

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

**Seventy-Ninth Session  
February 16, 2017**

The Committee on Legislative Operations and Elections was called to order by Chairwoman Olivia Diaz at 1:33 p.m. on Thursday, February 16, 2017, in Room 3142 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:**

Assemblywoman Olivia Diaz, Chairwoman  
Assemblyman Nelson Araujo, Vice Chair  
Assemblyman Elliot T. Anderson  
Assemblywoman Shannon Bilbray-Axelrod  
Assemblyman Skip Daly  
Assemblyman John Hambrick  
Assemblyman Ira Hansen  
Assemblyman Richard McArthur  
Assemblywoman Daniele Monroe-Moreno  
Assemblyman James Ohrenschall  
Assemblyman James Oscarson

**COMMITTEE MEMBERS ABSENT:**

None

**GUEST LEGISLATORS PRESENT:**

Assemblywoman Ellen B. Spiegel, Assembly District No. 20

**STAFF MEMBERS PRESENT:**

Carol Stonefield, Committee Policy Analyst  
Kevin Powers, Committee Counsel  
Julianne King, Committee Secretary  
Terry Horgan, Committee Secretary  
Melissa Loomis, Committee Assistant



**OTHERS PRESENT:**

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

Nancy E. Brown, President and Board Chair, Opportunity Alliance Nevada

Jon Sasser, Statewide Advocacy Coordinator, Washoe Legal Services; representing Legal Aid Center of Southern Nevada

**Chairwoman Diaz:**

[Roll was taken. Committee rules were explained.] Our first order of business today will be a hearing on Assembly Bill 155, which is a proposal to create a task force on the middle class in Nevada. This bill is brought to us by Assemblywoman Ellen Spiegel. I will now open the hearing on Assembly Bill 155.

**Assembly Bill 155: Creates the Task Force on the Economics of the Middle Class in Nevada. (BDR S-820)**

**Assemblywoman Ellen B. Spiegel, Assembly District No. 20:**

Thank you, Madam Chairwoman, Mr. Vice Chair, and members of the Committee. I represent Assembly District No. 20 in Clark County. I brought this bill forward because, over the past year, I have had the good fortune in participating in two White House roundtables dealing with middle class economics.

One of the things that has been noted across the board is that the United States has been changing. Between 1971 and 2015, our middle class has shrunk from making up 61 percent of our population to 50 percent of our population [slide 2, ([Exhibit C](#))]. Not only are we having challenges with getting people from the lower class up into the middle class, we are having trouble keeping people in the middle class. As we look at what we can be doing to make our state better and improve the lives of all Nevadans, we need to be looking at what we can be doing to help support our middle class.

One of the challenges is that people do not necessarily know how to define what middle class means [slide 3, ([Exhibit C](#))]. To some people, it is just based on your income. To others, it is based on your education level. To some people, it is based on socioeconomic status. It can be very difficult to define what middle class means.

Almost everyone agrees that income is an indicator. Here is some research that I have from the Pew Research Center [slide 4, ([Exhibit C](#))]. In 2013-2014 dollars, the lower income tier was families of three whose household income was under \$41,640. They found that, as they defined the middle class, middle income people represented 51 percent of our population. Their household incomes for a family of three are from \$41,640 to \$124,924. They defined upper income as the top 20 percent of our population and as being more than \$124,925. Those numbers are the nationwide averages.

They also drill down to examine what share of the adults and what share of the households are in the middle class in certain metropolitan areas across the country. Looking down at Clark County, by 2014, in the Las Vegas-Henderson-Paradise area, we saw that the middle income group was 56 percent of the population but had shrunk by 4 percent between the years 2000 and 2014 [slide 5, ([Exhibit C](#))]. Those were also the years of our big recession. Heading into it was the run up, and then we had the recession. There was contraction, and people were hurting financially, and are still rebounding from that. Looking at Reno, we see that people were hit even harder. The middle income group was just 53 percent and had dropped by six points [slide 6, ([Exhibit C](#))].

Something needs to be done, but what? If we cannot even agree on what the definitions are, it can be hard to come up with programs that make sense and will address the problem because we do not even know what the problem really is or how we can be most effective at solving those problems.

This bill would create the Task Force on the Economics of the Middle Class of Nevada [slide 8, ([Exhibit C](#))]. It will not look at what middle class means in an amorphous way, but what it means here in Nevada and to Nevadans. This Task Force would conduct a study during the next interim, define what it means to be in the middle class in Nevada, and determine factors that affect whether a person is in the middle class. Those factors could include things like age, race, level of education, and family and marital status.

The Task Force would look for objective and quantifiable factors or indicators to determine whether a person or family is in the middle class [slide 9, ([Exhibit C](#))]. Then, they will come back and look at what those data are to come up with recommendations for legislation that can help improve the financial and living conditions of the middle class. Those areas would include things such as workforce and job development, including employee support and support of small and start-up businesses; education, including preschool and K-12 programs such as programs in financial literacy; housing, including home-buying programs; and transportation. The Task Force would then submit its recommendations back to the Director of the Legislative Counsel Bureau (LCB) for transmission to the Legislative Commission and recommendations for some legislation for next session.

Why did I look at these factors in putting this bill forward? Research indicates that a job and the ability to save are key components of determining middle class factors [slide 10, ([Exhibit C](#))]. In doing research and asking people what they felt was important to them to see whether they were in the middle class or identified as being in the middle class, people said that having a secure job was very important. If a person does not have financial security and cannot keep a roof over their head and food on the table, they are not in the middle class.

The ability to save money is also important. It is a question of having a personal safety net. If a person blows a tire, can they fix their car and still be able to make their mortgage payment or pay rent? Are they able to save money or take time for vacation? Can they have some leisure time, or are they working multiple jobs and working around the clock?

If someone is working around the clock, they might not feel like they are in the middle class, even if they earn enough money to technically be in the middle income category.

Homeownership is a factor that people said is important to them; it is the middle-class dream. Homeownership is right there with apple pie and moms. People also felt that having a college education is key to being in the middle class. People in Nevada did not say that as much, and we are very fortunate that our state has some excellent career paths for people without a college education. National data versus Nevada data is something for the Task Force to look at.

Here are some examples of indicators with information that we all have. Two years ago, legislative staff added demographic background information to each Assembly and Senate district's profile on the website. It included not only information for our districts, but for Nevada overall. I discovered that over 65 percent of my constituents are renters, whereas the incidence of homeownership is much higher across Nevada. I also discovered that over 65 percent of the kids in my Assembly district qualify for free and reduced-price lunch. As anybody would drive or walk through my district, it looks like a middle-class district. It is mostly single-family houses and well-maintained houses. By any casual observation, it appears to be middle class. However, people do not own homes, kids are qualifying for free and reduced-price lunch, and there are issues with the schools. I started wondering if it really was middle class.

Certainly, there are pockets of middle class. There are pockets of upper-middle class and pockets of lower-middle class, but I was not quite sure of how to deal with this. I started pulling out some of the research, and I have some numbers for Nevada. Owner-occupied housing in Nevada is 56.7 percent [slide 11, ([Exhibit C](#))]. In the United States, it is 64.9 percent. This is an area where, if the Task Force says homeownership is a critical element for being in the middle class, we are falling short and might want to have programs that help people attain homeownership. Free and reduced-price lunch eligibility in Nevada is 53.6 percent. I could not get national data, but it just seems like a high number to me. We are not able to feed our kids, and that is an issue that we need to be thinking about. Our population below poverty level is right in there with the national data and is something to be thinking about.

I thought the next two numbers were really interesting [slide 11, ([Exhibit C](#))]. The veteran unemployment rate at 10.4 percent was much higher than the United States' veteran unemployment rate. Clearly, veteran unemployment is an issue in Nevada. Again, I think this is 2014 and 2015 data. The nonveteran unemployment rate in Nevada was actually higher at 12.4 percent, and in the United States, it was 9.6 percent. We had an issue there too. What we have been doing to help our veterans was helping somewhat, but we clearly still have work to do in both areas. I know our unemployment rate has improved. A question that I have, and I do not have the data for it, is whether our unemployment rate is truly indicative of our unemployment rate, or if we have people who are underemployed, working

several part-time jobs, or people who have stopped looking altogether because they have been unable to find work and drop off the rolls. I am hoping that the Task Force can find some of this data and determine the areas that need work.

Additionally, there are other data that the Task Force could look at that could indicate how we are doing with our middle class. We can look at the bankruptcy rate. If the number of bankruptcies is going up, then clearly the middle class is going to be having a problem. If they are going down, maybe we are doing things that are better. We can look at the number of car loans or people out there spending money. We can also look at the number of student loans, at what kind of debt Nevadans have, and how that is impacting their lifestyles. I heard a story yesterday about someone who went through college and law school, accumulating \$400,000 of student debt. This particular individual, a Nevadan, is now an attorney and has a very high income potential, but is paying off \$400,000 of student debt. They are unable to buy a home, and even though they are in the high income category, they do not feel like they are middle class. We can look at that. What are people's average savings? Do Nevadans have a safety net, or are we in a position where if somebody has a small setback, it has a huge impact on their family? We could look at things like graduation rates in both high school and college because that is a portal to some economic stability. Do people have access to health care and good transportation? The Task Force may decide on using any of these, and they may find additional criteria and data. The Task Force can look at everything in conjunction, so we can see how to proceed.

I have a conceptual amendment. I would like to add some Task Force members [slide 12, ([Exhibit C](#))]. Three members will be appointed by the Speaker of the Assembly, each of whom represents a labor group or somebody from the labor community. I tried to make this balanced and include people from the business community as well. I am happy to entertain any questions the Committee might have.

**Chairwoman Diaz:**

Thank you, Assemblywoman Spiegel. I will open it up for questions.

**Assemblyman Ohrenschall:**

How frequently do you envision the Task Force meeting? When the Task Force has recommendations, how do you foresee the Task Force trying to implement those recommendations? Do you see them handing them to another agency or implementing the recommendations themselves?

**Assemblywoman Spiegel:**

I envision the Task Force meeting somewhere between three and six times. I see the first meeting being used to talk about the objectives and to organize. Another one or two meetings would be looking at data and talking about possible suggestions for programs that arise from the data. For instance, if you are looking at data that says people do not have high homeownership or savings, maybe there could be programs to help people improve their savings and buy homes. That is one example. I would have the group come together with

some recommendations that would then come back to the Legislature, so as we prepare our bill draft requests for next session, we will have ideas of what we can be doing to help.

**Assemblyman Ohrenschall:**

Will the Task Force have any economists? Will any members have a background in economics?

**Assemblywoman Spiegel:**

The Task Force will be made up of people that are put forth by the Speaker of the Assembly, the Senate Majority Leader, the Governor, members of the business community, members of the labor community, and be staffed by legislative staff. Presumably, during one of the first meetings, the Task Force will come up with performance factors that it deems useful. The thought process is that the data will be pulled for the next meeting so that the Committee can analyze it.

**Assemblyman Hansen:**

I like the idea. I am a little concerned about adding three members of the labor community because I know what direction they are going to say we need to go. There are all sorts of economic studies being done all the time by University of Nevada, Las Vegas (UNLV) and University of Nevada, Reno (UNR). Right now, we could pull up why the middle class is shrinking because they have graduate students do master's theses on it. This has a very strong political overtone to it. Is this really going to be about economics, or is this going to be more about coming up with a political agenda? Most of the data that you are seeking can be pulled up relatively quickly by anyone doing some research at the universities. They have been studying questions of the middle class, economics, homeownership, and transportation for decades.

**Assemblywoman Spiegel:**

This bill was not put forth with a political agenda. This is being put forth to look at what is the right thing for Nevada and to make sure that the people in the middle class do not fall out of the bottom, which we have had problems with. I view it as being about economic programs and economic development because having a strong, vibrant middle class is what our economy needs to move forward. Traditionally, Nevada has a number of small businesses. I know you are a small business owner like me. We need to have customers. We need to have people who have disposable income, so we can be thriving as well. People need to have employment. Whereas the research is out there in the broader, generic sense, very little research is Nevada-specific. We do not have research that synthesizes all of this to come up with programs and specific, concrete solutions. This data would be available to all of us. You will be able to look at the data and say that this is an issue up here in Sparks where I live, and I think that if we had a program that did "x," it could really help my constituents, as well as the people of Nevada.

**Assemblyman Hansen:**

I agree. It is not a criticism of the program or idea. Whenever there is a report that is not done by an academic institution, members are picked by Speakers, and there are labor union

representatives, it is hard to avoid the discounting of a report like that because it is regarded as just partisan politics. I am all for the idea. The more data we get, the better.

**Assemblywoman Spiegel:**

I would like to make one correction in response to your question. I neglected to say that the Minority Leader of the Assembly and the Minority Leader of the Senate would also be making appointments to the Task Force. There will be representation from both parties.

**Assemblyman Hansen:**

Do they have to vote to approve the final report? Typically, when you have divergent groups like this, there is often a minority report versus the majority report. I would like to see that avoided if we are really trying to come to a consensus with some good data to make good policy decisions. Do you have a mechanism in place for the final decision and the release of the report?

**Assemblywoman Spiegel:**

I do not. I think that is a great suggestion. It is my hope that it will be a consensus. One of the things that I love about this building stems back to my first session. Senator Raggio pulled me aside and said that when you are in this building, you need to be focused on all of Nevada. You are not supposed to be focusing on Henderson, Las Vegas, Reno, Sparks, or any place specifically. We need to be thinking about one Nevada. We need to be leaving our partisan hats at home and thinking about what is best for the state. I thought Senator Raggio was very sage in that advice. It is my hope that any work that is done by this Task Force will be done in a truly bipartisan spirit and be what is right for Nevada.

**Kevin Powers, Committee Counsel:**

Just to clarify the record, this would operate as any other interim legislative committee. The specific provisions of subsection 4 of section 1 provide that a majority of the members constitutes a quorum, and a majority of the quorum can take official action on behalf of the committee. It would be a vote of everyone present at the final meeting of the committee to take official action on what would be the report and the recommended legislation.

**Chairwoman Diaz:**

Are there any further questions from the Committee? [There were none.] I appreciate you bringing forth this measure, Assemblywoman Spiegel. I know many other countries where, unfortunately, the middle class continues to shrink until there are only two classes. You are either really wealthy or really poor. I think that we should learn those lessons and make sure that does not happen to us as a state. Now I am going to open it up to all those who wish to testify in support of Assembly Bill 155.

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

The Las Vegas Metro Chamber of Commerce would like to offer support regarding the creation of this Task Force. We believe it is important for employers to have a voice in the discussion, as some of the indicators you heard from Assemblywoman Spiegel would reflect



back to jobs and workforce development. We would like to be a resource and a participant in this process.

**Assemblyman Daly:**

Both business and labor are part of this equation, and one is dependent on the other, so both should be on the Task Force. Would you agree with that?

**Paul Moradkhan:**

Absolutely; we think it is a balanced approach. We think both sides should be part of the data conversation. It is a policy dialogue, so we are comfortable with the amendments.

**Nancy E. Brown, President and Board Chair, Opportunity Alliance Nevada:**

Opportunity Alliance Nevada is the state lead organization for the Corporation for Enterprise Development (CFED). They are a think tank and analyze the financial security of each state. I provided each of you a report card for the state of Nevada, which has very rich data on how we are doing as a state: our profile and our rankings ([Exhibit D](#)). Nevada ranks 48th of 51 in opportunities of building assets and economic stability. Opportunity Alliance Nevada is very interested in a task force on financial security and economic stability which allows people to build assets and economic stability. Finances and economics impact every aspect of Nevadans' lives. The ability to manage one's finances and have access to resources needed to better one's financial prospects can lead to an increase in financial security and the ability to maximize one's income. As more Nevadans are able to successfully improve their financial outlook, Nevada's economic ladder is strengthened, providing support for a resilient middle class that can meet the demands of a global market.

There are some good reasons why legislation should be involved. We are 48th in the country with prime credit. Only 39 percent of our population has prime credit [page 1, ([Exhibit D](#))]. That means over 60 percent are subprime, so where are they going to get their credit? Nevada is 45th in the nation in bankruptcy—3.8 people per every 1,000 declare bankruptcy [page 2, ([Exhibit D](#))]. Nevada is 36th in liquid asset poverty, so almost 56 percent of our population does not have enough money for three months of expenses if they lost their income. Nevada is 50th in small business ownership; 50th in private loans to small businesses; 50th in retirement plan participation; 49th in homeownership; 48th in uninsured, low-income children; and 49th in early childhood education enrollment [pages 2 and 3, ([Exhibit D](#))]. It reflects that many Nevadans lack the basic tools needed to secure an economic future. I can tell you that there are some best practices out in our country. There are some best practices going on in our state that create economic stability and change the course of where people are going. If we had a task force or study on this, together we would be able to identify more of these types of programs that can move people up to the middle class, keep the middle class, and create a more secure economic future.

When can we change the cycle of poverty? The best time is when someone is young. There was a model in San Francisco called MyPath. A good time to teach a child financial literacy is in school, but also when they get their first paycheck. We are excited when a youth gets a job because they are making money. What do they do with this paycheck? The model is



taken to places like Boys and Girls Club and Children's Cabinet, and we are starting to expand it in the south. When a child gets their first paycheck, what do they do with it? These youth are 14 to 18 years old. We set them up with accounts with a credit union. We let them have an account in their own name even though they are low-income, in poverty, and they do not want to have an adult on the account. The first time we did this program, we saw a 90 percent success rate in savings. The average savings rate of low-income youth was 40 percent, and they changed their behavior. They never had \$500 at one time. We are breaking the cycle of poverty, the way the youth manage their money, and the way they are empowered. That is just one example of a program. We have foster care youth now. There is a federal policy that says we have to check their credit once a year. There is a practice in Maryland we could be studying that freezes their credit. Why are we not freezing the credit of foster youth versus trying to correct a problem after someone stole their identity? They are high targets towards theft. I wanted to give you a couple of examples of things that we could easily change, and there are many of those things going on. I work in this field where I am trying to bring best practices to Nevada, and they are starting to work very well. A study like this would also help highlight the biggest needs in our communities and match them with some best practices. I encourage a financial security and economic stability task force that will look at everything occurring, preserving the middle class, and moving people into the middle class. I gave you a sheet on Opportunity Alliance Nevada, my recommendation that this task force should move forward ([Exhibit E](#)), and a copy of our 2016 Annual Report ([Exhibit F](#)).

**Assemblyman Oscarson:**

How recent is your data? Is it from January 2016?

**Nancy Brown:**

I can get a report on where they pulled the data. It depends on what indicator or indices it is, and where they got the information. If you would like, I could send you a link, and it will analyze each one of these data points and the source of the information.

**Assemblyman Oscarson:**

I think the unemployment rate is lower than it is showing in this report.

**Nancy Brown:**

That was probably last year's data.

**Assemblyman Oscarson:**

Is there a way you could update that and show us where we rank according to your statistics? Is there an opportunity to do that?

**Nancy Brown:**

They do that annually, so it will probably be updated next year.

**Assemblyman Oscarson:**

I just want to be sure that we are reflecting accurate information. I am not opposed to this, but I want to make sure we have accurate data.

**Nancy Brown:**

I know the unemployment data changes quickly.

**Assemblyman Oscarson:**

Yes, it does. Thank you very much.

**Assemblyman Hansen:**

We have two well-financed, aggressive, economics departments at both of our major universities. Surely, the data would be kept monthly by them. What is your relationship with our current academic agencies?

**Nancy Brown:**

Last session, we worked with UNLV on a study on the veterans' payday lending bill. I was personally involved with them on that. I know they can pull up more accurate data.

**Assemblyman Hansen:**

That is what I am getting at. They have data daily, practically. They have graduate students working on that constantly as part of their degrees, so some of this data is literally available for what is going on in Nevada within the last month. As Assemblyman Oscarson pointed out, Nevada was the most severely hit state in the Union in the Great Recession. Data that is reflective of that horrible window of time that we suffered through is not necessarily reflected currently. Things are definitely getting better. Do not get me wrong, I love the idea of data and studying. I am not an opponent of this at all. I want to make sure we have the most current and most accurate data. The only fear I have in this whole thing is that because this is coming from the Legislature, it is going to have political overtones to it whether it is political or not. I am wondering if there is a way to incorporate more of an academic, economic approach to it through more of an unbiased group like an academic institution. If members are going to be from labor unions, business communities, and people who are appointed from this body, it is going to be very difficult for the public to say it does not have any bias to it. I am just curious as to how we do the report but minimize the difficulties of overcoming opposition, because they are going to see it as political. Do you have any thoughts?

**Nancy Brown:**

I agree that we should be using our local data for the Task Force. I was just giving you an overview from the national level and then down to the state. I agree that some of the data is not up to date, and that a task force should be working locally with the universities. I am not making that decision. I am just saying I support the Task Force.

**Assemblyman Oscarson:**

I quickly did a little bit of research while you were talking to Assemblyman Hansen. In December of 2016, the unemployment rate in Nevada was 5.1 percent. That is a significant difference from 7.1 percent. That is two points. That would put us in a very different place than 50th in the nation, considering at that time, the national average was 5.4 percent. I am appreciative that you did this, because this is great information. It is good for us to have a reference point to look at. I just want to make sure we are comparing apples to apples.

**Chairwoman Diaz:**

Is there anyone in Las Vegas wishing to provide testimony in support? [There was no one.] Is there anyone else in Carson City testifying in support of A.B. 155?

**Jon Sasser, Statewide Advocacy Coordinator, Washoe Legal Services; representing Legal Aid Center of Southern Nevada:**

We think this is a very important discussion to have regarding what the middle class is and what the barriers are that keep our clients out of it, or what keeps people in the middle class from falling into the area that we represent. We very much appreciate the sponsor placing a representative from legal services programs as one of the members of the Task Force, and we are honored to be part of that discussion.

**Chairwoman Diaz:**

Are there any questions for Mr. Sasser? [There were none.] Seeing no one in Las Vegas wishing to testify in support, we will come back to Carson City. Is there anyone wishing to testify in opposition? [There was no one.] Is there anyone in Las Vegas wishing to testify in opposition? [There was no one.] Is there anyone wishing to testify in the neutral position in Carson City? [There was no one.] Is there anyone in Las Vegas wishing to testify in the neutral position? [There was no one.] I will invite Assemblywoman Spiegel to come and wrap up the presentation for A.B. 155.

**Assemblywoman Spiegel:**

I really appreciated all the questions, comments, and testimony that I heard. I am taking to heart Assemblyman Hansen's comments about wanting to bring in academia and making sure that not only is it unbiased, but also gives that appearance so that the work of the Task Force is not questioned. I think that is a great recommendation. Assemblyman Oscarson, I would hope the Task Force is given updated data and is not working from data from the past. I know the data that I pulled up are old, and I was just using them by way of illustration. It is my hope that the Task Force, as it is assembled, would be using the most current data and look at the issue from where we are now versus where we were then.

**Chairwoman Diaz:**

With that, I will close the hearing on A.B. 155 and move the Committee into today's work session. Our next order of business is to consider action on Initiative Petition 1. I will remind those present that a work session is not a rehearing of the initiative. The hearing happened on Tuesday. I will not take testimony. However, if a member of the Committee

has a question and there is someone in the audience who can answer it, I may invite that person to the table to clarify a point. Mrs. Stonefield will review the bill's contents. If there are any procedural questions, we might have Mr. Powers address them.

**Initiative Petition 1: Revises provisions relating to voter registration.**

**Carol Stonefield, Committee Policy Analyst:**

Initiative Petition 1 was heard in this Committee on February 14 in the form that was submitted by the Office of the Secretary of State. That was what was circulated for signatures in a petition drive in 2016. Referring to the work session document ([Exhibit G](#)), the initiative petition proposes to establish an automatic voter registration system whereby an eligible voter who is applying for issuance or renewal of a driver's license or identification (ID) card must be informed of voter registration in Nevada. The system establishes an opt-out system, which means that unless the person affirmatively chooses not to register to vote, that person's information will be transmitted to the Secretary of State's Office and the appropriate county election official. The person has no obligation to indicate party affiliation. Initiative Petition 1 imposes responsibilities on the Department of Motor Vehicles (DMV), the Secretary of State's Office, and the county clerks or registrars.

The *Nevada Constitution* provides procedures for the Legislature to follow. The Legislature must either approve or reject the proposal as it was circulated and submit it to the Secretary of State's Office. If enacted, it becomes effective January 1, 2018. If the Legislature takes no action or rejects the initiative petition, it will be placed on the 2018 general election ballot.

**Chairwoman Diaz:**

Is there any discussion?

**Assemblyman Hansen:**

I am going to vote no on this for one main reason. When you sign up for a driver's license, they give you a form. They encourage you to sign up. What we are essentially doing here is forcing people who, by their own volition, decided they do not want to participate in the political process. This is a classic example of Big Brother coming in and signing them up, even though they do not necessarily want to do it. We have the opt-out clause, but over 80 percent of the people are signed up. Why do we think we have the right to force people to participate in a political process that many of them find repugnant and do not want anything to do with? That is just the reality of it. There are people in Nevada who, by their own choice, want to be left alone and do not want to be involved in politics. In effect, we are going to force everyone to be part of something that, by their own choice, they say no to. That is one issue. The other question is for Mr. Powers. By law, you have to be a citizen to vote in the United States. We now have about 40,000 driver authorization cards. I heard that they said ID cards. What is in I.P. 1 that ensures that only citizens are given these forms and are actually registered to vote? I want to make sure there are some protections in here.

**Kevin Powers, Committee Counsel:**

There are several provisions in the initiative petition that address that issue. First, the initiative petition uses specific language that voter registration information is obtained from someone who applies for a driver's license or ID card. It adds a reference to the automatic voter registration program specifically to the statutes that control driver's license and ID cards. Driver authorization cards are not included in this initiative petition. The term does not appear, and the statute governing driver authorization cards is not amended to include a reference to the automatic voter registration program. The first line is that it should only apply when someone fills out an application for a driver's license or ID card, not for a driver authorization card. Second, although this is called the automatic voter registration program, it actually is automatic transmission of information to the county clerk to determine whether you are eligible to register. Nothing happens at the DMV other than taking in information, and then the information is transferred to the Secretary of State's Office and the county clerks. The county clerks still have to determine whether the application is complete and the person is eligible to vote. At the DMV, the information provided to the DMV is double-checked by the county clerks to determine if the applicant is a U.S. citizen and is eligible to vote. That determination is the second line. The applicant is not going to be a registered voter unless the county clerk finds the application complete, and determines they are eligible to vote.

**Assemblyman Hansen:**

We are going to transfer it to the clerks. The clerks all suggested that this is going to add a fairly substantial cost because they will have to mail out "x" number of additional sample ballots. Is that accurate? As I recall, that was what the testimony was.

**Chairwoman Diaz:**

I believe that would be a question for the registrars and the clerks. I do not know if they are present.

**Assemblyman Hansen:**

We will just have to rely on my recollection. As I recall, that was going to be a cost. That is one other thing that is disturbing. We are sending out sample ballots to people who do not want to be bothered or participate in the process. Thank you for the clarification. I just want to be sure that when people have ID cards, there is a screening process to ensure that only American citizens vote.

**Assemblywoman Bilbray-Axelrod:**

I am excited about this bill. One reason is that when I moved, I remembered to go to the DMV to update my driver's license, but it slipped my mind for a couple months to go change my voter registration. I think this will actually help with what appears to some people as fraud because you see different addresses on the book. I think this will help clear up a lot of those voter rolls, so I am very much in favor of this.

**Assemblywoman Monroe-Moreno:**

In our democracy, one of the most sacred roles we have as citizens is making our voices heard. We accomplish that by voting. I think we all can agree that we want the process for voter registration to be secure and easily accessible to everyone who wants to participate. I appreciate this because, like Assemblywoman Bilbray-Axelrod, I remember to change my address, but do not always remember to change my voter registration. This is one other tool we have in our tool chest for keeping voter rolls clean, so I am in complete support of this.

**Assemblyman Oscarson:**

I have some concerns as well. I appreciate the comments my colleagues have made. I am concerned that some of the rural clerks will almost be unable to handle some of this additional workload. I know we heard from several of the clerks, but some of the rural clerks are already overwhelmed with a lack of staff and funding. It could create an additional problem for them. I am not sure they have the ability to screen the way this needs to be screened. I am also concerned about the ID number that will be given at the DMV to people without proving any kind of identification at all. For that reason, I will be a no.

**Assemblyman Araujo:**

I appreciate this discussion, but I am concerned over some of the comments from some of my colleagues who are in opposition of this bill. Many of the arguments that we are hearing are the same arguments that were being used when making this pitch. We want a system that is going to be modern. We want a system that is going to protect eligible citizens, so they can have an effective, nice, seamless way to participate in the process. I have heard discussion around the fact that we are forcing this on folks. No one is being forced. There is an opt-out process. We are simply modernizing the process, so we can then tackle other issues that have been brought to light in a more effective way. I find it a little concerning that we are having this discussion when we could be having the discussion on how we can get with the times in Nevada and make the process of being able to participate in our democracy easier, and not do it in a more difficult way. We are looking at a potentially really strong, cost-efficient strategy that will positively impact Nevadans across the board and allow them to participate in the process. I have to reiterate; I am pretty concerned with what I am hearing. I hope that my colleagues will reconsider. I think this is a strong message that we can send together to Nevadans who want to participate in the process and would like an easier, more modern, more cost-effective way to do so in a protective manner.

**Chairwoman Diaz:**

Is there any further discussion?

**Assemblyman Ohrenschall:**

The Committee had testimony from some of the registrars from the southern part of the state and the northern part of the state as to how this would be a very efficient way of cleaning up the records and that people update their DMV files far more frequently than their voter registration. There is often a lag, and that lag can mean that on Election Day, we, as candidates, get that phone call from the person who has been voting at the same polling place for the last 10 years but now is told they are at the wrong place, this is not where you should

go, or something like that. Or, they are not on the list, get frustrated, and may not be able to vote. One question I posed to the registrars regarded the inactive voters. The question I asked to Joe Gloria, Clark County Registrar of Voters was that in Clark County and the rest of the state, we have a large list of voters that are considered inactive. That is because the registrars have something in the mail that has come back. Often, that is because these are voters who went out and took the initiative to register to vote. They wanted to participate in our political process and have a say in who is in the government at different levels. They moved and somehow the change of address update did not happen.

The system that is proposed in I.P. 1 is going to be such a benefit to our constituents in that when they do change their address and move, their information updates with the DMV, the agencies will talk to each other, and the information will be updated with the registrar of voters. We heard testimony from Registrar Gloria that he believes many of those inactive voters would now not be on the inactive list. We would have more people who would get their sample ballot, know where they need to go to vote, and be able to participate. One of the things you are doing, and I admire what you are doing in this Committee, is trying to remove obstacles for people to participate. It is a different world than the world you and I grew up in. People are working multiple jobs trying to keep a roof over their heads, get their kids to school, and take care of everything that needs to be taken care of. I think anything we can do to remove obstacles for people participating in this process is a benefit to our constituents. That is why I am going to be supporting I.P. 1.

**Assemblyman Daly:**

I think this is the next logical step in the evolution of this. I have worked on voter registration drives, and you constantly see people in front of the DMV because it is a popular place where people are going. Now, people are going to be able to have a quicker, easier process, and can still opt out if they need or want to if they are that adamant about not participating. Assemblyman Hansen put in a bill last session for the electronic sample ballots, to try to save that cost, and more people are using it. I think that will be a progressive and evolutionary deal. As far as the clerks in small counties, I am sure they would be happy to have the problem of more people registering to vote. This would also result in the cleaning up of the rolls and fewer illegible documents being sent over. All of the things were positive from the people we heard testimony from. We are already doing this two-thirds of the way, and this is just the next logical evolution. I support it. As I recall, there was no testimony in this Committee in opposition of this.

**Assemblyman Elliot T. Anderson:**

I had some things I wanted to say, but first I want to note something to ensure that it is clear. Assemblyman Hansen mentioned concerns about citizenship. I did a pretty thorough vetting of this initiative, and I annotated the requirements and qualifications. If you turn to section 3, subsection 2, paragraph (a), it requires the DMV to annotate the qualifications for registering to vote. It requires the DMV to instruct and notify the people who are there about residence, age, and citizenship requirements. Furthermore, in section 4, subsection 1, paragraph (a), it requires a signed declaration under penalty of perjury. Those requirements are exactly similar to those of the voter registration by mail forms. That would give us the same security



and the same affirmations under oath. Furthermore, being that it is a government agent telling them this rather than just a third party registrar who is going around with a form and saying, "Sign here," I think that those admissions will get more credibility and have a more powerful force. If someone is ineligible, I seriously doubt that they are going to be willing to risk being thrown in jail. I just wanted to respond to that, because I did vet this bill pretty heavily. The reason I vetted it heavily is because voting is important. We need to make sure that this text makes sense and that we protect our election processes.

Everyone on this Committee had that same chance yesterday. I am wondering what happened. I have become a bit distressed that this has become a partisan bill because everybody had that chance yesterday. We heard many veterans come here in support and to mention how this will help people participate in elections and help active military members on Nellis Air Force Base. This will clean up the rolls, get rid of the problems we have with third-party voter registration agencies, and the problems with illegible writing. I cannot tell you how many times I am knocking on a door and looking at a voter list, and it says unknown sex. That is because the writing is illegible, or they are not familiar with the names. If it goes through the DMV, we will have all that data. The rolls will be a lot better. We will have less voter registration fraud. We will be able to help serve our military members. That is the goal that we should all support: cleaning up our rolls and helping the military vote. For those reasons, I will be voting yes.

**Assemblyman Hansen:**

I think everyone in this room agrees that voting is important. I also think freedom is important. That includes being free to not participate. The natural next step in the evolution of what we are talking about is mandatory voting. As you know, in many socialistic countries, it is mandatory that all citizens participate in the voting process. I definitely see that as the next step of this thing. Another thing we have not even discussed here is that once you are on that voter registration list, you are on all of the lists that we, as politicians, purchase. We inundate those people with mailers, and we invade their privacy. Currently, people have the option of not participating in that invasion of their personal space, but because we are going to make it almost mandatory, all those people that are already annoyed with the way politicians run for office are going to find their mailboxes inundated, even though they are not wanting to participate in the process. We already have about 80 percent or more of the people registering, and now we are going to try to force that last handful, whether they like it or not, to opt out at best. Most of them are not going to think, Well, what do I care, I will opt out. When they start getting all those mailers and robocalls and are inundated with all the things that politicians do to try to win votes, do you think that is really going to make them happy? This is an invasion of their space.

While I do agree that voting is very important to all of us in this room, there are also people in this country that like their liberty and to be left alone. They do not like Big Brother telling them what to do or having politicians filling their mailboxes with mailers. I think this is an invasion of their space. I think we have stepped over the line here. We have given people plenty of opportunities to participate in the process. Now, we are really going to the next step. In this evolutionary process, the next step is mandatory participation, which is the

elimination of freedom in the United States. You should have the right to participate or not. We are getting really close to doing what those countries do where people do not have liberty. Everyone gets the responsibility by law of voting. I still say no; let people have their own freedom.

**Chairwoman Diaz:**

I am on the opposite side of you on this issue. I think it is very important that we engage and allow people to exercise their sacred right under the amendment that provides all Americans the right to vote. I think we need to streamline, modernize, and be more nimble and cost-effective. Will we incur some costs initially? That is not what we are looking at here. We are looking at getting the people of Nevada more access to the ballot, so they are truly making the decisions about which officials are going to represent them at all levels of government. Ultimately, the people of Nevada should be the ones deciding who is going to represent them. We are just ensuring that people have a voice in this process. Seeing no further discussion, I will entertain a do pass motion for I.P. 1.

ASSEMBLYMAN ARAUJO MADE A MOTION TO DO PASS  
INITIATIVE PETITION 1.

ASSEMBLYWOMAN MONROE-MORENO SECONDED THE MOTION.

THE MOTION PASSED. (ASSEMBLYMEN HAMBRICK, HANSEN,  
McARTHUR, AND OSCARSON VOTED NO.)

The next item before the Committee is public comment. Is there anyone here or in Las Vegas who wishes to offer public comment? [There was no one.]

This meeting is adjourned [at 2:38 p.m.].

RESPECTFULLY SUBMITTED:

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Julianne King  
Committee Secretary

APPROVED BY:

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Assemblywoman Olivia Diaz, Chairwoman

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

## EXHIBITS

[Exhibit A](#) is the Agenda.

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

[Exhibit C](#) is a copy of a PowerPoint presentation titled "2017 AB155," dated February 16, 2017, presented by Assemblywoman Ellen B. Spiegel, Assembly District No. 20.

[Exhibit D](#) is document titled "Assets and Opportunity Scorecard: State Profile Nevada," dated January 2016, presented by Nancy E. Brown, President and Board Chair, Opportunity Alliance Nevada.

[Exhibit E](#) is a letter dated February 16, 2017, in support of [Assembly Bill 155](#) to Chairwoman Diaz and members of the Assembly Committee on Legislative Operations and Elections, authored and presented by Nancy E. Brown, President and Board Chair, Opportunity Alliance Nevada.

[Exhibit F](#) is a document titled "2016 Annual Report," dated January 2017, submitted by Nancy E. Brown, President and Board Chair, Opportunity Alliance Nevada.

[Exhibit G](#) is the Work Session Document, dated February 16, 2017, presented by Carol Stonefield, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.