

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON COMMERCE AND LABOR**

**Seventy-Ninth Session
May 17, 2017**

The Committee on Commerce and Labor was called to order by Chair Irene Bustamante Adams at 1:37 p.m. on Wednesday, May 17, 2017, in Room 4100 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/App/NELIS/REL/79th2017.

COMMITTEE MEMBERS PRESENT:

Assemblywoman Irene Bustamante Adams, Chair
Assemblywoman Maggie Carlton, Vice Chair
Assemblyman Paul Anderson
Assemblyman Nelson Araujo
Assemblyman Chris Brooks
Assemblyman Skip Daly
Assemblyman Jason Frierson
Assemblyman Ira Hansen
Assemblywoman Sandra Jauregui
Assemblyman Al Kramer
Assemblyman Jim Marchant
Assemblywoman Dina Neal
Assemblyman James Ohrenschall
Assemblywoman Jill Tolles

COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

Senator Aaron D. Ford, Senate District No. 11

Minutes ID: 1116



STAFF MEMBERS PRESENT:

Kelly Richard, Committee Policy Analyst
Wil Keane, Committee Counsel
Kathryn Kever, Committee Secretary
Olivia Lloyd, Committee Assistant

OTHERS PRESENT:

Angela Dykema, Director, Governor's Office of Energy
Diana Foley, Securities Administrator, Securities Division, Office of the Secretary of State
Marlene Lockard, representing Nevada Woman's Lobby; and Human Services Network for Northern Nevada
James P. Kemp, representing Nevada Justice Association
Michael Alonso, representing Caesars Entertainment
Josh Griffin, representing MGM Resorts International
Barry Gold, Director, Government Relations, AARP
Erika Washington, Nevada State Director, Make It Work Campaign
Kristy Oriol, Policy Coordinator, Nevada Coalition to END Domestic and Sexual Violence
Stacey Shinn, Policy Director, Progressive Leadership Alliance of Nevada
Caroline Mello Roberson, State Director, NARAL Pro-Choice Nevada
Elisa Cafferata, Director, Government Relations, Nevada Advocates for Planned Parenthood Affiliates, Inc.
Jared Busker, Policy Analyst, Children's Advocacy Alliance
Ruben R. Murillo, Jr., President, Nevada State Education Association
Maria-Teresa Liebermann, Deputy Director, Battle Born Progress
Paul J. Moradkhan, Vice President, Government Affairs, Las Vegas Metro Chamber of Commerce
Tray Abney, Director, Government Relations, The Chamber Reno-Sparks-Northern Nevada
Lea Tauchen, Senior Director, Government Affairs, Grocery and General Merchandise, Retail Association of Nevada
Randi Thompson, representing National Federation of Independent Business
Ray Bacon, representing Nevada Manufacturers Association
Warren B. Hardy II, representing Nevada Restaurant Association

Chair Bustamante Adams:

[Roll was called.] We have one bill on the agenda and several other bills for the work session. We will start with the work session. We will take the work session bills out of order and start with Senate Bill 65 (1st Reprint).

Senate Bill 65 (1st Reprint): Revises provisions related to the filing by certain electric utilities of an integrated resource plan. (BDR 58-167)

Kelly Richard, Committee Policy Analyst:

Senate Bill 65 (1st Reprint) ([Exhibit C](#)) is sponsored by the Senate Committee on Commerce, Labor, and Energy on behalf of the Governor's Office of Energy. It was heard in this Committee on May 8, 2017. The bill requires the Public Utilities Commission of Nevada (PUCN), in determining the adequacy of a utility's resource plan, to consider the measures and sources of supply that provide the greatest economic and environmental benefits to the customers of the electric utility. Any order of the PUCN accepting or modifying a utility's plan or amendment to such a plan that does not give preference to those measures and sources of supply must include the justification for not giving such a preference.

The Chair is proposing to amend subsection 3 of section 6.5 to indicate that any order issued by the Commission accepting or modifying a plan pursuant to subsection 5 of *Nevada Revised Statutes* (NRS) 704.741, or an amendment to such a plan, must include the justification of the Commission for the preferences it gave pursuant to subsection 5 of NRS 704.746.

Chair Bustamante Adams:

Are there any questions on the bill?

Assemblywoman Carlton:

With this amendment, what is the actual change? I am trying to understand the difference.

Wil Keane, Committee Counsel:

As we discussed previously during the hearing on the bill, the reference to paragraph (c) of subsection 4 was incorrect and needed to be updated to subsection 5. The more substantial change put forth would require the Commission to explain in its order why it gave the preferences it did without including language with regard to the Commission having to do that only if they did not give a preference. That makes it clear that the Commission gives the preferences as required pursuant to subsection 5 of NRS 704.746 and then pursuant to this language here. They have to explain why they included the justifications that they did.

Chair Bustamante Adams:

Are there any other questions? [There were none.] I will entertain a motion to amend and do pass.

ASSEMBLYMAN BROOKS MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 65 (1ST REPRINT).

ASSEMBLYMAN FRIERSON SECONDED THE MOTION.

THE MOTION PASSED. (ASSEMBLYWOMAN CARLTON VOTED NO.)

I will assign the floor statement to Assemblyman Brooks. The next bill to be considered is Senate Bill 150 (1st Reprint).

Senate Bill 150 (1st Reprint): Revises provisions related to energy efficiency programs. (BDR 58-568)

Kelly Richard, Committee Policy Analyst:

Senate Bill 150 (1st Reprint) ([Exhibit D](#)) is sponsored by Senator Spearman and was heard in this Committee on May 8, 2017. The bill requires the Public Utilities Commission of Nevada (PUCN) to establish annual energy savings goals each calendar year for electric utilities resulting in the implementation of energy efficiency programs. Each electric utility must implement an energy efficiency plan that is cost-effective and designed to meet the goals for energy savings established by the PUCN. At least 5 percent of the expenditures related to energy efficiency programs must be directed toward low-income customers of the utility. The measure authorizes the PUCN to remove financial disincentives that discourage an electric utility from implementing or promoting participation in energy efficiency and conservation programs by including a rate adjustment mechanism. There are no proposed amendments.

Chair Bustamante Adams:

Are there any questions from the members? [There were none.] I will entertain a motion to do pass.

ASSEMBLYMAN BROOKS MADE A MOTION TO DO PASS
SENATE BILL 150 (1ST REPRINT).

ASSEMBLYWOMAN TOLLES SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

I will assign the floor statement to Assemblywoman Tolles. The next bill to be considered is Senate Bill 232.

Senate Bill 232: Enacts the Domestic Workers' Bill of Rights. (BDR 53-887)

Kelly Richard, Committee Policy Analyst:

Senate Bill 232 ([Exhibit E](#)) is sponsored primarily by Senator Segerblom. The bill was heard in Committee on May 3, 2017, and it enacts the Domestic Workers' Bill of Rights. It defines a "domestic worker" as a natural person who is paid by an employer to perform work of a domestic nature. It also requires that an employer of a domestic worker supply to him or her certain written documentation of the conditions of his or her employment and rights

under the law. The measure provides for the mandatory payment of wages and overtime wages for certain hours worked, breaks, and days off, and limits deductions for food and lodging. In addition, the bill provides that a child under 16 years of age may not be employed in domestic service for more than 8 hours in a day or more than 48 hours in a week.

During the hearing on the bill, Senator Segerblom submitted the attached proposed amendment [page 2, ([Exhibit E](#))], which revises the definition of "domestic worker" to remove the exclusion of persons who provide services on a casual, irregular, or intermittent basis, or persons who are employed by a third-party service or agency.

Chair Bustamante Adams:

Are there any questions from the members?

Assemblywoman Tolles:

Can we have a little more elaboration on that exclusion and what it entails in the implementation? My interpretation is it extends the Domestic Workers' Bill of Rights to casual, irregular, intermittent, or employees of a third-party service. Am I reading that correctly?

Kelly Richard, Committee Policy Analyst:

I am looking in your hard copy packets, and I am not seeing the third page where it shows what is actually in the amendment. It is available on the Nevada Electronic Legislative Information System (NELIS) for you to look at. I would defer to Mr. Keane on how that would be implemented, but it was an exception that was carved out, and he is removing that exception going forward.

Wil Keane, Committee Counsel:

Unfortunately, that page did not get printed on the hard copy, but as indicated on NELIS, there is a definition for the term "domestic worker" in section 6, subsection 4(a) [page 5, ([Exhibit D](#))]. As it existed in the bill as originally drafted, after the definition of "domestic worker," there was a sentence that said, "The term does not include persons who provide services on a casual, irregular or intermittent basis or persons who are employed by a third-party service or agency." As originally drafted, those people were not included as a domestic worker. The proposed amendment deletes that sentence.

Ms. Tolles, I believe the way you said it was correct. With the proposed amendment, the term "domestic worker" would include persons who provide services on a casual, irregular, or intermittent basis, or persons who are employed by a third-party service or agency if they otherwise meet the definition. The definition of "domestic worker" means ". . . a natural person who is paid by an employer to perform work of a domestic nature for the employer's household, including, without limitation, housekeeping, housecleaning, cooking, laundering, nanny services, caretaking of sick, convalescing or elderly persons, gardening or chauffeuring."

Assemblywoman Tolles:

In regard to children under 16, such as a babysitter, how might this impact it? Would a child who is 15 1/2 years old be required to be paid minimum wage and overtime? If mom is running late and works for eight and a half hours, does it apply that way?

Wil Keane:

This bill does not specifically address age limits. If a worker is someone who would otherwise be required to be paid minimum wage or overtime and they were a babysitter, then yes, they would have to be paid overtime. The bill itself does not address an age limit. I would have to look at the other governing law regarding that issue.

Assemblywoman Tolles:

I did not think about that in the original hearing. There is a lot about the bill that I really like, but in the amendment it does address age where it talks about under 16 years of age in regard to the hours. I will continue to follow up with the sponsor.

Chair Bustamante Adams:

Are there any other questions from the members? [There were none.] I will entertain a motion to amend and do pass Senate Bill 232.

ASSEMBLYMAN DALY MOVED TO DO PASS SENATE BILL 232.

ASSEMBLYWOMAN JAUREGUI SECONDED THE MOTION.

Is there any discussion?

Assemblywoman Tolles:

There is a lot about this bill I really like. Right now, I have some questions that make me pause, so I am going to be a no. I would rather be a no and change to a yes on the floor than the other way around, so I am going to vote no, follow up on the questions, and then let the sponsor know if I plan to change my vote.

Chair Bustamante Adams:

I will call for a vote.

THE MOTION PASSED. (ASSEMBLYMEN PAUL ANDERSON, KRAMER, MARCHANT, AND TOLLES VOTED NO.)

I will assign the floor statement to Assemblyman Daly. The next bill to be considered is Senate Bill 260 (1st Reprint).

Senate Bill 260 (1st Reprint): Establishes requirements for engaging in the collaborative practice of pharmacy. (BDR 54-973)

Kelly Richard, Committee Policy Analyst:

Senate Bill 260 (1st Reprint) ([Exhibit F](#)) is sponsored by the Senate Committee on Commerce, Labor and Energy and was heard in this Committee on May 5, 2017. The bill authorizes a pharmacist to engage in a collaborative practice of pharmacy pursuant to a collaborative practice agreement entered into with one or more practitioners who practice in the same geographic region as the pharmacist. The term "collaborative practice of pharmacy" is defined as the management of drug therapy and testing to address chronic diseases and public health issues including, without limitation, outbreaks and occurrences of specific diseases and disorders, in collaboration with one or more practitioners and in accordance with a collaborative practice agreement.

A pharmacist is authorized to engage in the collaborative practice of pharmacy in accordance with an agreement with an operator of an institutional pharmacy or his or her designee while providing treatment and care to patients of the medical facility in conjunction with which the institutional pharmacy is operated.

During the hearing on the bill, Ms. MacMenamin, representing the Retail Association of Nevada, proposed the attached conceptual amendment [page 2, ([Exhibit F](#))]. That amendment clarifies collaborative practice management and agreements can be carried out by one or more pharmacists; revises the definition of "collaborative practice of pharmacy;" requires written consent from a patient related to collaborative drug therapy management; revises certain requirements related to documentation; and deletes provisions relating to institutional pharmacies.

Subsequent to the hearing on the bill, Ms. MacMenamin also proposed a conceptual amendment to specify that a pharmacy shall not require a registered pharmacist, as a condition of employment, to enter into a collaborative practice agreement.

Chair Bustamante Adams:

Are there any questions from the members? [There were none.] I will entertain a motion to amend and do pass Senate Bill 260 (R1).

ASSEMBLYWOMAN TOLLES MOVED TO AMEND AND DO PASS
SENATE BILL 260 (1ST REPRINT).

ASSEMBLYMAN KRAMER SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

I will assign the floor statement to Assemblyman Kramer. The next bill to be considered is Assembly Bill 206.

**Assembly Bill 206: Revises provisions relating to the renewable portfolio standard.
(BDR 58-746)**

Kelly Richard, Committee Policy Analyst:

Assembly Bill 206 ([Exhibit G](#)) is sponsored by Assemblyman Brooks and many other members. It was heard in the Assembly Committee on Commerce and Labor Subcommittee on Energy on March 8, 2017 and April 3, 2017, and by this Committee on April 5, 2017. The bill requires the Director of the Governor's Office of Energy to update the comprehensive state energy plan at least once every two years and submit a biennial report of the most recent updates to the plan to the Governor and the Legislature.

The measure revises the renewable portfolio standard (RPS) for calendar year 2018, and each calendar year thereafter so that by calendar year 2030, and for each calendar year thereafter, each provider of electric service will be required to generate, acquire, or save electricity from renewable energy systems or efficiency measures not less than 50 percent of the total amount of electricity sold by the provider to its retail customers during that calendar year. The Public Utilities Commission of Nevada (PUCN) must revise, before July 1, 2017, any RPS established for a provider of new electric resources to comply with the revised RPS.

There is an attached conceptual amendment ([Exhibit H](#)), which appears in the work session document and makes the following changes:

- Deletes section 1, which would have required the Governor's Office of Energy to study the goal of obtaining up to 80 percent of the State's energy from renewable sources by 2040, and update the comprehensive state energy plan every two years
- Section 2.3 allows energy storage systems to generate credits that can be used for compliance with the RPS.
- Section 2.5 applies the RPS to certain providers.
- Section 2.7 amends the definition of "renewable energy system."
- Section 3 reduces the RPS percentages.
- Section 4 allows certain providers of new electric resources to satisfy up to 25 percent of their RPS requirement using energy efficiency measures.
- Deletes section 6 relating to the report deleted in section 1.
- Adds a new section 6.1, which removes the ability of a new geothermal plant to gain portfolio energy credits from electricity used at their facility.

- Section 6.2 provides electricity generated or acquired from geothermal plants and will receive 1.5 credits for each unit of electricity generated or acquired after December 31, 2017.
- Section 6.4 allows qualified energy storage systems to receive 2 credits for each unit of electricity discharged or generated.
- Section 6.5 provides that compliance with the RPS will not make certain providers subject to the jurisdiction of the PUCN.
- Section 6.6 provides that starting in July of 2020, certain providers shall submit annual reports to the Director of the Office of Energy demonstrating progress towards RPS compliance.

Additionally, there is a packet on your desk which contains some clarifying additional amendments submitted by Assemblyman Brooks ([Exhibit I](#)). This amendment conceptually would revise section 2.7, subsection 1, paragraph (b), subparagraph (i), sub-subparagraph (c) to clarify how interconnection is defined. Also, in section 6.3, it would be revised to clarify that an energy storage system does not need to be connected to a distribution or transmission system.

Chair Bustamante Adams:

Are there any questions from the members?

Assemblywoman Carlton:

I am trying to make sure I can compare these two amendments—the one that was in the work session document and the new one that we had on our desk ([Exhibit I](#)) and the difference in "located in the service territory." What is the reasoning behind changing it or deleting it?

Chair Bustamante Adams:

I will have Assemblyman Brooks answer that question.

Assemblyman Brooks:

That is to define how interconnection is defined for two state agencies: the Southern Nevada Water Authority and the Colorado River Commission.

Assemblywoman Carlton:

Under section 2.7, subsection 1, paragraph (b), sub-subparagraph (i)(c), what about the strikeout language?

Assemblyman Brooks:

Before, it said, "Located in the service territory of an entity enumerated in subsections" Now, it has the first point of interconnection that is "With an entity enumerated in subsections"

Assemblywoman Carlton:

Can they be outside the service territory but be connected?

Assemblyman Brooks:

Not necessarily. All of those entities have their own defined service territories. This just clarifies that the first point of interconnection is with that entity.

Assemblywoman Carlton:

Explain the second strikeout language in section 6.3 of the amendment ([Exhibit I](#)). I really try to have a handle on these amendments when I come in here, but then I get another one, so I want to make sure I understand what it is. Assemblyman Brooks, I hate having to vote no against you, so I just want to understand what is in front of me.

Chair Bustamante Adams:

I encourage that, especially with all the technical language in some of these bills. I do not mind the questions at all from the members.

Assemblyman Brooks:

I appreciate the questions, and I am sorry you had short notice to review it, but we had several parties who had a lot of input, and we are trying to accommodate them. The definition of "A commercially available technology that is connected to the transmission and distribution grid . . ." would have eliminated the ability for a customer-owned energy storage system, so a customer-owned energy storage system would qualify for that as well, which was the intent all along. We feel this makes it more clear, because it does not have to actually be attached to it; it can be on your side of the meter.

Assemblywoman Carlton:

What financial impacts would that have?

Assemblyman Brooks:

None. This just allows you to have storage on your side of the meter as defined by this RPS energy storage device.

Assemblywoman Carlton:

But if you add credits into it, and people get their credits, and you add this in on the other side of the meter, is there a cost associated with that in the long run?

Assemblyman Brooks:

There could be a cost associated with it to Nevadans who invest in an energy storage device for their side of the meter, which could be all over the place. As far as compliance goes, this just creates a definition of an energy storage device that can then be applicable for portfolio compliance.

Assemblywoman Carlton:

Would this be for new energy or for current storage? We know there are many larger corporations right now that have a lot of storage. What would the impact of their already existing storage have on their side of the meter going forward?

Assemblyman Brooks:

The way I understand it is the existing energy storage that met all of the criteria of a qualified energy storage system would be able to qualify for portfolio compliance.

Chair Bustamante Adams:

Are there any other questions from members? [There were none.] I will entertain a motion to amend and do pass Assembly Bill 206.

ASSEMBLYWOMAN JAUREGUI MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 206.

ASSEMBLYMAN FRIERSON SECONDED THE MOTION.

Is there any discussion?

Assemblyman Kramer:

I had some difficulties with this bill, and I am still not 100 percent convinced when it comes to stranded assets and perhaps costs to Nevada ratepayers later. I would like to vote yes to get it out of Committee, and work with the sponsor some more. I think parts of this are really good, and I want to see it move forward.

Assemblyman Hansen:

I am going to vote no. The work Assemblyman Brooks has done is extensive, and I see a ton of positive things with solar, and the future is definitely bright. However, as I look at the numbers over time, we are well over \$300 million in subsidies that are being paid by someone. I do not like seeing poorer people basically paying power bills that then subsidize wealthier people who are able to afford photovoltaic systems and things like that. While I certainly support the whole concept behind it—I am actually a licensed contractor to do this kind of work—I just do not feel comfortable that once again we are back to having the government come up with subsidies. Those subsidies have to be made up somewhere. They are substantial, and we are talking about hundreds of millions of dollars over time, so I am going to vote no on that basis.

Assemblywoman Tolles:

I want to say thank you to all my constituents who reached out to me. I have had hundreds of phone calls and emails on this issue. In fact, I have had more positive feedback from constituents on this than on any other bill that has come up this session, with only one negative. For me, what is most compelling is the argument that we are currently importing the vast majority of our energy from out of state—I have heard everywhere from 70 to 85 percent.

What is exciting to me about this is the idea that we could be generating power by Nevadans for Nevadans. I understand there are some concerns. This has been a moving target, as we can see by the most recent set of amendments. I think there is still a little more amending to be done to make everyone more comfortable, particularly with concerns about the impact of repairs. I can tell you that the people in this room and the people whom I have met and talked with about this are some of the smartest people I have talked to in Nevada, so my yes vote is a yes vote of confidence that we can get there and work out the bugs.

Assemblyman Paul Anderson:

I want to give kudos to Assemblyman Brooks and all the effort he has put into this bill. I think he has made tremendous progress in the amount of time and effort he has put into getting everyone together to have these discussions. I have certainly learned a lot about energy and energy policy through my interactions with him, and I appreciate it. I still have some concerns about the aggressive nature of the policy. I think it is good to have strong and lofty goals, but I am not sure if I have seen the capacity piece yet.

I am also concerned about the upcoming vote on open energy choice and the complexities that it brings to the conversation. It is hard to have those unintended consequences figured out when we have such a big road ahead of us when it comes to being fairly confident that it will pass. We will have an open market, and we will have not only stranded assets, but people will be forced to make investments over the next couple of years and divest themselves of those investments. With that, I am a no. I am certainly supportive of an RPS and the concept, but I think it is a little too early at this point.

Assemblywoman Neal:

I am a yes. Assemblyman Brooks has been keeping me up to date as he changes and moves through this bill. Based on the conversations happening now, I do not know if there are any additional changes which are going to occur between now and the floor. My yes is dependent upon the fact that it stays as is with the current amendments. If there are any other changes that happen to this bill, then my vote could change. It has been a very nuanced issue, and I have had to follow each part as it changed so I did not get lost in the policy. That would be my concern. If something changes between now and the floor, I know that I will change my vote.

Chair Bustamante Adams:

I am going to ask the Director of the Office of Energy to come up. There was a fiscal note attached to the bill. If we move this bill and delete section 1, then I believe the fiscal note comes off, and I want to make sure we put that on the record.

Angela Dykema, Director, Governor's Office of Energy:

If there is no enforcement mechanism required with the reporting requirement that comes with the amendment that goes with the bill, then there will be no fiscal impact.

Assemblywoman Carlton:

So there will be no enforcement on the bill?

Angela Dykema:

With the reporting requirements, it does not specify if there is any enforcement mechanism on behalf of the Office of Energy. I do not know.

Assemblyman Brooks:

I just want to address Assemblywoman Carlton's question. That is only in regard to the state agencies—like the Colorado River Commission and the Southern Nevada Water Authority—who would then have to report back to the Governor's Office of Energy on where they were at and if and when they came to a time that they had to comply with an RPS. The compliance is regulated by the Public Utilities Commission of Nevada.

Assemblywoman Carlton:

Will the information be made available so the Legislature can monitor this? I do not want anyone saying they do not have to file a report because there is no hammer involved any longer.

Assemblyman Brooks:

That was the intention. They would make the information based upon this bill available to the Governor's Office of Energy and adjust those to state agencies, and then the Legislature would have the ability to modify and do whatever was necessary based upon that information.

Assemblywoman Carlton:

As long as we can get the information.

[([Exhibit J](#)) and ([Exhibit K](#)) were submitted but not discussed.]

Chair Bustamante Adams:

I will call for the vote.

THE MOTION PASSED. (ASSEMBLYMEN PAUL ANDERSON,
HANSEN, AND MARCHANT VOTED NO.)

I will assign the floor statement to Assemblyman Brooks. The last bill to be considered is Senate Bill 383.

[Senate Bill 383](#): Revises provisions governing financial planners. (BDR 54-1150)

Kelly Richard, Committee Policy Analyst:

Senate Bill 383 ([Exhibit L](#)) is sponsored by Senator Ford and was heard in this Committee on May 12, 2017. The bill revises the definition of "financial planner" to remove the exclusions for a broker-dealer and an investment advisor, thereby making such persons subject to the provisions of existing law governing financial planners. The bill maintains that certain persons defined as financial planners must be licensed as insurance consultants for purposes related to viatical settlements.

There is an amendment attached for the committee's consideration [page 2, ([Exhibit L](#))], which was submitted by the sponsor. The amendment amends section 1 to apply the financial planner fiduciary duty to sales representatives; adds a new subsection to section 1.3 to exempt broker-dealers, sales representatives, and investment advisers from the requirement set forth in *Nevada Revised Statutes* (NRS) 628A.040 for financial planners to maintain liability insurance or a surety bond; and adds section 1.7 to enable the Office of the Secretary of State to enforce the fiduciary duty imposed on broker-dealers, sales representatives, and investment advisers and adopt regulations defining or excluding acts, practices, and courses of business as violations of the fiduciary duty.

Chair Bustamante Adams:

Are there any questions from the members on Senate Bill 383?

Assemblywoman Neal:

Section 1.7, subsection 2, paragraph (a) states, "The Administrator may by regulation: (a) Define or exclude an act, practice or course of business" I need a further explanation on what the context is and what it means. I read NRS 628A.020, and I guess I need an example of what it means.

Chair Bustamante Adams:

I am going to invite the sponsor of the bill to come forward.

Senator Aaron D. Ford, Senate District No. 11:

In response to Assemblywoman Neal's question, this was an insertion into the bill at the request of the Secretary of State, which ultimately gives the Secretary of State the ability to enforce and develop regulations as they see fit to enforce the fiduciary responsibilities. Ms. Foley may be able to offer a little more guidance and input in that regard if that does not sufficiently answer your question.

Diana Foley, Securities Administrator, Securities Division, Office of the Secretary of State:

That is correct. We appreciate the fact Senator Ford was willing to propose this amendment. This would give us the ability to exclude or define specific acts consistent with other federal regulations that may be adopted that also impose a fiduciary duty upon broker-dealers. I can give you a specific example.

Generally, broker-dealers are often responsible for the execution of a purchaser sale of a security. If there was a situation where an investment advisor for an investor recommended a particular investment to that client and all the broker-dealer did was execute the sales transaction, that would be a potential example of where we might exclude it from the fiduciary duty standard.

Assemblywoman Neal:

It just seemed, based on the way the language was defined, you are coming in as a regulator and being able to define or exclude an act seems to be broad, and an authority that may or may not be what you should have, but maybe should be what the Legislature should have already prescribed you to do. That is why it was confusing to me. If you are going to do a regulation, then why are you doing any act of excluding—that should have been set forth by us, not by you. Thank you for the clarification.

Chair Bustamante Adams:

Are there any other questions from the members on Senate Bill 383? [There were none.] I will entertain a motion to amend and do pass Senate Bill 383.

ASSEMBLYMAN ARAUJO MOVED TO AMEND AND DO PASS
SENATE BILL 383.

ASSEMBLYMAN DALY SECONDED THE MOTION.

Is there any discussion?

Assemblywoman Tolles:

Thank you for the dialogue that we had during the hearing. Being the daughter of two individuals in this industry, I am particularly sensitive to the topic, and I still have some concerns about the impact. I appreciate the answers to my questions, but I am still concerned about how it might impact the industry on the sales representative level, so I am going to vote no.

Chair Bustamante Adams:

I will call for the vote.

THE MOTION PASSED. (ASSEMBLYMEN PAUL ANDERSON,
HANSEN, KRAMER, MARCHANT, AND TOLLES VOTED NO.
ASSEMBLYMAN FRIERSON WAS ABSENT FOR THE VOTE.)

I will take the floor statement. That ends our work session. We have one bill hearing today. I will allow a three-minute transition for those who are not here for the bill to exit, although if you want to stay, you are more than welcome.

I will open the hearing on Senate Bill 196 (1st Reprint).

Senate Bill 196 (1st Reprint): Requires certain employers in private employment to provide paid sick leave to employees under certain circumstances. (BDR 53-682)

Senator Aaron D. Ford, Senate District No. 11:

Senate Bill 196 (1st Reprint) requires an employer to provide paid sick leave to his or her employees. Paid sick days are critical to the economic security of working families. The public increasingly recognizes this necessity for working families and, in fact, Americans across the political spectrum have shown strong support for paid sick leave. Almost 70 percent of those who voted for President Donald Trump support a national social insurance program for paid family leave and medical leave alongside 89 percent of those who voted for Hillary Clinton. Let me repeat that. Seventy percent of those who voted for President Trump support this concept I am bringing before you today. Eighty-nine percent of those who supported Secretary Clinton support this concept.

Even with states and cities across the country passing laws guaranteeing paid sick days, too many families still do not have access to this basic workplace standard. Americans rate it as more important than several workers' rights already required by law. In a recent study conducted by the University of Chicago of 1,461 Americans, 75 percent considered it a basic worker's right. Seventy-five percent also believe that employers should be required by law to provide paid sick days to workers. Eighty-six percent of those surveyed endorse a plan that would require a minimum of seven paid sick days a year. You will see the bill does not go quite as high as seven days a year, but it is important to note the high percentage of those who believe that should be the number. Seventy percent back a plan requiring a minimum of nine days and 71 to 77 percent favor plans to give part-time workers paid sick days proportional to their hours.

There are many people who argue against paid sick days. Opponents argue that paid sick days make it harder to remain competitive and hire new employees. Some business groups contend that requiring companies to provide sick leave benefits will force them to raise prices and consider reducing employees' hours or other benefits. However, paid sick leave means employees no longer have to choose between going to work sick or forgoing pay. Public health actually improves by keeping sick workers home, which prevents them from spreading illnesses at work. A recent survey of food workers showed nearly 90 percent of them went to work when they were sick, including more than half of them who said they did so always or frequently. Moreover, of those who worked while sick, almost half reported going to work sick because they could not afford to lose a day's pay. Another report by the Centers for Disease Control and Prevention illustrated just how risky working while sick can be. One restaurant worker infected over 100 customers at a sandwich shop in Michigan with a norovirus.

The lack of paid sick days also puts a strain on the health care system and drives up the cost of health care. Those without paid sick days are twice as likely as those with paid sick days to use hospital emergency rooms or to send a sick child to school or daycare. According to the United States Department of Labor, workers without paid sick time are more likely than their counterparts with paid sick time to be injured on the job, especially those employed in health care support occupations, such as construction and production. In addition, businesses profit from healthier employees and lower turnover.

Currently, seven states and Washington, D.C., require paid sick leave. The laws vary in the number of days provided and the characteristics of the employers covered by them. Yet, across the board, policies that give workers paid sick time are largely job creators and job killers. In fact, a recent study in Arizona after the ballot passed to increase the minimum wage and to offer paid sick time, showed an increase in activity in restaurants. Connecticut was the first state to enact a paid sick leave law, which was implemented in 2011. The Center for Economic and Policy Research released a report in 2014, which examined the experiences of Connecticut employers with the state's paid sick leave a year and a half after the law went into effect. The survey results confirmed the law had a modest impact on businesses in the state, contrary to the fearmongering and the statements expressed by some business interest groups prior to the passage of the legislation, such as potential abuse and added costs. It is worthy to note, however, that contingency of potential abuse are addressed in the bill I will be presenting to you shortly.

Few employers reported abuse of the new law and many actually noted positive benefits, such as an improved morale and reductions in the spread of illnesses in the workplace. Further, of those employers surveyed, about two-thirds of them reported no increase at all in cost or an increase of less than 2 percent if they did report an increase. Another 12 percent did not know whether, or how much, it had cost them, indicating if there was any cost at all, it must have been pretty manageable. Finally, more than three-quarters of surveyed employers expressed support for the earned sick paid leave law. Clearly, Connecticut's experience does not support the gloom and doom scenario that I have heard the entire session, and what we often hear in this debate.

Let me offer you the terms of S.B. 196 (R1) as proposed in the amendment ([Exhibit M](#)) that you have and open myself up for questions.

Chair Bustamante Adams:

There were some amendments in the Senate, but there are some additional ones in the Assembly. What is the amendment number?

Senator Ford:

The amendment number is proposed amendment 4740 ([Exhibit M](#)) to Senate Bill 196 (R1). Before I get into this amendment, I want everyone to understand what has occurred over this course of days that we have been here. That is me and those who are interested in this bill interacting quite frequently with business groups, with people who advocate on behalf of the policy, and people who advocate against the policy to try to come up with a compromised piece of legislation that will allow businesses to continue to grow while also acknowledging the fact that their workers should not be required to choose between a payday or a sick day.

Section 1 of S.B. 196 (R1), as proposed to be amended by the mock-up, requires a private employer who has conducted business in this state for at least 12 consecutive months to, at a minimum, provide employees paid sick leave that must be earned at a rate of not less than one hour for 40 hours. The mock-up amends subsection 9 of section 1 to further define that the employer is required to provide sick leave and is proposed to be amended to provide that the requirement to provide paid sick leave applies to private employers who have 25 or more employees in the state.

Subsection 1 of section 1 sets forth the requirements for the accrual of paid sick leave. The mock-up proposes to amend the bill to require paid sick leave to be provided only to full-time employees. Subsection 8 defines a full-time employee as one who works 1,600 hours for an employer during a 12-month period beginning on the commencement of employment. Subsection 1 further limits the use of paid sick leave to 40 hours per year, limits the accrual of paid sick leave to a maximum of 80 hours, and sets a minimum increment that an employee may use via accrued sick leave at any one time not to exceed two hours. Finally, the mock-up proposes to remove a provision authorizing an employer to require an employee who uses paid sick leave for three or more consecutive days to provide upon his or her return to work a reasonable certification of the need for the leave.

Subsection 2 of section 1 as amended by the mock-up sets forth the conditions under which an employee may use paid sick leave. The mock-up proposes to amend the requirement that an employee be allowed to use sick leave beginning on the ninetieth day of employment by instead providing that an employee must be allowed to use paid sick leave beginning on the first anniversary date of his or her employment.

As an aside, let me indicate this: some of these numbers have gone up and down, and some people are going to say we have covered more people or we have covered less people or we have made it less about people. We looked at the federal standards as well. Under the Family and Medical Leave Act (of 1993) (FMLA), employees have to wait a year before they can use the benefit anyway. The contingency I found persuasive was we could offer an incremental approach—as opposed to trying to get paid sick leave in one fell swoop—and we would compromise on it, so we moved from 90 days to a year.

An employee must also be allowed to use accrued paid sick leave for themselves or to address a health condition or preventive care for the employee or a member of the employee's family or household, to obtain counseling or assistance, or to participate in any court proceeding related to domestic violence or sexual assault. Under subsection 2, an employee must give reasonable advance notice to his or her employer of the need to use accrued paid sick leave if that is possible. If employees know they are going to have a doctor's appointment, they give notice to their employer.

Subsection 2 of section 1 prohibits an employer from denying an employee the right to use accrued sick leave in accordance with the conditions of the section requiring an employee to find a replacement worker as a condition of using the leave, or retaliating against the employee for using sick leave.

Subsection 3 of section 1 requires the Labor Commissioner to prepare a bulletin setting forth these benefits and requires employers to post the bulletin in the workplace. Subsection 4 requires an employer to maintain records of the accrual and use of paid sick leave for each employee for a three-year period and to make those records available for inspection by the Labor Commissioner.

Subsection 5 of section 1 provides that the bill does not limit or negate any other rights or remedies available under the law. It does not prohibit an employer from offering more generous sick leave or paid time off benefits, nor does it prohibit an employer from creating and enforcing a policy to prohibit the improper use of paid sick leave—again trying to stave off contentions that people are going to just call in sick because they want a three-day weekend. Mr. Employer or Madam Employer can institute a policy that will be able to prohibit the improper use of paid sick leave.

Subsection 6 of section 1 contains exemptions from the requirement to provide paid sick leave. The provision contains exemptions for employers who provide at least an equivalent amount of sick leave or paid time off. In addition, subsection 6 exempts an employer from providing paid sick leave to certain temporary workers, construction workers, and workers who perform occasional or irregular work for certain health care providers. The mock-up removes from subsection 6 an exemption from employees employed in a bona fide executive, administrative, or professional capacity, and it adds an exemption that provides an employer is not required to provide paid sick leave for an employee who works less than 12 months. The mock-up adds subsection 7 of section 1 to clarify that section 1 does not allow an employee to be compensated more than once for the same hours of leave.

Section 1.5 requires this information to be included in the records of wages required to be established and maintained by the employers for the benefit of his or her employee. Section 2 requires the Labor Commissioner to enforce the provisions of section 1 and it makes a violation of the provision of section 1 a misdemeanor and authorizes the Labor Commissioner to impose a penalty of up to \$5,000 for each violation in addition to any other penalties. There is no private right of action. You cannot sue, which is also a bone of contention that oftentimes opens the doors of the courtroom. What we are doing is leaving it in the hands of the Labor Commissioner, again, in an effort to show compromise. That describes S.B. 196 (R1), and I stand ready for questions.

Assemblywoman Carlton:

I just want to make sure I understand this. It does not apply until after the first year of employment, yet if employees earn it in that first year and get released at 11 months, there is no benefit that comes to them, so they just lose it.

Senator Ford:

You are correct. Although employees cannot use it during the first month, they can accrue it. Even under the original iteration of this bill, there was a provision that said employees cannot be paid—they do not get paid for this when they leave. That would not be a change in this bill from the version you received when this was first referred to your Committee.

Assemblywoman Carlton:

I have a concern about full-time employees and the way you define it as 1,600 hours. Is that 32 hours per week? Are we saying that once employees hit the 1,600 hours, they are good, but they would have to work a whole year and then the 1,600 hours? How many thresholds do they have to cross to get this benefit?

Senator Ford:

If I understand your question, what we would require to have happen is during that year, the first year when employees cannot utilize it, they are accruing it. Assuming they hit 1,600 hours during that first year of accrual period, then they will be authorized to utilize that leave on their first year anniversary.

Assemblywoman Carlton:

At 32 hours a week—which is what a lot of people work now—that is 50 weeks. They would hit the 1,600 hours before they would hit their one-year anniversary. I also want to understand the reason why and how you are defining full-time? Does it really matter if it is 32 hours or 20 hours?

Senator Ford:

We define full-time at 1,600 hours per year.

Assemblywoman Carlton:

Does it have to be in a whole year?

Senator Ford:

That is right; 1,600 hours per year.

Assemblywoman Carlton:

Who is actually going to be able to benefit from this?

Senator Ford:

Those who currently do not operate under a collective bargaining agreement who provides it will benefit. Some companies who do not already offer some level of protection or benefit will be able to—if their employer is able to meet these standards—benefit from it as well. If you are asking for an exact number of how many people are going to be able to benefit from this, I cannot offer you that. I asked for it in the past, but I do not think we were able to determine under any type of circumstance exactly how many people would benefit specifically.

Assemblywoman Carlton:

Thank you for the bill. In my previous life, I would have never made this. I have concerns about how many people it will impact.

Senator Ford:

I have heard that from several groups from the left who are very concerned about the fact this may be too restrictive. I have heard from several groups on the right that if we go too expansive, we get nothing. I view this as an opportunity for an incremental step. Right now, we have nothing. The old adage of "who does this help" when the guy was walking down the beach and picking up starfish and throwing thousands of starfish into the ocean, the answer was, "It helps this one." I am looking at an incremental step to provide paid sick leave to those who otherwise would not get it because the laws do not require it, and even if it is one, or a hundred, or a thousand, or a million, I feel as though it is an incremental step in the right direction.

Assemblywoman Carlton:

I do not want to be argumentative with the Majority Leader, but I do not want this to be used in the future by someone coming back and wanting to improve it by saying we already have it. That is my concern and the world where I come from. As many times as I was disciplined for calling in sick and was actually suspended for calling in sick, this would not have helped. I applaud your effort, but this would not help the people I represent.

Senator Ford:

I appreciate your insight and input, and the history that you bring to this body. I would say, however, if the company you worked for had a policy pursuant to this particular statute, and they retaliated against you for calling in sick, this would have covered you. This statute prohibits retaliation from calling in sick or utilizing the paid sick leave that you are able to earn. I do not view it as an argument. I view it as a discussion that I have been having for literally 120 days with people on all sides of this issue, and what we are trying to bring forward is a step forward as opposed to trying to do something in one fell swoop that I know would get vetoed.

Assemblywoman Neal:

My question is on section 1, subsection 1, paragraph (f). It is the language where you have "An employer may set a minimum increment of paid sick leave, not to exceed 2 hours that an employee may use at any one time." I just want an example, because they are accruing one hour every 40 hours. Does that mean an employer could set an increment of 30 minutes?

Senator Ford:

Yes. If the employer wants to say anytime an employee takes sick leave, it is going to have to be at a minimum of 30 minutes, they can do that, but they can only go up to 2 hours. They cannot say anytime an employee calls in for sick leave, the whole day is gone, because we put a limit of 2 hours. By the way, this is a provision that is parroted in several states. As I said, seven states and Washington, D.C., have this. Other municipalities have it as well, and some municipalities have this exact provision.

Assemblywoman Tolles:

I am curious about the two-thirds who reported no increase in cost. The question then becomes we still have one-third that it does increase costs to the business and the fear that it might then lead to cutting back on hours or laying off individuals in order to accommodate for that. To use the starfish analogy, we might save one starfish but do we have to throw two more out? How do you counter that discussion in terms of the increase of costs on businesses?

Senator Ford:

I think it would be that you save two starfish and had to throw one out, according to the numbers that we decided there. There is no way of guaranteeing that costs will not increase. The question is how we weigh this and what we need to do. In my view, we need to try to find a balance that allows employers to continue to grow and employees to not have to face the choice of missing work or providing for a family member. Again, the statistics that I highlighted at the very beginning of this are across partisan lines. Eighty-nine percent of people who supported Hillary Clinton support this, 70 percent of people who supported Donald Trump support this, and 75 percent already consider it a basic worker's right. The question becomes, how do we insert that right into our laws in a way that is fair and balanced.

I think that is what you have before you in S.B. 196 (R1), as you will hear in the testimony of those coming up. I will give you a preview of who they will be: Caesar's Entertainment, MGM Resorts, the Lockard Group who represents the Nevada Women's Lobby and some others, Progressive Leadership Alliance of Nevada, Planned Parenthood, AARP, Northern Nevada Child and Adolescent Services, Battle Born Progress, and Children's Advocacy Alliance. There is a broad swath of our community who want this and have asked us to try to bring something forward, albeit not perfect—perfect from a perspective from those who want the benefit to be 100 percent inclusive, or perfect from a business perspective. It is an effort to compromise, and I hope we are able to earn your support.

Chair Bustamante Adams:

Are there any other questions from the members? [There were none.] We will go to those in support of the bill.

Marlene Lockard, representing Nevada Woman's Lobby; and Human Services Network for Northern Nevada:

We are very much in support of this bill. We recognize it is not all that we want, or that we feel families in this state need, but we do feel strongly that this will help some who have had no relief in the past. Over 487,000 private sector workers in Nevada, or 49 percent of the workforce, cannot earn a single paid sick day in this state, and that is astonishing. There are so many important reasons.

In 2013, the Girl Scouts of America named Nevada as the third worst state in the nation to raise girls. Part of that study was because of the economic environment they lived in. In Nevada, most parents in families are required to work to make ends meet. That means when they have a sick child, a lot of times, that sick child goes to school. We know there are some illnesses in the school districts that require the child be sent home for a minimum of three days. When that parent has to take unpaid time off to care for the sick child, you can see the spiral. There are some estimates that 3.5 days off are the equivalent to a month's worth of groceries. We could go on and on with additional statistics, but we think this is a proven need for all Nevadans, and it is not just for women. It is absolutely essential for families. We applaud the sponsor for bringing this bill and working so hard to make it something that would be a very good first step for us.

James P. Kemp, representing Nevada Justice Association:

We are in support of S.B. 196 (R1). We agree with Senator Ford that this would be a good first step and, hopefully, a further incremental process. Our members and clients would greatly benefit from the availability of paid sick leave, in particular, our clients with workers' compensation claims who are working light-duty jobs. Very often, they are forced to leave work to go to doctor's appointments, physical therapy appointments, or other medical treatment for their industrial injury. This bill would give them the opportunity to use paid sick leave to do that. They have very little, or no control, over the scheduling, and it is often during their work time. They have to take unpaid time to go to their appointments when they are working light-duty jobs. This bill will permit the injured workers to use less than a full-day increment. Two hours is the limit on what an employer could use, so he cannot say, You have to use the whole day. They can limit it to two hours or less as a minimum increment. That would greatly help our members' clients who have to work to go for their medical treatment and be able to be paid for that time. It would be a great benefit to injured workers and their families. The Nevada Justice Association supports S.B. 196 (R1) and hope it is enacted.

Michael Alonso, representing Caesars Entertainment:

We are here in support of S.B. 196 (R1). We want to thank the Majority Leader for bringing this measure. It is in line and consistent with Caesars' code of commitment to its 33,000 employees in Nevada in communities that Caesars works in. The goals of S.B. 196 (R1) are in line with the paid leave benefits and the health and welfare programs that Caesars already provides to its employees at its properties.

Josh Griffin, representing MGM Resorts International:

As the state's largest employer, MGM Resorts takes great pride in supporting our communities, which begin first and foremost with our employees. Senate Bill 196 (R1) ensures a benefit that makes sense. It makes for stronger communities and for stronger companies, and that is why we are pleased to support this legislation. We appreciate the Senate Majority Leader bringing it forward, and we hope other employers join us.

Assemblyman Paul Anderson:

I just want to clarify from both Caesars and MGM—I know you have benefits that probably far outweigh what is being considered in this bill. The way I read it, you would also be exempt from the bill? Is that true?

Josh Griffin:

I think you are talking about section 1, subsection 6, paragraph (a), where it says the employer with a collective bargaining agreement. I do not think it is unusual when you are talking about these types of benefits in statutes. Yes, we have a collective bargaining agreement.

Assemblywoman Tolles:

That was actually part of my question. I wondered how this bill impacted you, but it sounds like it does not. Is that correct?

Josh Griffin:

With the collective bargaining agreement that we have in place, it meets those conditions in the statute. MGM Resorts, or any company with a collective bargaining agreement, is what we would apply to and live with. Having what I think Mr. Anderson called an exemption, I do not think it is totally unusual.

Barry Gold, Director, Government Relations, AARP:

I would like to talk about the people who will be covered under this bill and the ability it is going to give them if they are family caregivers. AARP is all about caregiving. You have heard me talk about that before. I would like to again thank the Nevada Legislature for passing the CARE Act unanimously last session. Paid leave for employees to use for themselves or caregivers is essential, and this bill allows them to use their sick leave—if they are covered by this bill—to care for other people. The numbers I have are for the total state.

You have heard me say there are over 350,000 caregivers who struggle daily with juggling their full-time jobs and caring for their loved ones. The fact is that seven out of ten caregivers report making work accommodations, whether it is coming in late, leaving early, taking time off, cutting back on hours, changing jobs, or quitting the job because they have to take care of their loved ones. Employees who are offered family-friendly benefits and caregiver-friendly benefits are better able to stay on their jobs, earn a living income, and provide for their own families.

I have heard the question, who does this benefit? If you are covered by this bill, the employees who care for their immediate family members, whether it is aging parents, spouses, adults with dementia, disabilities, children with disabilities, or medical conditions, they will be covered. They will be able to care for their loved ones.

The other people this is going to help are the loved ones who want to remain living at home, which is most often facilitated by an in-home caregiver, which prevents premature institutionalization at higher costs. Basically, employees would no longer have to worry about losing their job because they have to take care of an aging parent or a disabled child. Older workers, especially older women, are most likely to have elder care responsibilities, and are an increasing portion of the workforce. Sixty percent of the caregivers caring for adults are employed full- or part-time, placing demands on their time. It has been estimated that the lost income and benefits on average for family caregivers over the age of 50 due to providing unpaid caregiving is over \$300,000 over a caregiver's lifetime. Basically, you should not have to worry about losing your job because you have to take care of your mom. On behalf of the 336,724 AARP members across the state—as of April 30, 2017—we strongly support this bill and urge you to pass it.

Erika Washington, Nevada State Director, Make It Work Campaign:

The Make It Work Campaign is a nonprofit and nonpartisan advocacy campaign that advocates for affordable childcare, equal pay, and paid family leave. We are here today in support of S.B. 196 (R1). I really appreciate Senator Ford's leadership on this important issue, and as he alluded to in his testimony, many groups that did not feel this bill went far enough, that we were one of the groups that spent a lot of time—probably more time than he wanted me in his office—really pushing for more longer terms and for more employees.

When I think about paid sick days, I think about people like Shenell Sowers. She is one of our Make It Work ambassadors. She goes by the name "Magic," and she worked for a residential home for children with autism, and she was a residential director. She struggled because it was a stressful job, and it would make her asthma act up. She would want to take a sick day, but then worried about the retaliation from her employer. Ultimately, she did not take the time to take care of herself. She got sicker and ended up losing her job anyway. As she put it, she let her health go because she was afraid to lose her job, and in the end, she lost her health and her job.

I also think about times when I have received calls from school for any of my daughters being sick. I have three children of my own, and I have always been grateful that I have had employers who understood. I could pick up my children without losing my job. Is that a privilege or is that something that every working person should have? Paid sick day laws mean lower flu rates as people do not go to work sick when they know they will not lose a paycheck if they stay home. Paid sick day laws reduce expensive emergency health care services. In fact, it has been estimated that nationally, emergency room use would go down by over one billion a year if the whole country had paid sick days.

Nearly two in five private sector workers are denied a single basic day for things like stomach flu or strep throat. How many times have you been around someone who has been sick and thought they should have just stayed home? Maybe they wanted to but could not afford it. One in seven low-wage employees were fired in the past four years because they,

or their family member, had the nerve to get sick. People working without paid sick days forego the doctor and end up in an emergency room or are more likely to go to work sick or send a sick child to school and contaminate your child and then bring it home to you. If President Trump successfully rolls back health care, it is going to get so much worse.

In Nevada, almost half of all private sector workers—or nearly 500,000 people—do not have paid sick days. Paid sick day laws help parents stay home with their sick kids instead of spreading pink eye around the childcare center or stomach bugs around elementary school classes. That may mean people who work in restaurants will keep their germs to themselves.

We all deserve more than a decent living. We deserve a decent life, and paid sick day laws help us accomplish that. We really appreciate that the bill now applies to all employers with 25 or more employees, including five paid sick days. These changes will help out a lot more people. To be clear, we recognize that compromises are necessary to pass a law. This is a strong start, and we look forward to continuing to work with you in the future to help make it better for covering even more Nevadans. A special thank you to Majority Leader Ford for his willingness to work with us on this bill.

Kristy Oriol, Policy Coordinator, Nevada Coalition to END Domestic and Sexual Violence:

We are here today in support of S.B. 196 (R1). It is important for a victim to be able to have the time she needs to attend necessary medical appointments or counseling appointments. When a victim is unable to do so, this can result in missing appointments and increasing victimization. We greatly support this and look forward to seeing it grow in the future.

Stacey Shinn, Policy Director, Progressive Leadership Alliance of Nevada:

I am also here today in support. As part of the Nevada Coalition for Women's Equity, about a year and a half ago, eight organizations came together and voted on a platform for gender justice in the workplace. This is one of our top five bills we are pushing in 2017. We are doing this because women disproportionately bear the burden of caretaking in the home, especially when we have ill family members, so it makes this a gender justice bill. As the Majority Leader pointed out, this is a wildly popular issue with voters. A survey of United States adults in May 2015, showed that 80 percent favor expansion of a family medical leave act to include paid leave. The FMLA requires some protection but does not guarantee that paid sick leave piece. New York provides up to 12 weeks of paid leave; Rhode Island provides up to 4 weeks. I would stand behind any of these policies, but we are sitting here before you today only asking for five days. Please help us and pass this legislation.

Caroline Mello Roberson, State Director, NARAL Pro-Choice Nevada:

I would just like to say "me too" on behalf of all the women and men in our organization.

Elisa Cafferata, Director, Government Relations, Nevada Advocates for Planned Parenthood Affiliates, Inc.:

We are also a member of the Nevada Coalition for Women's Equity. We have been working diligently to increase access to health care in the state, and we know for many patients they need to be able to take some sick time from work in order to access preventative and primary care. When they have that ability, we know they are able to stay healthier at a lower cost. We support S.B. 196 (R1) because it makes financial sense, and it makes sense for the public health of the state.

Jared Busker, Policy Analyst, Children's Advocacy Alliance:

We are in support of S.B. 196 (R1), as we believe it will benefit our working families and their children.

Ruben R. Murillo, Jr., President, Nevada State Education Association:

I am speaking in support of S.B. 196 (R1). We thank Senator Ford for bringing this forward. Basic paid sick leave is a civil rights issue. We are not going to belabor everything that has been said. We support everything that has been mentioned before my testimony.

Maria-Teresa Liebermann, Deputy Director, Battle Born Progress:

We are here in support of the bill, and we thank the Majority Leader for his efforts. We look forward to working with him on this in the future and expanding it. I wanted to point out that a publication in Las Vegas last Sunday showed a study by the Institute for Women's Policy that rated Nevada a C-minus grade for work and family policy in Nevada. We strongly encourage you to support this bill. This is a good start, and we can keep expanding on it.

Chair Bustamante Adams:

We will switch to those in opposition of S.B. 196 (R1). I know the Majority Leader has had several stakeholder meetings, so it would be helpful to this Committee if you can be as specific as possible. It would help us identify if there is still room for collaboration.

Paul J. Moradkhan, Vice President, Government Affairs, Las Vegas Metro Chamber of Commerce:

The Las Vegas Metro Chamber of Commerce and its government affairs committee is opposed to S.B. 196 (R1) on behalf of our members. As you know, the Las Vegas Chamber consists of members from a wide range of industries in our state. We also range in employee size of just one employee to thousands of employees. Our membership also consists of businesses that have just recently opened their doors to those who have been part of the southern Nevada business community for over 100 years. Because of the Chamber's membership composition, we must look at these types of labor bills to see how they affect the entire business community. This requires us to look at this bill and how it will impact all industries and businesses of all sizes. I share with you that perspective of what our membership looks like because it is our responsibility to share with this Committee some of the major concerns and feedback from our members and why we are not able to support this bill.

In a survey conducted by the Metro Chamber of private employers across the range of industries in Nevada, 72.9 percent of total respondents in Nevada indicated their concern that a mandatory paid sick leave program will affect their business operations or increase their costs as an employer. Some of their concerns include, but are not limited to, the following: 1) the cumulative effects of this proposal together with others currently being considered by the legislative body will affect the costs of doing business in Nevada, and especially the cost of labor; 2) the burden and resources needed to comply with the reporting requirements and recordkeeping for possible inspection; 3) concern about the state mandating FMLA limitation requirements; and 4) the level of the potential penalty and processing related to the state Labor Commissioner or the fact that the violation would be a misdemeanor. Many members of the Chamber have shared with me that they offer robust benefits as part of the compensation packages to recruit and attract employees who work for them. They believe that the market should drive the competitiveness of these benefits offered employees. In an improving economy, as Nevada is currently experiencing, benefits are becoming more generous because the market is allowing employers the ability to do so.

It is the concern of the Chamber that such mandates on employers would hinder our job growth, and that is something we have heard from our members. How friendly a state's labor laws are toward employers in level requirements and mandates are a factor in a company's decision to relocate or expand an existing market. It is clear from a majority of our members that participate in our survey, and private employers in Nevada, that they have significant concerns associated with this bill. As a membership organization, we are opposed because of the impact it may have on our members. The Laughlin Chamber of Commerce also asked me to register their opposition to this bill.

Tray Abney, Director, Government Relations, The Chamber Reno-Sparks-Northern Nevada:

I will ditto the comments of my colleague from the other chamber. I want to thank you for the opportunity to allow my members to give feedback on S.B. 196 (R1). We remain opposed to this bill because of the following comments that we received from job creators. You hear my words a lot; let me give you the words directly from job creators. They are worried about more paperwork; more fines; one more incentive not to come to work and still get paid, and more expense for the employer who is left without the necessary labor; more incentives to not hire more people; small business employers are a threatened species; increases in administrative costs; turns team leaders into clerks; and adds to the unproductive nature of mandates. One member had concerns because they do operations in multiple states and comply with all of those various regulations. One mistake could cost \$5,000, mounting recordkeeping requirements, and this bill reinforces the need to run a business with as few employees as possible.

We remain opposed to this bill for all of those reasons, and I hope these thoughts from small business owners will guide you as you work on this and other issues this session.

Lea Tauchen, Senior Director, Government Affairs, Grocery and General Merchandise, Retail Association of Nevada:

We are also speaking in opposition. From the retail industry perspective, our members strive to offer competitive pay and benefits to attract and retain the best employees possible. We represent retail businesses of all sizes in this state, and what we have found in surveying them is that some are already offering some form of flexible scheduling or paid time off. Some are offering something that does not quite fit the formula laid out in this bill, and some do not have the ability to offer anything. There is a wide variety that we recognize.

We are most concerned with the impact of mandating a one-size-fits-all formula. It does remove the flexibility for business owners to make personnel decisions that accommodate their unique workforce, culture, and circumstances. I think the way it has been best explained to us is that most employers can only allocate a certain amount of funds toward benefits for their employees. In many cases, it does not necessarily fit the mold that is laid out in this bill, and it would impact them in a way that they may not be able to offer the benefits that their employees have specifically requested. They may have to shave off other benefits that employees had asked for that would be different than specifically sick leave. Again, every business operates using a different system, and mandating an identical prescription will take away a differentiating employment benefit for employers to offer in a competitive marketplace.

Randi Thompson, representing National Federation of Independent Business:

I am echoing a little bit of what my colleagues have said. I do not know a single business owner who does not want to offer paid leave, vacation leave, and sick time. In today's tight labor market, businesses are having to come up with benefits to attract and retain employees. When they can, they do offer paid leave, but mandating it does not make it affordable, in the same way that you cannot mandate that a business become profitable.

I appreciate Senator Ford's willingness to amend the bill to exempt it down to 25 employees or less, as well as adjusting seven days down to five, but these are perks. I do not think it is in the purview of our Legislature to mandate perks for a business. I provided testimony for the record. Similar to what Mr. Abney presented, I had several business owners provide exactly what the impact would be on this bill. It was based on the one hour for every 30 hours earned, so it is about 25 percent adjustment in the testimony. I do request that when you look at those numbers, please know, there is an adjustment based on that proposal. I have to say that every employer I know wants to be able to offer this, but mandating it makes it not always affordable.

Chair Bustamante Adams:

Are there any questions from the Committee members?

Assemblyman Daly:

In your survey, when you talk to your members about various things, were there any comments or did you bother to ask them what the costs are to them now for having employees show up sick and causing loss of productivity, et cetera? I think these are offsets, and I understand what you are saying. Many of you say that you already give it at a higher level. Having a minimum is not a bad thing. This is just setting a minimum. If you ask me, it kind of levels the playing field. If you cannot answer that first question about if you bothered to ask if there was any offsetting detriment or negativity for having sick employees and loss of productivity there, I think it is going to be a wash.

Randi Thompson:

I can say, Assemblyman Daly, that in specifically asking Kimmie Candy, the owner actually closed his factory one day to give his entire factory a day off to attend a funeral. He hires many people who are in the same family. He closed his production facility. I can give you exactly what it would cost if I asked what his numbers were, but that is the kind of small business owners we are talking about. He was willing to close his factory to give everyone a day off to attend a family event.

My concern is the word "incremental," and you said it there as well. This is the start. This is that nose under the tent. Once we put this in there, it is a very easy thing to adjust. Mandating three days or five days might sound reasonable now, but I fear what could happen as this moves on and we mandate more and more and it makes it harder and harder for people to hire.

Assemblyman Daly:

Did he pay the people for that day off?

Randi Thompson:

Yes, he did.

Assemblyman Daly:

So it is not that much of a burden if you ask me.

Chair Bustamante Adams:

As far as your memberships, how many of those employers have 25 or more employees?

Paul Moradkhan:

At 15 employees or lower, we are at 85 percent. A large portion of the membership would be impacted, one way or the other.

Chair Bustamante Adams:

Were you part of the stakeholder conversation? Did you provide input?

Paul Moradkhan:

We originally spoke with Senator Ford. We provided some amendments; some were accepted, and some were not accepted. Based off the survey and the membership response, the Chamber cannot support the bill.

Chair Bustamante Adams:

Was the survey done before your amendments were accepted?

Paul Moradkhan:

The original survey was done off the original bill. We started conversations with the stakeholders before the survey was done when the bill was first introduced. We had ongoing conversations with Senator Ford during the session.

Chair Bustamante Adams:

Mr. Abney, how many of your members are 25 employees or more?

Tray Abney:

We are very similar to the Las Vegas Metro Chamber. The vast majority of our businesses are small businesses, but a lot of them fall within that 25 to 50 category as well.

Chair Bustamante Adams:

Were you involved in the stakeholder conversations?

Tray Abney:

We were. Both chambers submitted amendments together, just as Mr. Moradkhan stated.

Chair Bustamante Adams:

Were some of those accepted?

Tray Abney:

A couple of them were at the beginning.

Lea Tauchen:

I do not have a specific count for you or a percentage of our members. I think we probably fall very similarly in our structure and makeup as the chambers that have answered before us. We participated at the onset in the stakeholder conversations. We have not offered amendments.

Randi Thompson:

We have approximately 22,000 members across the state, and approximately 25 percent of our members have 25 or more employees. The Small Business Administration does a survey of Nevada, and I want to say that about 40 percent of Nevada businesses have 25 or fewer employees, so you are still looking at a majority of them.

Chair Bustamante Adams:

Is there anyone else in opposition?

Ray Bacon, representing Nevada Manufacturers Association:

I ditto the others.

Warren B. Hardy II, representing Nevada Restaurant Association:

Since brevity is the soul of wit, I ditto the others.

Chair Bustamante Adams:

There was a statement made that people within the restaurant industry would not be covered by this bill, but you have a different opinion.

Warren Hardy:

I have not seen or had a chance to completely review the most recent amendment from Senator Ford. I am going to do that tonight. My understanding, though, is the bill, as I read it in previous versions, would impact the restaurant industry.

Chair Bustamante Adams:

If you would let me know your thoughts by tomorrow after you have read the new version, I would appreciate it. Is there anyone in neutral? [There was no one.]

[([Exhibit N](#)), ([Exhibit O](#)), and ([Exhibit P](#)) were submitted but not discussed.]

We will close the hearing on S.B. 196 (R1). Is there any public comment in Carson City or Las Vegas? [There was none.] The meeting is adjourned [at 3:13 p.m.].

RESPECTFULLY SUBMITTED:

Kathryn Keever
Recording Secretary

Linda Whimple
Transcribing Secretary

APPROVED BY:

Assemblywoman Irene Bustamante Adams, Chair

DATE: _____

EXHIBITS

[Exhibit A](#) is the Agenda.

[Exhibit B](#) is the Attendance Roster.

[Exhibit C](#) is the Work Session Document for [Senate Bill 65 \(1st Reprint\)](#), presented by Kelly Richard, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

[Exhibit D](#) is the Work Session Document for [Senate Bill 150 \(1st Reprint\)](#), presented by Kelly Richard, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

[Exhibit E](#) is the Work Session Document for [Senate Bill 232](#), presented by Kelly Richard, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

[Exhibit F](#) is the Work Session Document for [Senate Bill 260 \(1st Reprint\)](#), presented by Kelly Richard, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

[Exhibit G](#) is the Work Session Document for [Assembly Bill 206](#), presented by Kelly Richard, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

[Exhibit H](#) is a proposed amendment to [Assembly Bill 206](#), submitted by Assemblyman Chris Brooks, Assembly District No. 10.

[Exhibit I](#) is a proposed amendment to [Assembly Bill 206](#), submitted by Assemblyman Chris Brooks, Assembly District No. 10.

[Exhibit J](#) is a letter, dated May 17, 2017, in support of [Assembly Bill 206](#) to Chair Bustamante Adams, authored and submitted by Tom Dalzell, Business Manager, International Brotherhood of Electrical Workers.

[Exhibit K](#) is a letter, dated May 17, 2017, in support of [Assembly Bill 206](#) to Assemblyman Brooks, authored and submitted by Michael Brown, President, Barrick USA.

[Exhibit L](#) is the Work Session Document for [Senate Bill 383](#), presented by Kelly Richard, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

[Exhibit M](#) is a proposed amendment to [Senate Bill 196 \(1st Reprint\)](#), presented by Senator Aaron D. Ford, Senate District No. 11.

[Exhibit N](#) is written testimony authored by Bryan Hum, on behalf of the ERISA Industry Committee, dated May 12, 2017, regarding [Senate Bill 196 \(1st Reprint\)](#).

[Exhibit O](#) is a letter, dated May 10, 2017, in opposition to Senate Bill 196 (1st Reprint) to Chair Bustamante Adams, authored by Bryan Wynn, Director, United Food and Commercial Workers International Union.

[Exhibit P](#) is a letter, dated May 10, 2017, regarding Senate Bill 196 (1st Reprint) to Chair Bustamante Adams and members of the Assembly Committee on Commerce and Labor, authored by Eva Medina, Program Manager, Consumer Direct Care Network Nevada.