

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

**Seventy-Ninth Session  
May 1, 2017**

The Committee on Judiciary was called to order by Chairman Steve Yeager at 9:02 a.m. on Monday, May 1, 2017, in Room 3138 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4401 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at [www.leg.state.nv.us/App/NELIS/REL/79th2017](http://www.leg.state.nv.us/App/NELIS/REL/79th2017).

**COMMITTEE MEMBERS PRESENT:**

Assemblyman Steve Yeager, Chairman  
Assemblyman Elliot T. Anderson  
Assemblywoman Lesley E. Cohen  
Assemblyman Ozzie Fumo  
Assemblyman Ira Hansen  
Assemblywoman Sandra Jauregui  
Assemblywoman Lisa Krasner  
Assemblywoman Brittney Miller  
Assemblyman Keith Pickard  
Assemblyman Tyrone Thompson  
Assemblywoman Jill Tolles  
Assemblyman Justin Watkins  
Assemblyman Jim Wheeler

**COMMITTEE MEMBERS ABSENT:**

Assemblyman James Ohrenschall (excused)

**GUEST LEGISLATORS PRESENT:**

Senator Aaron D. Ford, Senate District No. 11

**STAFF MEMBERS PRESENT:**

Diane C. Thornton, Committee Policy Analyst  
Linda Whimple, Committee Secretary  
Melissa Loomis, Committee Assistant

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**OTHERS PRESENT:**

Charles J. Hoskin, Judge, Family Division, Eighth Judicial District Court  
Mike Cathcart, Business Operations Manager, City of Henderson  
Michael Tassi, Assistant Director, Community Development and Services, City of Henderson  
Jeremy Aguero, Principal Analyst, Applied Analysis  
George A. Ross, representing Nevada Bankers Association  
Kelly Crompton, Government Affairs Officer, Office of Administrative Services, City of Las Vegas  
Brian O'Callaghan, Government Liaison, Office of Intergovernmental Services, Las Vegas Metropolitan Police Department  
Marcus Conklin, representing MERSCORP Holdings, Incorporated; and representing Nevada Mortgage Lenders Association  
Delen Goldberg, Public Information Officer, City of North Las Vegas

**Chairman Yeager:**

[Roll was called and protocol was explained.] We have two bills on the agenda today, and we will take them in order. I will open the hearing on Senate Bill 40 (1st Reprint).

**Senate Bill 40 (1st Reprint): Revises provisions relating to the registration of child custody determinations from outside Nevada. (BDR 11-401)**

**Charles J. Hoskin, Judge, Family Division, Eighth Judicial District Court:**

The concern that we had in the Eighth Judicial District Court was in regard to service and putting the responsibility for service on the court rather than on individuals, which is the way that the majority of the service happens. The language that is proposed is in the Uniform Child Custody Jurisdiction and Enforcement Act, which is located in *Nevada Revised Statutes* (NRS) Chapter 125A. The change is essentially to change the service requirement and place that upon the individual requesting the registration of the foreign judgment, which will put it in line with other foreign judgments consistent with NRS Chapter 17. In my mind, it is that simple, but I am happy to answer any questions that the Committee may have.

**Chairman Yeager:**

Are there any questions from Committee members this morning?

**Assemblywoman Jauregui:**

If someone is registering a child's custody determination with a court from another state, is it not usually the person who has the custody? How would they serve themselves with the notice?

**Judge Hoskin:**

The notice requirement would be placed upon anyone who needed to be served with it.

They would not necessarily need to serve themselves because they are registering that action, but they would need to serve the other party to put them on notice that they are attempting to have Nevada take jurisdiction over that custody action.

**Assemblyman Pickard:**

When we domesticate these orders, we are typically serving them. Is this really just marrying the practice as it exists, or was the court also going through the effort of trying to make that notice?

**Judge Hoskin:**

The concern we had was that a lot of times when attorneys are filing these actions, they are serving, because that is the requirement in any other aspect that we do. The problem that we ran into is that if we have someone else reading the statute, some of these actions are not getting served if we are not getting notice that the action has been initiated to allow us to do that service. This is more to clean that up and put everyone on notice where the requirement lies for service.

**Assemblyman Pickard:**

Thank you. I was not thinking about the pro pers who are reading this and trying to figure it out on their own. I appreciate your bringing a simple bill.

**Chairman Yeager:**

Are there any other questions from Committee members? [There were none.] Would anyone in Carson City or Las Vegas like to testify in support of Senate Bill 40 (1st Reprint)? [There was no one.] Is there anyone in Carson City or Las Vegas who would like to testify in opposition to Senate Bill 40 (R1)? [There was no one.] Is there anyone in the neutral position on Senate Bill 40 (R1)? [There was no one.] Judge Hoskin, do you have any concluding remarks?

**Judge Hoskin:**

No, I appreciate the opportunity and consideration the Committee has with regard to this.

**Chairman Yeager:**

We will close the hearing on S.B. 40 (R1). The Committee will recess [at 9:11 a.m.].

[The Committee reconvened at 9:17 a.m.]

We will open the hearing on Senate Bill 267 (1st Reprint).

**Senate Bill 267 (1st Reprint): Revises provisions governing real property. (BDR 9-822)**

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

I am here today to introduce Senate Bill 267 (1st Reprint), which may be the simplest bill I have to present this entire session in terms of content. Section 1 of S.B. 267 (R1) removes the sunset date for the expedited foreclosure program we put in place in 2013 after the

economic crash to help resolve the problems Nevada was having with abandoned properties. Sadly, the need for this extension indicates that, even though it is 2017, we are continuing to deal with the effects of that crash. We still have abandoned properties that blight our neighborhoods and violent crime and lower property values that daily remind us of a lot of work that remains to be done. By extending the program, we allow for a few things to happen. We establish a permanent and expedited procedure for the foreclosure of abandoned residential property. That was the first iteration. What we have done here by virtue of an amendment that Senator Harris asked me to put on was that we just extended the sunset date by a few years. We now have a sunset date of June 30, 2021.

We now also authorize local governments to establish both a registry of abandoned properties and a registry of properties that are in danger of becoming abandoned. This program has worked well, as evidenced by the fact that the City of Henderson actually approached me to bring this back and to expand the program. I am certain that all of you recall during your campaign season knocking on doors and coming up on one that probably had weeds everywhere and campaign material from two years ago. You knew that it was an abandoned property, and there was nothing up until 2013 that we were able to do about it. This program has helped municipalities to expedite their process through a very strenuous and arduous process. This concludes my remarks.

I know we have the City of Henderson here to introduce some people in Las Vegas who would like to testify in support of the bill. You will also hear from Marcus Conklin, who is here to suggest an amendment to my bill that I have acquiesced to relating to notice. I will have him introduce his own amendment.

**Mike Cathcart, Business Operations Manager, City of Henderson:**

I want to start by thanking Senator Ford for bringing this bill. We worked very closely in 2013 on the original bill that established this program. In Las Vegas, we have our assistant director of community development, Michael Tassi, Brian Anderson from our City Attorney's Office, and Jeremy Aguero from Applied Analysis. They will go through how we use the foreclosure registry and talk a little about the program.

**Michael Tassi, Assistant Director, Community Development and Services, City of Henderson:**

Thank you for providing us the time to share our support of S.B. 267 (R1) sponsored by Senator Ford. The bill extends the authorization for a governing body to continue with the established registry of abandoned residential real property and real property in danger of becoming abandoned. This is a four-year extension expiring on June 30, 2021.

The City of Henderson has established an abandoned residential real property registry, specifically to reduce and prevent neighborhood blight, to mitigate conditions that threaten the health, safety, and welfare of the public, and to promote neighborhood stability. Requiring the property representatives to register the subject properties creates a database of current ownership along with key contact information. It also requires them to designate a local contact, which expedites any necessary action by the code enforcement officers.

Working with out-of-town owners, especially bank-owned properties, can be time-consuming and could delay compliance. This registry provides key data to officers and has saved them hours of research time, therefore providing them the ability to be in the field longer. Code enforcement has access to the property registry data, so immediate contact can be made with the person responsible for property maintenance issues. All registered properties are inspected by code enforcement 30 days after registration to ensure the homes are properly maintained. The registry data is vital to code enforcement for the reason stated above.

The numbers show that within the City of Henderson, the number of registrations has not declined significantly, demonstrating the need to require the registration process to continue. With the help of Jeremy Aguero, we have provided some charts to the Committee to show that while foreclosures are down, the number of new registrations we manage within our abandoned property registry has remained stable for the past four years. We respectfully ask for your approval of S.B. 267 (R1), and we are available to answer any questions.

**Mike Cathcart:**

I believe everyone else is there to answer questions.

**Chairman Yeager:**

Thank you for the clarification.

**Assemblyman Elliot T. Anderson:**

The question I have is in regard to the number of abandoned properties that are still out there. When you put this bill forward in 2013, if I recall correctly, it was about 1,500 in the Clark County Registry and about 15,000 that could be listed. Where are those numbers now?

**Senator Ford:**

I do not know the answer to that question. I am certain that the City of Henderson may be able to give you an estimation of what is in their particular jurisdiction. I could find out from the City of Las Vegas or other municipalities, if you are specifically interested in those numbers.

**Chairman Yeager:**

Is there anyone in Las Vegas who knows the answer to that question as it pertains to Henderson?

**Jeremy Aguero, Principal Analyst, Applied Analysis:**

The total volume of properties that could potentially be registered is an unknown. As was mentioned previously, that number was about 15,000, just given the criteria that was established two or three years ago to better understand it. What we do know today is that we have registered in excess of 5,000 properties overall, and we are looking at the City of Las Vegas and the City of Henderson, which we work with directly. In 2015, we registered 2,700, plus or minus, properties. Last year we registered just over 2,000 of those properties,

so the churn in terms of properties would be subject to registration but they are now being sold because, frankly, the economy is doing better and the housing market continues to recover.

More directly to Assemblyman Anderson's question, we still know the properties are going into default, even though we have seen a substantial decline, which is in the data that we have provided to you. There were almost 7,000 people who received a notice of default last year alone, and about 4,000 of those housing units were essentially transferred in some kind of foreclosure deed or transaction, resulting in a transfer of that property. Oftentimes, it is that window in which properties become vacant and are subject to registration. The best answer I have is likely to be roughly 7,500 properties that we think are in that pipeline today that we are continuing to actively follow. I am happy to provide additional information if it would be helpful.

**Assemblywoman Jauregui:**

The registry list is made up of vacant homes, whether they are still owner-occupied or bank-owned, correct?

**Senator Ford:**

These are abandoned homes that are typically owned by the bank now.

**Assemblywoman Jauregui:**

Maybe they were in the foreclosure process; they did not want to live there so they just got up and left the home, but they are still owners and have not been foreclosed on yet?

**Senator Ford:**

Exactly.

**Assemblywoman Jauregui:**

Is the registry list available to the public, or is it only for city use?

**Senator Ford:**

I believe the way the City of Henderson has set it up, as well as the City of Las Vegas, is that it is a public list.

**Mike Cathcart:**

I am going to ask our assistant director to chime in on that.

**Jeremy Aguero:**

The answer to that question is that as the properties come online—in terms of being vacant or not vacant—the registries in different locations are not always exactly the same. With regard to the second question in terms of being public, Senator Ford is absolutely correct relative to that. However, the website itself requires registration, largely because we always want to

monitor who it is that is going through and looking at that list. We want to be very cautious about creating any type of open database that would allow someone to go in and use that information inappropriately.

**Chairman Yeager:**

Do we have any other questions from Committee members on S.B. 267 (R1)? [There were none.] Mr. Ross, do you want to provide testimony in support?

**George A. Ross, representing Nevada Bankers Association:**

Yes. We recall at the beginning of this bill four years ago that there were 20 people—all stakeholders, all of whom have had different and disparate opinions—and it is amazing that this bill even exists. It turns out it was an excellent bill and has been a good tool for the cities to use to try to address this issue. We support this bill strongly and urge the continuation of the program.

Do you want me to mention the amendment or wait until it happens?

**Chairman Yeager:**

We will wait for the presentation of the amendment. I presume you are in support of the amendment?

**George Ross:**

Yes.

**Chairman Yeager:**

Is there anyone who would like to testify in support of S.B. 267 (R1)?

**Kelly Crompton, Government Affairs Officer, Office of Administrative Services, City of Las Vegas:**

We are here in support of the bill for many of the reasons that the City of Henderson stated. We have 8,692 properties on our list currently. Our code enforcement officers estimate that there are about 12,000 to 20,000 that we could potentially be noticing.

**Brian O'Callaghan, Government Liaison, Office of Intergovernmental Services, Las Vegas Metropolitan Police Department:**

I know they are talking about abandoned properties, but the big problems for us are the squatters. They take over these abandoned properties. There is a list of properties that helps us out to look for false leases, but there is a lot of property out there that is not listed, so we are in support of this bill.

**Marcus Conklin, representing MERSCORP Holdings, Incorporated; and representing Nevada Mortgage Lenders Association:**

I work for Strategies 360, and I represent MERSCORP and the Nevada Mortgage Lenders Association on this particular issue. We are in support of the bill and also respectfully

request the amendment that has been provided to the Committee. This amendment ([Exhibit C](#)) basically encompasses all of Senate Bill 238, which died for failure to meet the deadline in the Senate.

In order to give the Committee a little bit of background as to why this bill is here, this Committee heard and passed Senate Bill 306 of the 78th Session, which was designed to deal with the homeowners' association (HOA) foreclosure process. I see at least three familiar faces on this Committee who probably remember this debate really well. It is probably a painful memory. It was a long and arduous process, but the legislation that came out as a result of that was actually done quite well. An amendment to that bill created a list in the Financial Institutions Division (FID) of Nevada's Department of Business and Industry for members of the lending community to put their name on so they could receive notice from HOAs before being deprived of their right to due process. In other words, before the foreclosure process actually goes through, people who have a fiduciary interest in the process are to receive notice. That amendment, however, created a certain amount of ambiguity.

At the beginning of the process, the only people who were, in theory, going to be allowed to be on that list were actually the financial institutions covered by FID. That is a very, very small group. It does not include national banks, investor groups, trustees, or other beneficiaries of a deed of trust. This amendment is only designed to make sure that it is clear that anyone—any mortgagee or beneficiary of a deed of trust under a residential mortgage loan has the ability to put their name on that list and receive notice from an HOA before the process goes to foreclosure. That is all this bill is designed to do. It does not infringe in any way on the bill's original intent. To use the words of former Chair Bernie Anderson—it is simply a boat on the river that legal has advised us could be used to house this language and comport with all the rules of the Legislature.

I have also provided the Committee the MERSCORP letter of support ([Exhibit D](#)) from the Senate, which I think goes into a little bit better detail. I do not want to overcomplicate what it does, other than to say it is critically necessary to provide the legal coverage that everyone should receive notice in that process.

**Chairman Yeager:**

I will note for the record that we have the letter from MERSCORP as well as the proposed amendment on the Nevada Electronic Legislative Information System.

**Assemblyman Elliot T. Anderson:**

I do not have a problem with the amendment, but I want to ask a question or two to get it on the record. You are amending a section of *Nevada Revised Statutes* (NRS) Chapter 657, which is banks and related organizations. I want to clarify that any beneficiary of a deed of trust could include an individual. For example, it could be as broad as an individual service or anyone who has been granted a deed of trust from a borrower. Is it your understanding that it could apply to an individual?



**Marcus Conklin:**

I am not a technical legalese person. My read of this is that one interpretation could be that that would be the case. I am not sure that it necessarily includes all of those. I guess it depends on if a mortgagee or beneficiary deed of trust happens to be an individual. If I am an investor and I want to put my name on the list, I suppose I could put my name on the list. It does not require that I put my name on the list, but I would certainly qualify as an owner. That does not mean that every individual who has a house in an HOA is necessarily qualified. Is that what you are asking?

**Assemblyman Elliot T. Anderson:**

No. I am referring to someone who is an individual beneficiary, not the person who is the grantor, which would be your average person who goes out and gets a loan from one of these institutions. That is what I thought, but since it is organized into NRS Chapter 657, which only references banks and related organizations, I thought that it would be good to clarify for the record.

**Chairman Yeager:**

Are there any other questions for Mr. Conklin? [There were none.]

**Delen Goldberg, Public Information Officer, City of North Las Vegas:**

North Las Vegas has a very successful squatters' task force, and the foreclosure registry has been an essential component to our success. It is an important tool that allows us to determine whether someone should be occupying a home. I agree with the comments from those in support of the bill. We want to thank Senator Ford for his leadership and let the Committee know that North Las Vegas supports S.B. 267 (R1).

**Chairman Yeager:**

Are there any questions from the Committee?

**Assemblyman Thompson:**

Thank you so much, Senator Ford. To echo what Ms. Goldberg said, I know that North Las Vegas was the biggest-hit area around foreclosures, so this definitely helps.

**Chairman Yeager:**

Are there any other questions or comments from Committee members? [There were none.] Is there anyone else in support of S.B. 267 (R1)?

**George Ross:**

We rise in support of the amendment that Mr. Conklin proposed on behalf of MERSCORP. Senate Bill 306 of the 78th Session was one of the singular accomplishments of the last session. It took a lot of work, a lot of negotiations, and solved a lot of problems. It was one of the things some people worried about, and this fills that in. I would say that I am aware the administration has concern about potential costs in the extreme case that perhaps Assemblyman Anderson's question alluded to. From the policy point of view, we think this is an excellent amendment and we support it.

**Chairman Yeager:**

Are there any questions relating to the amendment? [There were none.] Is there anyone else in support of S.B. 267 (R1)? [There was no one.] Is there anyone in Carson City or Las Vegas who is in opposition to the bill? [There was no one.] Is there anyone in Carson City or Las Vegas who is in the neutral position on S.B. 267 (R1)? [There was no one.] Senator Ford, are there any concluding remarks? [Waived.]

We will close the hearing on S.B. 267 (R1). Is there anyone who would like to give public comment on any matter? [There was no one.] I will close public comment. Is there anything else from Committee members this morning? [There was nothing else.] Tomorrow we have a Corrections, Parole, and Probation Committee with three bills. The meeting is adjourned [at 9:40 a.m.].

RESPECTFULLY SUBMITTED:

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Linda Whimple  
Committee Secretary

APPROVED BY:

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Assemblyman Steve Yeager, Chairman

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

## EXHIBITS

[Exhibit A](#) is the Agenda.

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

[Exhibit C](#) is a proposed amendment dated April 28, 2017 to Senate Bill 267 (1st Reprint), presented by Marcus Conklin, representing MERSCORP Holdings, Incorporated; and representing Nevada Mortgage Lenders Association.

[Exhibit D](#) is a letter regarding Senate Bill 238, dated March 14, 2017, to the members of the Senate Committee on Commerce, Labor and Energy from William C. Hultman, Vice President, Legislative Affairs, MERSCORP Holdings, Incorporated, presented by Marcus Conklin, representing MERSCORP Holdings, Incorporated; and representing Nevada Mortgage Lenders Association.