.] Would anyone like to make a final statement? [There was no one.] I declare the hearing on A.B. 63 closed.

We will be holding a work session on Assembly Joint Resolution 1, the bill in support of Israel, on Tuesday, February 17. For anyone who wants to sign on as a sponsor, a statement will be at my desk for signing during the Assembly session tomorrow, February 13.

**Chair Stewart:**

Is there any public comment? Seeing none, we are adjourned [at 4:19 p.m.].

RESPECTFULLY SUBMITTED:

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Patricia Hartman  
Committee Secretary

APPROVED BY:

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Assemblyman Lynn D. Stewart, Chair

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

**EXHIBITS**

**Committee Name:** Committee on Legislative Operations and Elections

**Date:** February 12, 2015

**Time of Meeting:** 4 p.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
A.B. 63	C	Brett Kandt, Office of the Attorney General	Letter