MINUTES OF THE MEETING OF THE ASSEMBLY COMMITTEE ON GOVERNMENT AFFAIRS

Seventy-Ninth Session May 19, 2017

The Committee on Government Affairs was called to order by Chairman Edgar Flores at 10:20 a.m. on Friday, May 19, 2017, in Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4406 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:

Assemblyman Edgar Flores, Chairman
Assemblywoman Dina Neal, Vice Chairwoman
Assemblywoman Shannon Bilbray-Axelrod
Assemblyman Chris Brooks
Assemblyman Richard Carrillo
Assemblyman Skip Daly
Assemblyman John Ellison
Assemblywoman Amber Joiner
Assemblyman Al Kramer
Assemblyman Jim Marchant
Assemblyman Richard McArthur
Assemblyman William McCurdy II
Assemblywoman Daniele Monroe-Moreno
Assemblywoman Melissa Woodbury

COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

Senator Kelvin Atkinson, Senate District No. 4 Senator Pat Spearman, Senate District No. 1



STAFF MEMBERS PRESENT:

Jered McDonald, Committee Policy Analyst Jim Penrose, Committee Counsel Isabel Youngs, Committee Secretary Cheryl Williams, Committee Assistant

OTHERS PRESENT:

Deonne E. Contine, Executive Director, Department of Taxation Kara Jenkins, Administrator, Nevada Equal Rights Commission, Department of Employment, Training and Rehabilitation

Chairman Flores:

[Roll was called. Rules and protocol were explained.] We will not be taking the work session documents in order. I will open the work session with <u>Senate Bill 357 (1st Reprint)</u>.

Senate Bill 357 (1st Reprint): Revises provisions governing the use of apprentices on public works. (BDR 28-534)

Jered McDonald, Committee Policy Analyst:

[Read from work session document (<u>Exhibit C</u>).] <u>Senate Bill 357 (1st Reprint</u>) is sponsored by Senators Atkins, Segerblom, and others, and was heard in this Committee on May 9, 2017.

Senate Bill 357 (1st Reprint) requires each contractor and subcontractor on a public work beginning in calendar year 2019, for which the estimated cost exceeds \$1 million, to ensure that an apprentice performs not less than 3 percent of the total hours of labor for all horizontal construction work and not less than 7 percent of the total hours of labor for all vertical construction work for the public work. The measure authorizes the Labor Commissioner in the Department of Business and Industry to adopt, with the approval of the State Apprenticeship Council, Office of Labor Commissioner, Department of Business and Industry, regulations revising the percentage requirements each calendar year and impose a monetary penalty for the failure of a contractor or subcontractor to comply with requirements to use apprentices on a public work for the minimum percentage of hours. Further, a public body must verify that a contractor complies with the requirements for apprentices or has paid the monetary penalty, and the public body cannot award a contract to a contractor who has not satisfied the apprentice requirement or paid the monetary penalty. Finally, a contractor who exceeds the minimum apprentice requirements must receive a preference in bidding.

We did receive one amendment from the bill sponsor, Senator Atkinson [pages 2 through 20, (Exhibit C)]. Briefly, the amendment removes the bidding preference in section 4, subsection 3. It changes section 4, subsection 2 so that beginning in 2019, subcontractors generally cannot be awarded contracts unless the subcontractor complies with the bill. It also

requires the apprentice target to be met for each "class of recognized worker." It revises the monetary penalties to include a range of \$2 to \$6 for each hour by which the contractor or subcontractor failed to comply. It sets criteria to be used by the Labor Commissioner to determine the amount of the penalty. Finally, if you look at section 6.5 and section 6.7, a number of reporting requirements have been added to the bill.

Chairman Flores:

I would like to entertain a motion to amend and do pass Senate Bill 357 (1st Reprint).

ASSEMBLYMAN BROOKS MOVED TO AMEND AND DO PASS SENATE BILL 357 (1ST REPRINT).

ASSEMBLYWOMAN NEAL SECONDED THE MOTION.

Assemblyman Marchant:

Do trainees outside the apprenticeship program count toward apprenticeship requirements for public works projects?

Jim Penrose, Committee Counsel:

It appears to me that only apprentices in the program would be subject to this.

Assemblyman Marchant:

No others?

Jim Penrose:

That is correct.

Chairman Flores:

The bill sponsor concurs with that.

Assemblyman Marchant:

Is it only confined to those apprenticeship programs and no other programs?

Jim Penrose:

That is my understanding.

Assemblyman Ellison:

I know in some areas of Nevada we cannot get enough construction laborers. That is my concern. I think that will create a bigger burden on certain projects because we just cannot find workers. Maybe Senator Atkinson can discuss this. I know it says \$1 million but still, we are having a hard time finding laborers, let alone apprentices in these programs. I know some agencies have them, like Associated General Contractors of America and the unions. However, there are only so many apprentices out there that we can pull from. That is what creates a problem for me.

Senator Kelvin Atkinson, Senate District No. 4:

I think the language at the top of page 4 of the amendment [page 5, (<u>Exhibit C</u>)] addresses that concern.

THE MOTION PASSED. (ASSEMBLYMEN ELLISON, KRAMER, MARCHANT, McARTHUR, AND WOODBURY VOTED NO.)

Chairman Flores:

I will give the floor statement to Assemblyman Brooks. I will open the work session for Senate Bill 12 (1st Reprint).

Senate Bill 12 (1st Reprint): Repeals certain provisions relating to governmental administrative tasks. (BDR 22-241)

Jered McDonald, Committee Policy Analyst:

[Read from work session document (Exhibit D).] Senate Bill 12 (1st Reprint) repeals the requirement that the Department of Taxation prepare and submit a biannual report to the Legislature and to each municipality that has created a tourism improvement district pursuant to Nevada Revised Statutes Chapter 271A on or after July 1, 2011, regarding monthly revenue, wages, and employment in the tourism improvement district. The bill also repeals the requirement that each business within such a tourism improvement district provide to the Department of Taxation information required by the Department for it to fulfill its reporting requirement. The bill further repeals the requirement that: (1) the State Board of Agriculture of the State Department of Agriculture submit to the Governor a biennial report of its activities relating to its statutory duties; (2) the Administrator of the Employment Security Division of the Department of Employment, Training and Rehabilitation submit to the Governor a biennial report on the administration and operation of statutes relating to unemployment compensation; and (3) the Administrator of the Employment Security Division of the Department of Employment, Training and Rehabilitation print for distribution to the public the text of certain regulations, rules, reports, and other materials relating to unemployment compensation.

Assemblyman Daly:

I think you will recall from testimony on this bill that I had concerns about deleting the sections on the Sales Tax Anticipated Revenue (STAR) bonds. I would like to make a motion to amend and do pass <u>Senate Bill 12 (1st Reprint)</u>. I would like to amend section 1 and section 2 out of the bill. This would leave section 3, section 4, and the three repealed sections at the back of the bill.

Chairman Flores:

I will entertain a motion to amend and do pass Senate Bill 12 (1st Reprint).

ASSEMBLYMAN DALY MOVED TO AMEND AND DO PASS SENATE BILL 12 (1ST REPRINT).

ASSEMBLYWOMAN JOINER SECONDED THE MOTION.

Assemblyman Ellison:

Did the sponsor agree with this amendment?

Chairman Flores:

I do not believe so.

Assemblyman Ellison:

I apologize, but there is not much left of the bill. I want to make sure the sponsor agrees with the amendment

Deonne E. Contine, Executive Director, Department of Taxation:

No, I was not contacted. I do not have anything else to offer other than what I offered during the bill hearing. The information we get does not allow us to accurately reflect what I believe the statute is attempting to get to because it allows the taxpayers, to the extent information is available, to provide it to us. When we provide those reports, they are not very reliable. That was the testimony we spoke to at the bill hearing. That is why we are asking to repeal that reporting requirement.

Assemblyman Kramer:

Let us be specific to the money spent in Washoe County. When the projects funded by STAR bonds are designed, the idea is to find out whether the bonds can be repaid and what the projection looks like going forward. My feeling is that some information is better than none—even if it is faulty.

Deonne Contine:

The main issue is with respect to taxpayers providing information on where the customers live. In almost every single case, when that is reported to us, they will not know. I think the question is what percentage of sales are to tourists. They often draw a line through that question. The Legislature wants to rely on these reports to determine whether the legislation is working to increase tourism, but we have difficulty getting that information. The statute says that they provide it to the extent possible, and we have no enforcement mechanism to make them report.

Assemblyman Daly:

Sales Tax Anticipated Revenue (STAR) bonds were put into statute several years ago [Assembly Bill 376 of the 76th Session]. The intent was when the people come to ask for STAR bonds and get approved for the tourism improvement district, 50 percent or more of the revenue is supposed to be from out of state. It is supposed to be new revenue—not from the existing tax base. They all come in with a pro forma and explain what they will perform to and what their mix of sales will be. They convince the city council or the county or whoever is approving this that they can meet that. Prior to this legislation being put in by Assemblywoman Smith [Assembly Bill 422 of the 75th Session], there was no mechanism or requirement to report the performance data. This was an attempt to improve the process for getting the information to them.

I think if anyone ever asks for one again, the agency will ask if those requesters can provide the information we need that they are required to provide in these reports. If not, they will not be approved. If the language comes out, we have no way to do it. My alternate proposal was to get rid of STAR bonds and delete the whole section if they cannot prove they can meet the pro forma. These reports will have a useful effect to the agencies when they consider STAR bonds in the future. That is why I believe we need to keep them and it would be beneficial.

Assemblywoman Joiner:

I understand the Department of Taxation's dilemma: garbage in, garbage out. I understand. I think my reason for supporting this is that I do think it is important for us to have a clear reporting of those provisions if we have the STAR bonds in place. I think the fact that this bill came up should be a public warning to those companies with STAR bonds that they should start reporting accurate data. That is what we are asking for.

Just because someone is not complying with the law does not mean we should just delete the law. That is what I feel like we are being asked to do. I want these reports to stay on the record.

As far as not knowing where people live, when I go to the shoe store, I am asked for my ZIP Code. That is a ridiculous argument. These companies should be tracking where people live when they purchase things. Ask for a ZIP Code, an area code, et cetera. There are ways to do that. I feel strongly that these reports are important for the public.

THE MOTION PASSED UNANIMOUSLY.

Chairman Flores:

Assemblyman McArthur will take the floor statement. I will open the work session for Senate Bill 250 (1st Reprint).

Senate Bill 250 (1st Reprint): Revises the certification requirements for constables in certain townships. (BDR 20-947)

Jered McDonald, Committee Policy Analyst:

[Read from work session document (Exhibit E).] Senate Bill 250 (1st Reprint) repeals the requirement that constables hired in certain townships be certified by the Peace Officers' Standards and Training (POST) Commission as a category II peace officer. The bill requires a person who seeks election or appointment to the office of constable in a township in which a city is located whose population is 220,000 or more to complete certain certification or training programs before he or she declares or accepts candidacy for the office or accepts appointment to the office. Finally, the bill removes the requirements that: (1) the chief of police of the city authorize and consent to a constable's power as a peace officer when the constable is acting in an incorporated city; and (2) the sheriff of the county authorize and consent to a constable's power as a peace officer when the constable is acting in an area that is not within the limits of an incorporated city.

We have one amendment that was proposed by the sponsor [page 2, (<u>Exhibit E</u>).] The amendment reduces the population cap from 220,000 or more to 200,000 or more and sets an effective date of July 1, 2016, for the purposes of repealing [retroactively] *Nevada Revised Statues* 258,007.

Assemblywoman Monroe-Moreno:

I would like to amend this bill further. I met with the sponsor, and I would like to make an additional amendment to section 1, subsection 2. I would like to return those sections to the original language, "constable and their deputies."

Chairman Flores:

I will entertain a motion to amend and do pass Senate Bill 250 (1st Reprint).

ASSEMBLYWOMAN MONROE-MORENO MOVED TO AMEND AND DO PASS SENATE BILL 250 (1ST REPRINT).

ASSEMBLYMAN McCURDY SECONDED THE MOTION.

Jim Penrose, Committee Counsel:

I want to ensure I understand the intent of the amendment. If we revert the language of section 1, subsection 2 to its existing language so that both constables and their deputies are category II peace officers, what effect does that have on section 1.3 of the bill that allows options for constables in certain cities to either be POST-certified in Nevada or another state, or to have successfully completed a training program approved by the POST Commission? Are those options to remain, because it seems to me that they are inconsistent with the amendment you described?

Assemblywoman Monroe-Moreno:

If reverting the language in section 1, subsection 2 would conflict with the additional requirements in section 1.3, we do not want a conflict. We would like to keep section 1.3 to ensure that whoever runs for constable is certified prior to accepting the position.

ASSEMBLYWOMAN MONROE-MORENO WITHDREW HER MOTION.

ASSEMBLYMAN McCURDY WITHDREW HIS SECOND.

Jim Penrose:

The language in section 1.3 will need to be revised. For example, in section 1.3, as the bill is written, a constable in a city of a population of 200,000 or more need not be POST-certified. Under section 1.3, subsection 1, paragraph (c), subparagraph (3), such a person can qualify for the job if they have successfully completed a federal law enforcement training program approved by the Commission, without being POST-certified. It is perfectly fine if you want to eliminate that option, I just need to be clear.

Assemblyman Ellison:

Individuals do not get POST certification prior to becoming a peace officer because they may not make it. Here we are eliminating the pool of people by saying they need to have POST certification before they can run for the office. I do not know if we can do that. I think we are discriminating against individuals. I do not know if we can legally do that. If we can, then I have a problem with that. I think it should be that they have so many days to get their POST certification. This bill says they have to be POST-certified prior to running for election.

Chairman Flores:

My understanding is currently they need to be POST-certified once they become elected. They have a time frame to become POST-certified. Assemblywoman Monroe-Moreno's amendment is to ensure they are POST-certified prior to even running. We do not want an issue where people are running for the position and then later finding out they cannot pass the POST certification. The intent of her amendment is to ensure we do not have that conflict moving forward. Currently, we have individuals who run for the constable position and then find out they cannot pass the POST certification test. It is creating a problem. Her amendment is establishing that to avoid that problem moving forward, we need to ensure people are POST-certified prior to even running for the office.

Assemblyman Ellison:

I think you limit who can actually apply for the job. That is my problem.

Assemblywoman Monroe-Moreno:

If individuals are hired to be a police officer, they are trained and tested. If they do not pass that test, they do not retain the job as a police officer, corrections officer, or anything in law enforcement. However, if individuals are elected for a position and know they have to obtain those qualifications and if they do not obtain those qualifications, what do we do? That is the position we are in now. The amendment requires candidates to be qualified for the job they are running for.

Assemblyman Ellison:

When they put out classes for the POST certification, they are recommended by an agency. Not just anyone can go sign up to take the POST certification.

Assemblywoman Monroe-Moreno:

Most of our constables who would fit into this were former law enforcement officers. They were retired category I or category II peace officers. Sometimes they were category III and they went back to school to become category I for this position. This is the first time we have found ourselves in this position. I am not sure if the community colleges that had POST classes before still have them. We would have to find out. That person could pay to go through the training.

I would like to make the motion again with just the intent of the amendment. Anyone wishing to run for the position of constable in the state of Nevada would have to be POST-certified in a program that the POST Commission deems equivalent to our requirements for the position prior to seeking election or appointment for that position.

Jim Penrose:

As I understand it, in order to run for the offices of constables in one of these cities, one would have to be POST-certified. If you look at the existing language in section 1.3, subsection 1, paragraph (c), subparagraph (3) [page 3, (Exhibit E)], it refers to either certification by POST or certification by a similar agency in another state. I am assuming that would likewise be sufficient.

Assemblywoman Monroe-Moreno:

I was an officer in the state of Arizona. When I became employed in the state of Nevada, I had to have POST approve my training and do a test here to have my training certified from the other state. This would be similar for a federal officer. If there was someone who had a federal position, the POST Commission could certify them here.

Jim Penrose:

The existing bill provides a third option for people who have successfully completed a federal law enforcement training program. I gather that is something less than POST certification. That would not be sufficient to meet the requirements you described.

Assemblywoman Monroe-Moreno:

Yes. Unless the federal training program that the application or person running for was equal to or more stringent than what the POST Commission requires.

Chairman Flores:

I will entertain a motion to amend and do pass Senate Bill 250 (1st Reprint).

ASSEMBLYWOMAN MONROE-MORENO MOVED TO AMEND AND DO PASS SENATE BILL 250 (1ST REPRINT).

ASSEMBLYMAN McCURDY SECONDED THE MOTION.

Assemblyman Kramer:

It seems like we are trying to ensure the candidates for constable have certain qualifications. Frankly, I think that is good. It also seems like we are accepting someone as qualified who took the test 25 years ago. It seems maybe recertification ought to be in order for anyone who runs for constable within two to three years of when they run for office. Otherwise, we will get people who perhaps cannot pass the physical, but they passed the certification 25 years ago.

Chairman Flores:

I appreciate that comment, but at this point, we are discussing the vote.

THE MOTION PASSED. (ASSEMBLYMEN ELLISON AND KRAMER VOTED NO.)

Assemblywoman Monroe-Moreno will take the floor statement. I will open the work session for <u>Senate Bill 397 (1st Reprint)</u>.

Senate Bill 397 (1st Reprint): Revises provisions relating to employment. (BDR 18-14)

Jered McDonald, Committee Policy Analyst:

[Read from work session document (Exhibit F).] Senate Bill 397 (1st Reprint) revises several provisions relating to unlawful employment practices and governing the filing of complaints of employment discrimination with the Nevada Equal Rights Commission (NERC) in the Department of Employment, Training and Rehabilitation.

The bill revises the powers of NERC to order remedies for unlawful employment practices by setting forth a tiered system of civil penalties, rather than a flat civil penalty, which progressively increases if an employer is found to have multiple instances of pay discrimination within a five-year period. Specifically, the penalty is \$10,000 for a first offense, \$15,000 for a second offense, and \$25,000 for the third offense. Certain penalties and fines imposed by NERC must be deposited in the State General Fund, and NERC is authorized to present a claim for recommendation to the Interim Finance Committee if it is necessary to pay attorney's fees or the costs of an investigation, or both.

Back pay may be awarded for a period beginning two years before the date of filing an unlawful employment practice complaint and ending on the date NERC issues an order regarding the complaint, and NERC may require the payment of reasonable attorney fees to the complainant.

Finally, this bill prohibits an employer, employment agency, or labor organization from discriminating against any person with respect to employment or membership, as applicable, for inquiring about, discussing, or disclosing information about wages unless the person has access to information about the wages of other persons as part of his or her essential job functions and discloses the information to a person who does not have access to that information.

Chairman Flores:

Mr. Penrose, can you walk us through the amendment (Exhibit G)?

Jim Penrose, Committee Counsel:

In section 2, subsection 3, paragraph (b), subparagraph (4) of the amendment, it appears that the language at the bottom of the page expands the remedial authority of NERC to include awarding compensation in addition to any differential in pay. It would include an award for overtime that would have been earned, shift differential commissions, tips, cost of living adjustments, merit increases, and the like to truly make the employee whole in such a case.

The new language in section 2, subsection 5 authorizes NERC to adopt regulations to determine whether a given unlawful employment practice was willful. That will be a factor in determining the penalties that can be imposed by NERC. The green language in section 2, subsection 6, paragraph (b) expands the remedial authority of the court if the person who has been found to have committed an unlawful employment practice fails to comply with an order of NERC.

Section 2.5 amends *Nevada Revised Statutes* (NRS) 233.210 to expand the remedial authority of NERC, where someone interferes with NERC's investigation. In such a case, NERC would be authorized to recover reasonable costs and expenses in performing the investigating and securing compliance.

Page 9 of the amendment references section 3 of the bill, which is the provision that makes it an unlawful employment practice for an employer to discriminate against employees for discussing the issue of wages. A violation of that kind is now in the amendment under the basis of filing a complaint with NERC. Under the provisions of NRS 613.405, which is covered in section 11, in order to file a complaint with NERC, the complainant needs to show that discrimination has occurred because of race, color, sex, sexual orientation, gender identity or expression, age, disability, or the other factors enumerated there. This amendment would authorize someone to file a NERC complaint for a violation of the wage provision regardless of whether there was also discrimination on the basis of race, color, sex, et cetera.

Section 12 of the amendment is the provision that authorizes a person to seek judicial review if NERC fails to rule in their favor. It expands the remedial authority of the court to include punitive damages. The provision of the bill that had authorized NERC to award punitive damages has been eliminated by the amendment.

Assemblywoman Neal:

I am not clear on the judicial review provision. Is the trigger simply NERC failing to agree with their side of the issue?

Jim Penrose:

That appears to be the case, yes. Under existing law, if NERC does not conclude that an unfair employment practice has occurred under existing law, the person has the right to seek relief in the district court.

Chairman Flores:

We will wait for Senator Spearman and review this bill later. I will open the work session for Senate Bill 183 (1st Reprint).

Senate Bill 183 (1st Reprint): Revises provisions relating to housing authorities. (BDR 31-616)

Jered McDonald, Committee Policy Analyst:

[Read from work session document (Exhibit H).] Senate Bill 183 (1st Reprint) provides that the Local Government Budget and Finance Act applies to all housing authorities. The bill also revises requirements for certain commissioners of a regional housing authority in a county whose population is 700,000 or more by: (1) requiring that one of the persons appointed by each of the four governing bodies of the regional housing authority be an elected member of the governing bodies making the appointments; (2) limiting the service of commissioners to no more than two terms; and (3) making education a relevant factor for consideration for the governing bodies making certain appointments.

We did receive an amendment from the bill sponsor. The amendment reverts the changes made by the bill relating to the Nevada Rural Housing Authority (NRHA), resulting in no net change to the law as it relates to the NRHA. The amendment also makes a regional housing authority subject to the requirements of the Local Government Budget and Finance Act, but explicitly excludes from the Act any other housing authority created by a city, town, or county.

The amendment also reduces from 13 to 9 the number of persons on the governing board of the regional housing authority by reducing the number of persons appointed by the governing bodies of the three largest cities in the county in which the regional housing authority operates. Finally, the amendment provides that the terms of office of the four commissioners whose offices are being eliminated will expire on the effective date of the bill, which is July 1, 2017.

Assemblyman McCurdy:

I have to make a disclosure in front of the body. A member of my immediate family—my dad, William McCurdy—is a commissioner of the Southern Nevada Regional Housing Authority. He was appointed to that position by the Las Vegas City Council. To my understanding, S.B. 183 (R1) would impose additional legal requirements on the Authority and its commissioners. A proposed amendment to the bill would, to my understanding, eliminate the office currently held by my dad and provide for the expiration of his term of office as of July 1, 2017. Because of my commitment to him, I am making this disclosure for the purposes of Assembly Standing Rule No. 23, and I will abstain from discussing or voting on S.B. 183 (R1).

Chairman Flores:

I will entertain a motion to amend and do pass Senate Bill 183 (1st Reprint).

ASSEMBLYWOMAN NEAL MOVED TO AMEND AND DO PASS SENATE BILL 183 (1ST REPRINT).

ASSEMBLYWOMAN BILBRAY-AXELROD SECONDED THE MOTION.

THE MOTION PASSED. (ASSEMBLYMAN McCURDY ABSTAINED FROM THE VOTE.)

Assemblywoman Neal will take the floor statement. At this time, we will go back to Senate Bill 397 (1st Reprint).

Senate Bill 397 (1st Reprint): Revises provisions relating to employment. (BDR 18-14)

Assemblywoman Neal:

Does this bill apply to individuals who are also denied a promotion?

Senator Pat Spearman, Senate District No. 1:

Theoretically, it could. We do not cover that in the bill. We were looking at equal pay, but by extension, one might say if you had a promotion you would have gotten more. I am certainly willing to look and see if there needs to be an amendment.

Assemblywoman Neal:

Your bill has gone through a lot of changes. Does the Nevada Equal Rights Commission of the Department of Employment, Training and Rehabilitation deal with the issue when the discrimination may be that a person holds the position but is denied promotions?

Kara Jenkins, Administrator, Nevada Equal Rights Commission, Department of Employment, Training and Rehabilitation:

Yes. We do take those complaints as well. Our jurisdiction also includes discriminations based on failure to hire. It would be covered. I do not believe Senator Spearman would have to amend her bill to cover that.

Chairman Flores:

I will entertain a motion to amend and do pass Senate Bill 397 (1st Reprint).

ASSEMBLYWOMAN NEAL MOVED TO AMEND AND DO PASS SENATE BILL 397 (1ST REPRINT).

ASSEMBLYWOMAN MONROE-MORENO SECONDED THE MOTION.

THE MOTION PASSED. (ASSEMBLYMEN ELLISON, KRAMER, MARCHANT, McARTHUR, McCURDY, AND WOODBURY VOTED NO.)

I will give the floor statement to Assemblyman Carrillo. I will open the work session for Senate Bill 26 (1st Reprint).

Senate Bill 26 (1st Reprint): Makes certain changes concerning governmental entities that contract with or invest in companies that boycott Israel. (BDR 27-418)

Jered McDonald, Committee Policy Analyst:

[Read from work session document (Exhibit I).] Senate Bill 26 (1st Reprint) prohibits the governing body of a local government and the Administrator of the Purchasing Division of the Department of Administration from entering into a contract with a company unless the contract includes a written certification that the company is not engaged in, and agrees for the duration of the contract, not to engage in a boycott of Israel. The bill also requires the State Treasurer to identify companies that engage in a boycott of Israel in which a public fund administered by the State Treasurer has either direct or indirect holdings. The bill places certain restrictions on investments that the State Treasurer may hold in those companies. However, the State Treasurer is not required to divest direct holdings of those companies unless he or she determines the action is consistent with the fiduciary responsibilities of the State Treasurer. Finally, the bill requires that the Treasurer report annually to the Governor and the Legislature concerning investments in those companies.

Similarly, the Public Employees' Retirement Board is required to identify companies that engage in a boycott of Israel and submit to the Governor and the Legislature an annual report of investment of money from the Public Employees' Retirement System in those companies.

Chairman Flores:

I will entertain a motion to do pass Senate Bill 26 (1st Reprint).

ASSEMBLYMAN McCURDY MADE A MOTION TO DO PASS SENATE BILL 26 (1ST REPRINT).

ASSEMBLYMAN ELLISON SECONDED THE MOTION.

Assemblyman Daly:

I will be voting no on this, not because I am anti-Israel or anti-Semitic. I just believe that we will be violating the principles of free speech in the *U.S. Constitution* and the principle that the will of the majority cannot infringe upon the rights of the minority. I see this as a group that has a belief. Although I may disagree with it, they have a right to that belief and to exercise their economic power in the form of boycotts, the same as many others have in the history of our country. I can disagree and apply my beliefs as an individual over certain things and not do business with those companies, the same way that I choose not to go to Walmart or buy American cars. I have the right to make that economic choice and try to get as many people as I can convince to do that as well.

If you switched the names in the provision for any other two groups, you quickly figure out that this is not workable. The will of the majority cannot infringe upon the rights of the minority. People have the right to free speech. The principles of the *U.S. Constitution* need to be upheld. I will proudly tell my constituents this. That is the threat on the other side—that because you do not agree with me, I will not agree with you politically. I refuse to make a political choice over this. I believe in the *U.S. Constitution* and I will stand up for that. Am I willing to tell my constituents that I will stand up for that despite the political ramifications? I am proud to as an American. I will not be voting for this bill.

Assemblywoman Neal:

In the Committee hearing, I had a few legal questions that the Lieutenant Governor said would be answered. I do not think we ended up having time. I still have some policy questions and concerns around contract law and the preemption issue, which was under federal statute. I will vote to get it out of Committee, but I still have those underlying legal concerns and issues. There is policy nuance that I want further elaboration on.

Assemblywoman Bilbray-Axelrod:

I fundamentally do not agree with Assemblyman Daly's statements. I think this bill is standing up to people who have decided to bully a country that happens to have a lot of people who have been bullied in their lives. I think we, as Americans, as Nevadans, need to stand up to bullies and say no. I happily support this bill.

Assemblyman Carrillo:

I concur with Assemblywoman Neal. I believe there is still information that needs to be heard.

Chairman Flores:

My hesitation with the bill has not changed. I will say that I was very inspired by the amount of people who came out. I am talking about the individuals who took time out of their work schedule and came up here to express in a passionate manner how important this was to them. Although reasonable people can disagree on the policy, and I sincerely do, I do thank everyone who came to my office and shared their concerns. I thought it was powerful to see different communities—not just the Jewish community—come to the table and stand in solidarity.

Again, through a policy-oriented lens, I cannot support it. I was still inspired by the amount of people who came to the table. I was also disappointed by the individuals who took it upon themselves to threaten political careers. It is not what this building represents. I was very disappointed to see that. I still have my hesitation, so I will unfortunately not be able to support it.

THE MOTION PASSED. (ASSEMBLYMEN DALY AND FLORES VOTED NO.)

Assemblywoman Bilbray-Axelrod will take the floor statement. Is there anyone here for public comment? [There was no one.] This meeting is adjourned [at 11:15 a.m.].

	RESPECTFULLY SUBMITTED:
	Isabel Youngs Committee Secretary
APPROVED BY:	
Assemblyman Edgar Flores, Chairman	_
ΔTF .	

EXHIBITS

Exhibit A is the Agenda.

Exhibit B is the Attendance Roster.

<u>Exhibit C</u> is the Work Session Document for <u>Senate Bill 357 (1st Reprint)</u>, presented by Jered McDonald, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

Exhibit D is the Work Session Document for Senate Bill 12 (1st Reprint), presented by Jered McDonald, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

<u>Exhibit E</u> is the Work Session Document for <u>Senate Bill 250 (1st Reprint)</u>, presented by Jered McDonald, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

Exhibit F is the Work Session Document for Senate Bill 397 (1st Reprint), presented by Jered McDonald, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

<u>Exhibit G</u> is a proposed amendment to <u>Senate Bill 397 (1st Reprint)</u>, presented by Jim Penrose, Committee Counsel, Legal Division, Legislative Counsel Bureau.

<u>Exhibit H</u> is the Work Session Document for <u>Senate Bill 183 (1st Reprint)</u>, presented by Jered McDonald, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

<u>Exhibit I</u> is the Work Session Document for <u>Senate Bill 26 (1st Reprint)</u>, presented by Jered McDonald, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.