MINUTES OF THE SENATE COMMITTEE ON JUDICIARY

Seventy-ninth Session May 1, 2017

The Senate Committee on Judiciary was called to order by Chair Tick Segerblom at 1:35 p.m. on Monday, May 1, 2017, in Room 2134 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412E of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Exhibit A is the Agenda. Exhibit B is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Tick Segerblom, Chair Senator Nicole J. Cannizzaro, Vice Chair Senator Moises Denis Senator Aaron D. Ford Senator Don Gustavson Senator Michael Roberson Senator Becky Harris

GUEST LEGISLATORS PRESENT:

Assemblyman Richard Carrillo, Assembly District No. 18 Assemblyman Skip Daly, Assembly District No. 31 Assemblyman John Ellison, Assembly District No. 33 Assemblywoman Heidi Swank, Assembly District No. 16

STAFF MEMBERS PRESENT:

Patrick Guinan, Policy Analyst Nick Anthony, Counsel Connie Westadt, Committee Secretary

OTHERS PRESENT:

Robert Uithoven, National Rifle Association Noah Jennings John Wagner, Independent American Party Senate Committee on Judiciary

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Kevin Burns, United Veterans Legislative Council

Wendy Stolyarov, Libertarian Party of Nevada

Robert Roshak, Executive Director, Nevada Sheriffs' and Chiefs' Association

Kimberly Carden

David Choquette

Richard G. Barrows

Ervin Nelson

Scott Anderson, Chief Deputy, Office of the Secretary of State

Scott Scherer, Nevada Registered Agent Association

Brian McAnallen, City of Las Vegas

Jennifer Gaynor, 18 Fremont Street Acquisitions, LLC

Russell Rowe, Boyd Gaming Corporation

Jeffrey Silver, 18 Fremont Street Acquisitions, LLC

Michael Rivers

Alan Richert

Sharron Prusse, Mary Bartsas 16, LLC

Jeffrey D. Patterson, Mary Bartsas 16, LLC

Kimberly Surratt, Nevada Justice Association

Gail Anderson, Deputy Secretary of State for Southern Nevada, Office of the Secretary of State

Warren Hardy, The Humane Society of the United States

Brian O'Callaghan, Las Vegas Metropolitan Police Department

Heather Carpenter, Western Regional Director, The Humane Society of the United States

Ann Dunn, Extern, Office of the District Attorney, Clark County; Nevada District Attorneys Association

Leah Sturgis, Nevada Chapter, League of Humane Voters

Trish Swain, Nevada Chapter, League of Humane Voters

Lesley Pittman, Nevada Wildlife Alliance

CHAIR SEGERBLOM:

I will open the hearing on Assembly Bill (A.B.) 118.

ASSEMBLY BILL 118 (1st Reprint): Revises provisions governing the issuance of permits to carry concealed firearms. (BDR 15-572)

ASSEMBLYMAN SKIP DALY (Assembly District No. 31):

Assembly Bill 118 permits an active duty military or honorably discharged person who is at least 18 years of age but less than 21 years of age to apply

for and receive a concealed carry permit in Nevada. All other statutory provisions apply to this narrow group of people.

CHAIR SEGERBLOM:

Were you approached by someone who had been recently discharged from the military?

ASSEMBLYMAN DALY:

Yes. During the 2014 campaign while knocking on doors, I met an 18-year-old man who was a military police officer. He brought this issue to my attention.

ROBERT UITHOVEN (National Rifle Association):

We support <u>A.B. 118</u>. I have provided a letter of support from Daniel S. Reid, Nevada State Liaison for the National Rifle Association (Exhibit C).

NOAH JENNINGS:

I am a military police officer with the Nevada Army National Guard. I support A.B. 118. This bill goes a long way in protecting our active duty military, National Guard and reservists serving in Nevada.

SENATOR HARRIS:

You look young. Would this bill apply to you?

Mr. Jennings:

Yes. Carson City Sheriff Ken Furlong knows that I will be applicant No. 1 when this bill passes.

JOHN WAGNER (Independent American Party):

I was in the military. At that time, the military got the dregs of society. They were told to go to the army or go to jail. Today, the military has quality people. It is hard to get into the military. It requires smarts and high character. I support A.B. 118. The young men and women to whom this bill will apply deserve to be able to carry a weapon. They will be required to satisfy all of the statutory requirements.

KEVIN BURNS (United Veterans Legislative Council):

The United Veterans Legislative Council represents the major veterans' groups in Nevada and has nearly 250,000 members. We support A.B. 118.

WENDY STOLYAROV (Libertarian Party of Nevada):

The Libertarian Party of Nevada believes that the Second Amendment is a core tenet of our free society. We support responsibly liberalizing gun control laws wherever possible. We believe that A.B. 118, in providing access to concealed carry permits for active or honorably discharged service people under the age of 21, is a safe and commonsense broadening of the scope of liberty.

ASSEMBLYMAN JOHN ELLISON (Assembly District No. 33):

I support <u>A.B. 118</u>. Over the last several years, several military individuals have come to my office and the issue resolved by <u>A.B. 118</u> has come up many times. These young men and women serve our Country but cannot carry a concealed weapon.

ROBERT ROSHAK (Executive Director, Nevada Sheriffs' and Chiefs' Association): We support A.B. 118.

KIMBERLY CARDEN:

I reside in Sparks and I am a 26-year retired Army Colonel. I am opposed to A.B. 118. I have provided written testimony (Exhibit D).

SENATOR GUSTAVSON:

A person has to be 21 years old to buy a handgun in Nevada and, generally, a person must 21 years old to have a concealed weapon permit. There is no provision in <u>A.B. 118</u> to allow a member of the armed forces, a reserve component or the National Guard to purchase a firearm.

ASSEMBLYMAN DALY:

That is not the issue $\underline{A.B.}$ 118 addresses. There are other ways for someone under the age of 21 to legally own a firearm. My thought process was that the military has already provided the weapon.

SENATOR GUSTAVSON:

I support A.B. 118, but I do not want to run into any legal challenges down the road.

ASSEMBLYMAN DALY:

I do not believe there will be any legal challenges. Any one of us could buy handguns and give them as a gifts to people under the age of 21. If they have been issued weapons by the military, they can test and train with the weapons

to satisfy the requirements of the bill. They can have weapons legally, shoot and train with them. They just cannot buy weapons. I do not think that is a necessary component of the bill.

SENATOR HARRIS:

It sounds as though you anticipate that the weapon will be the military-issued firearm.

ASSEMBLYMAN DALY:

Not necessarily. We simply did not want to change the law with respect to allowing the purchase of a gun by someone under the age of 21. If we had limited the purchases to military service members, it would have raised more issues.

SENATOR HARRIS:

If someone qualifies for a concealed carry permit with a military-issued weapon, is that person required to notify the commanding officer, or is there no overlap between the civilian and military sector?

ASSEMBLYMAN DALY:

I do not think there would be any overlap. There is no Nevada legal requirement. The military may have its own restrictions. There are restrictions on a base. Assembly Bill 118 covers nonmilitary activities.

CHAIR SEGERBLOM:

If it is a military weapon and a person is still in the military, federal preemption may apply.

ASSEMBLYMAN DALY:

I assume so.

DAVID CHOQUETTE:

I am a veteran. My wife is a veteran. My daughter is a veteran. I belong to the National Rifle Association and I have a concealed weapon permit. This bill does not apply to me. I support A.B. 118. We trust these young men and women to hold top-secret clearances. They represent the United States abroad under no supervision. In wartime, you are on your own. You do not have a noncommissioned officer behind you to say do not shoot. It is up to you to make decisions, and responsible decisions are made all the time. These young

men and women build and maintain large weapons systems that are illegal for a person to own in the Country, including nuclear weapons. We need armed people available we can trust.

CHAIR SEGERBLOM:

I will close the hearing on A.B. 118 and open the hearing on A.B. 123.

ASSEMBLY BILL 123 (1st Reprint): Revises provisions governing a series created by a limited-liability company. (BDR 7-531)

ASSEMBLYMAN JOHN ELLISON (Assembly District No. 33):

Assembly Bill 123 clarifies the powers of a series created by a limited liability company (LLC). Nevada is one of dozens of states that allows series LLCs. Series LLCs are independently operating LLCs created by an operating agreement and sheltered under a master LLC. Nevada Revised Statutes (NRS) 86.311 creates an uncertainty as to whether property can be held in the name of the series LLC. Assembly Bill 123 tightens the language to allow a series LLC to own property in its own name.

Section 1.7, subsection 2, paragraphs (a) to (f) provide that a series LLC can sue and be sued, make contacts, and purchase, sell or otherwise convey real or personal property. Section 2, subsection 2, paragraphs (a) to (d) provide further clarification. Assembly Bill 123 deletes the word "create" and adds the term "authorize the creation of" which refers to the creation of the series within an LLC. Assembly Bill 123 allows a series to be created, without filing articles of organization for the series with the Office of the Secretary of State, by the adoption in writing of an operating agreement by the members of the series.

RICHARD G. BARROWS:

I have been practicing law in northeastern Nevada for 44 years. I have been working with LLCs since 2005. I have provided written testimony (Exhibit E). I have identified four uncertainties in the law that are listed on page 2 of Exhibit E and I explain how each of these uncertainties is addressed in A.B. 123. Assembly Bill 123 and NRS 86 will make more sense if one understands that the bill and the chapter use the terms "LLC" and "company" to refer to what we know as the "master" LLC, which is organized by filing articles of organization with the Office of the Secretary of State. The series LLC is created, not organized. The master LLC is organized, not created.

CHAIR SEGERBLOM:

I understand that series LLCs do not have to file articles of organization with the Secretary of State, but do series LLCs have articles of organization?

Mr. Barrows:

There are articles of organization for the master LLC, but there are not articles of organization for the individual series LLCs whose creation is authorized to be created by the articles of organization.

CHAIR SEGERBLOM:

Are the articles of organization for the master LLC the articles of organization for the series LLCs? Do all of the series LLCs use the same articles of organization?

Mr. Barrows:

They do not use the same articles, although derivatively they do. The master LLC authorizes the creation of series LLCs. Each series LLC is created by the adoption of an operating agreement by the members of that series. Those members can be different from the members of the master LLC or from any other series LLC that has been created.

CHAIR SEGERBLOM:

Is there some sort of written organizational document for each series LLC?

Mr. Barrows:

Yes. Each series LLC has an operating agreement.

CHAIR SEGERBLOM:

How would I know that a series LLC is affiliated with the master LLC? How would I know who the registered agent is?

Mr. Barrows:

That is the fourth uncertainty I have listed on page 2 of Exhibit E. If nothing is filed with the Office of the Secretary of State, how does a plaintiff, creditor, or person injured by or contracting with a series determine who the master LLC is and who the registered agent is? Section 3 of A.B. 123 answers the question. It provides that if the name of the series does not indicate that it is a series or provide the name of the master LLC, then it is doing business under a fictitious name and must file a certificate of fictitious name with the county clerk.

CHAIR SEGERBLOM:

Would that filing indicate the master LLC?

Mr. Barrows:

Yes. The third uncertainty listed on page 2 of Exhibit E is the question of whether it can sue, be sued, contract or own property. What is the point if it cannot? Sections 1.7 and 2 of A.B. 123 provide clarification and remove the uncertainty.

SENATOR FORD:

Section 3, subsection 3 of A.B. 123 provides:

A series created pursuant to NRS 86.296 and doing business in this State shall be deemed to be doing business in this State under an assumed or fictitious name that is different from the legal name of each person who owns an interest in the business, if the name does not indicate: (a) That it is a series; and (b) The name of the limited-liability company, which authorized the creation of the series pursuant to NRS 86.296.

I do not understand how someone would know that a series was created or authorized by an LLC if the series is operating under a fictitious name that is different from the LLC's.

Mr. Barrows:

All of the language leading up to the comma in section 3, subsection 3 is the language of NRS 602.010 that governs certificates of fictitious name. If a person is doing business under a fictitious name that is different from its legal name, then it must file a certificate of fictitious name. Section 3 of A.B. 123 provides, that if the name of the series does not indicate that it is a series or indicate the name of the master LLC, then that particular series must file a certificate of fictitious name. That would allow the person injured by that series to go to the county clerk and find out who the master LLC is and then, through the Office of the Secretary, find out who the registered agent is.

SENATOR FORD:

What happens if a series does not follow this provision?

Mr. Barrows:

The certificate of fictitious name statute has a couple penalties for failure to comply. My recollection is that one penalty is a misdemeanor and the second is a civil penalty of not being able to defend a lawsuit due to lack of compliance.

ERVIN NELSON:

Mr. Barrows has done an excellent job at explaining A.B. 123. There are ambiguities in the statute that have been brought to the fore by a recent ruling by District Judge Rob Bare of the Eighth Judicial District Court and through stories from practitioners that county or city officials will tell them that a series cannot own real property or an easement cannot be transferred to a series. The whole reason for having a series is so that each separate series can sue, be sued, own property and be protected by the corporate veil. Assembly Bill 123 clears up these ambiguities.

CHAIR SEGERBLOM:

It seems to me that the State does not get its full share of money because the series are not paying filing fees. That is a different issue.

MR. NELSON:

That is true. The State decided in 2005 that in order to be competitive with other states like Delaware that offer series, Nevada should do the same. This is part of the effort to be in the vanguard and to be a good place to incorporate and organize LLCs.

SENATOR FORD:

Have you received input from the Business Law Section of the State Bar of Nevada?

MR. NELSON:

No. We have met with the Scott Anderson, Chief Deputy, Office of the Secretary of State, and the Secretary of State is neutral on the bill.

Mr. Barrows:

No.

SENATOR HARRIS:

Do any of the states that permit series LLCs have a central registration process to access information about a particular series? The Office of the Secretary of State does not have that information.

Mr. Barrows:

That is what the certificate of fictitious name concept is for. If <u>A.B. 123</u> passes, there will be a link from the series to the parent to the registered agent. Indiana is the only state that has some type of central filing.

SENATOR HARRIS:

Is that through the Indiana Secretary of State?

Mr. Barrows:

I am not sure what Indiana calls the office, but it would be what we call the Secretary of State.

SENATOR HARRIS:

Are you able to go to the Website, do an entity search and find the parent LLC with a list of the series LLCs? Are you able to get a sense of the organizational structure?

Mr. Barrows:

I did not research how the Indiana information is organized.

CHAIR SEGERBI OM:

Is the fictitious name certificate on file with the Office of the Secretary of State?

Mr. Barrows:

No. All Nevada companies doing business under fictitious names file with the county clerk where they are doing business.

SCOTT ANDERSON (Chief Deputy, Office of the Secretary of State):

Series LLCs are a strange animal. There are a number of different ways they could be filed.

CHAIR SEGERBLOM:

Is the master LLC required to indicate that there are series LLCs?

Mr. Anderson:

No. There is a box to check if the entity is a series LLC.

CHAIR SEGERBLOM:

Is the check box on the Website?

Mr. Anderson:

The check box is on the form. If an entity choses to check that box, it shows up on the free business entity search.

CHAIR SEGERBLOM:

It sounds like the names of the series LLCs do not have to correspond to the name of the master LLC.

MR. ANDERSON:

That is correct, unless they choose to file a separate LLC document for the series for which the box was checked. These questions were raised when legislation was passed permitting series LLCs. At that time, it was determined to model the approach utilized in Delaware and other states.

CHAIR SEGERBLOM:

Do those states still permit series LLCs?

Mr. Anderson:

I am not aware of what other states are doing. Most of the states that permit series LLCs do not require the series to file.

SCOTT SCHERER (Nevada Registered Agent Association):

We support A.B. 123. We have submitted a proposed amendment (Exhibit F). We support the bill with or without the proposed amendment. The amendment proposes a change to the filing date of the initial list for all types of business entities that Nevada recognizes. The initial list is filed within 60 days after the filing of the corporation or LLC. That has led to some entities to advertise the filing of corporations in Nevada costs \$75. Then 60 days thereafter, the filing fee is \$125 for the initial list and either a \$200 or a \$500 fee for a business license. This is a shock to people who thought the fee was \$75 to form a company. The result is that a high rate of companies immediately go into default. They do not file their initial list or obtain a business license, and they do not renew. Approximately 15 percent of companies default in the first year. We

would rather companies that do not want to pay the initial list fee and business license fee not file at all. We would rather companies have all the information about the filing requirements up front.

This proposed amendment would increase collections for the State by eliminating the 15 percent default. Some companies will choose not to file, but a large number of that 15 percent will file and increase State revenues. The proposed amendment promotes consumer awareness and compliance. The registered agents for these companies want them to be in compliance. This amendment was proposed for another bill, <u>A.B. 283</u>. Unfortunately, that bill was not heard.

ASSEMBLY BILL 283: Revises provisions governing business entities. (BDR 7-931).

CHAIR SEGERBLOM:

The proposed amendment is not tied to A.B. 123, but it is germane to the bill.

Mr. Scherer:

We spoke to the Legislative Counsel, and she determined it was germane.

CHAIR SEGERBLOM:

Has Mr. Anderson seen the amendment?

Mr. Scherer:

He has seen at least one version of the proposed amendment.

Mr. Anderson:

The Office of the Secretary of State has seen this proposed amendment, and we are not opposed to the language. I was not aware it was going to be proposed as an amendment to A.B. 123, but I do not have any objection. It would allow the State to collect the fees related to the initial list of officers upon the filing of the articles of incorporation or organization.

CHAIR SEGERBLOM:

Mr. Scherer, please provide Mr. Anderson the proposed amendment. Mr. Anderson, before the work session let us know if you are supportive.

SENATOR FORD:

I would like more detail about what happened to the bill to which this amendment was proposed. Who are the bill's sponsors? What was the reason for its demise?

Mr. Scherer:

The primary sponsor of <u>A.B. 283</u> was Assemblywoman Lisa Krasner, Assembly District No. 26. The joint sponsor was Assemblyman Al Kramer, Assembly District No. 40. We have not been able to discuss with Assemblywoman Krasner what happened to the bill. We understand the bill was pulled at her request. Assemblyman Kramer did want to move forward with the bill.

SENATOR FORD:

Assemblyman Ellison, are you familiar with another proposed amendment to A.B. 123 by Assemblyman James Ohrenschall, Assembly District No. 12?

ASSEMBLYMAN ELLISON:

Yes.

MR. NELSON:

Assemblyman Ohrenschall has proposed an amendment. He was not able to be here today. We did not think we should present it in his absence.

ASSEMBLYMAN ELLISON:

I have spoken to companies with series LLCs. They have been going to Wyoming and Alaska because those states permit series LLCs. We are trying to keep these companies in Nevada.

CHAIR SEGERBLOM:

If an out-of-state company that owns property in another state wants to form a series LLC in Nevada, how does it file a fictitious name in the other state and how does it relate back to the Nevada LLC?

Mr. Barrows:

That scenario is not addressed by current law or by this bill. I cannot speculate about the fictitious name statutes in another state.

CHAIR SEGERBLOM:

I will close the hearing on A.B. 123 and open the hearing on A.B. 219.

ASSEMBLY BILL 219: Revises provisions relating to gaming enterprise districts. (BDR 41-193)

ASSEMBLYWOMAN HEIDI SWANK (Assembly District No. 16):

Assembly Bill 219 revises the boundaries of the gaming overlay of the Beverly Green neighborhood in Las Vegas. The area covered by this gaming overlay is known as the Paradise Village tracts. Beverly Green is made up of several different tracts. The Beverly Green neighborhood is the larger neighborhood inside of which are the Paradise Village tracts. The idea to remove the gaming overlay is part of the Beverly Green neighborhood plan and was brought to me by constituents from most of the tracts that make up Beverly Green.

I will read the neighborhood plan from the section regarding existing land use. The No. 1 issue cited by the neighborhood in the neighborhood plan is the gaming overlay: "The goal would be to support the limitation of any possible negative impacts this could have on the residential areas of the planning area." Two strategies are named: one, to actively oppose any commercial expansion into the single-family zoned area of the planning area; and two, to request state-elected officials to remove the gaming overlay from properties currently zoned R1 for single-family homes. Assembly Bill 219 implements the second strategy.

The gaming overlay was put in place in the early 1980s and cuts through the neighborhood diagonally. It literally cuts through houses. <u>Assembly Bill 219</u> would remove the gaming overlay from the residential portions of this area but leave it on the commercial area along Paradise Road.

Locally renowned architects Walter Zick and Howard Sharp as well as John Replogle built Paradise Village in the early 1950s. There are about 200 modest homes averaging 1,000 square feet. They were originally homes to workers on the Las Vegas Strip, including musicians, pit bosses, servers, etc. Today, many of those same types of workers live in Paradise Village. It is a multilingual neighborhood of hardworking Nevadans.

During the economic boom, there were several less than honest individuals who made promises to homeowners in this neighborhood. One of the most memorable was a company promising homeowners \$1.2 million for their 1,000-square-foot homes. The idea being sold was that the company would demolish these homes and construct a casino. The problem posed was that even if the properties could have been assembled, gaming is not permitted within 500 feet of a residential neighborhood. The project would also have involved closing Paradise Road, which is one of the main arteries north of Sahara Avenue used to avoid the Las Vegas Strip without going all the way to Maryland Parkway. The letter making this offer arrived after the demolition of the Desert Inn Estates in Clark County, which is where the Wynn and Encore are.

I can see why some folks at that time might have thought that this was a real offer. However, the Desert Inn Estate homes were custom homes two to three times the size of the Paradise Valley homes and their owners received between \$500,000 and \$800,000—nowhere near the \$1.2 million promised the Paradise Village homeowners. Unfortunately, such less than honest offers led speculators to buy in the gaming overlay. Absentee property owners who choose not to invest in their properties own many of these homes. Many people take care of their houses in Paradise Village, but not everyone does.

There has been a great revitalization in downtown Las Vegas. There has been resurgence in interest in living downtown and especially in small homes. People have begun to purchase homes in Paradise Village and to restore them. The City of Las Vegas is here to speak to a proposed amendment and to its commitment to helping to revitalize this neighborhood. The University of Nevada, Las Vegas, Downtown Design Center is engaged in working with Beverly Green to propose improvements to all of Beverly Green, including the Paradise Village tracts, to make it more livable and walkable. Many residents in Paradise Village support returning the neighborhood to the lovely part of Beverly Green it once was. The gaming overlay lends instability to this part of Beverly Green. Its removal would make it more attractive to people who would like to live downtown.

A letter of opposition was submitted to the Committee from Jeffrey D. Patterson, Esq. (Exhibit G). The first issue raised in Exhibit G is that no notice of A.B. 219 was given to the residents of Paradise Village. The neighborhood plan for Beverly Green and the Southridge Neighborhoods was passed a while ago. It

is discussed at almost every neighborhood meeting along with the need to remove the gaming overlay, remove graffiti and deal with crime.

The second issue raised is that I previously represented to Bartsas that I would not seek to remove the gaming overlay. This issue was brought to me by constituents who live in all of the tracts of Beverly Green. This is not something that I was planning to bring up this Session. Since it seemed important to people in Beverly Green, I decided I should propose legislation to deal with the matter.

The third issue is the boundaries of Beverly Green versus Paradise Village. I want to make it clear that Beverly Green is made up of at least four different tracts: Paradise Village, Paradise Park, El Centro and Beverly Green. When all the tracts were pulled together, the name for the largest, Beverly Green, was used to reference all of the tracts. The boundaries for Beverly Green are Sahara Avenue on the south, Oakey Boulevard on the north, 6th Street on the east and Las Vegas Boulevard on the west. Contrary to the third point, Paradise Village is part of Beverly Green.

The fourth issue concerns the Beverly Green Historic District, which is a subset within the Beverly Green neighborhood. The Historic District was designated last year on the City register. It is not the Paradise Village area of Beverly Green. It is a small part within the neighborhood.

The fifth issue raised states that the Paradise Village neighborhood rejected the historic district designation. That is incorrect. In order to be designated on the local register in the City of Las Vegas, 51 percent of the homeowners must support the designation. Out of the 92 letters sent to homeowners, 22 letters of support were received. That is common when designating a historic district. Sometimes you get apathy. Letters are not returned. People do not engage. That is normal. The City ordinance allows up to 20 percent of the homeowners to be in opposition when designating a historic district. When we closed the campaign, opposition was only at 5 percent, nowhere near 20 percent. The historic district designation was not rejected; it did not pan out.

CHAIR SEGERBLOM:

Have you seen the maps attached to **Exhibit G**?

ASSEMBLYWOMAN SWANK:

The outline on page 5 of Exhibit G is the Beverly Green Historic District. The Beverly Green neighborhood extends to Las Vegas Boulevard on the west and to Sahara Avenue on the south. The gaming overlay is parallel to Las Vegas Boulevard and cuts diagonally through the neighborhood.

CHAIR SEGERBLOM:

Does someone want to build a hotel there?

ASSEMBLYWOMAN SWANK:

No one currently wants to build a hotel there.

CHAIR SEGERBLOM:

Would having the gaming overlay allow that to happen?

ASSEMBLYWOMAN SWANK:

It would except that gaming is not permitted within 500 feet of a residential area. It would be difficult. A number of homes would have to be demolished to create a 500-foot buffer.

CHAIR SEGERBLOM:

Correct, but that is the argument of the opposition. Some owners are hoping to sell their homes for \$1 million to make way for the construction of a new hotel.

ASSEMBLYWOMAN SWANK:

Yes, that is the idea now and again.

BRIAN McAnallen (City of Las Vegas):

The City of Las Vegas appreciates Assemblywoman Swank sponsoring A.B. 219. We consider ourselves a partner in this venture, and we are committed to working with Beverly Green and the neighboring areas to make sure we are, as a community, working toward revitalizing this area and protecting the components of this residential corridor. The gaming piece is more associated with Las Vegas Boulevard. The City of Las Vegas Municipal Code contains a map that shows the gaming overlay. In this particular residential area, the gaming overlay stretches farther than it needs to because of the law that states that a property line of a proposed gaming establishment must not be less than 500 feet from the property line of a developed residential district and

not less than 1,500 feet from the property line of a public school, private school or structure used primarily for religious services or worship.

We are proposing a conceptual amendment that seeks to define the gaming enterprise district. I have provided a map (Exhibit H) with orange highlights. We are trying to define the district from Carson Avenue to Stewart Avenue and Main Street to Third Street. We will have elements that would trigger a decision on a gaming establishment. We will use the statutory definition of a "resort hotel," which is anything more than 200 rooms. We will ensure that the area is comprised of either an entire city block or a portion thereof. We will work on a specific acreage component or an estimated construction value of some significant amount. There are some county provisions related to a gaming enterprise district, and we would like to work with the Legislative Counsel Bureau and interested stakeholders to make sure there is consistency in what we are attempting to do.

We are here because we are restricted from defining these areas by state law. We are interested in preserving the residential components of Beverly Green and the neighboring areas and defining what should be a gaming corridor downtown.

CHAIR SEGERBLOM:

You support <u>A.B. 219</u> and the protection of the Beverly Green neighborhood. <u>Exhibit H</u> looks like a gaming enterprise district. Is this the original downtown Las Vegas?

Mr. McAnallen:

Correct. The red circles are the approved locations for nonrestricted gaming. The circles would be stars in the downtown gaming enterprise district without the definition of streets and blocks that we are seeking to propose.

SENATOR DENIS:

All the circles on Exhibit H are gaming properties. Are you seeking to define an area?

Mr. McAnallen:

All of the properties shown on <u>Exhibit H</u> are in Senate District 2. We would like to have specific definitions for what would be considered a property eligible for that area. The individual properties have been around since the 1980s. We want to reference and tighten the language so that it is for establishments with

nonrestricted licenses before 1997. We are not opening the floodgates, but we are defining the categories on which the existing licenses can function and operate. We have some properties in the downtown that are acquiring neighboring pieces, and they are not able to expand and develop the way they would like because of the blockiness or choppiness of the current gaming enterprise district.

SENATOR DENIS:

Number 4 on Exhibit H is Fifth Street Gaming. Why is that not included?

Mr. McAnallen:

That is a great question. Our attempt for today was to address some challenges from the 1990s and some unintended consequences. Parcels 3, 4 and 15 cover a majority of an entire city block. They all have nonrestricted gaming licenses. We are attempting to clear up some ambiguities.

SENATOR DENIS:

Are not parts of Beverly Green already within 500 feet of residential property? Is the Stratosphere within 500 feet of residential properties, or is it just outside the limit?

ASSEMBLYWOMAN SWANK:

The Stratosphere is outside the 500-foot limit. This portion of Las Vegas Boulevard between Charleston Boulevard and Sahara Avenue has always been a little different because it is more residential. There are residential properties right up against the east side of the Strip. There is no unrestricted gaming on that east side.

JENNIFER GAYNOR (18 Fremont Street Acquisitions, LLC):

We support the City of Las Vegas's proposed amendment to <u>A.B. 219</u>. This is necessary to remove some technical roadblocks to the development of a casino resort such as that which my client is now planning on a long-time nonrestricted gaming property in the heart of the City of Las Vegas's downtown gaming district. We will submit written testimony that will explain in more detail the historic development of the City's gaming district and the technical reasons this amendment is needed.

RUSSELL Rowe (Boyd Gaming Corporation):

Boyd operates three properties downtown: Main Street Station Hotel and Casino, Fremont Hotel and Casino, and California Hotel and Casino. We support A.B. 219. We are aware of the City of Las Vegas's conceptual amendment. We would want to work on the language of the amendment.

JEFFREY SILVER (18 Fremont Street Acquisitions, LLC):

I am familiar with the gaming enterprise district. In 1989, the Legislature decided that it wanted municipalities, counties and cities to designate which areas within their jurisdictions should have nonrestricted gaming. An area was designated in Clark County and in the City of Las Vegas. The area was much larger than depicted on Exhibit H. The purpose of the designation was to notify the public that the area was a suitable area for nonrestricted gaming, which is anything over 15 slot machines or table games.

In 1997, the Legislature revisited this issue with S.B. No. 208 of the 69th Session. The concern raised was that due deference was not being given to the fact that casino industry does not marry well with residential neighborhoods. Senate Bill No. 208 of the 69th Session passed in 1997. It provided that a nonrestricted gaming operation was grandfathered and could continue operating on that specific parcel. That is how the City of Las Vegas ended up with the stars that delineate those parcels. However, if you did not have a license pending that would be granted within one year and were within a gaming enterprise district that had previously been identified, that gaming enterprise would be extinguished. Any property without gaming already operating on it went away.

There were limited exceptions, such as the Las Vegas Boulevard gaming corridor, i.e., the 1,500 feet on each side of Las Vegas Boulevard. A location was identified on the Boulder Strip and certain tracts of land located on the outlying areas near interstate highways or freeways if large enough for an integrated resort. Anything else, unless operating in 1997, could no longer be expanded. One exception was made that permitted expansion to owned property adjacent to the operating property if it had a nonrestricted resort hotel. "Resort hotel" was defined to require, at that time, 200 hotel rooms. Otherwise, there would be no expansion unless the property was within a gaming enterprise district.

The City of Las Vegas and its core were frozen in time. The properties in existence were identified on specific parcels and were not allowed to expand the size of their facilities. We have a proposal for a project at 18 East Fremont Street to construct a major multimillion-dollar facility that is not able to do so without passage of A.B. 219. The area identified by the orange block on Exhibit H was the original City of Las Vegas downtown gaming enterprise district. It has been in the City of Las Vegas's Municipal Code since the 1980s. We support the City of Las Vegas's suggestion that this limited adjustment to the gaming enterprise district be granted.

MICHAEL RIVERS:

I reside in the Paradise Village tract in the home my family has lived in for 53 years. I am opposed to A.B. 219. The sole sponsor of this bill, Assemblywoman Swank, is a resident of Beverly Green and is fully aware of my opposition and has been since this was first brought up in the neighborhood meeting in January 2015. At that meeting, Assemblywoman Swank stated that the overlay was not created by the City of Las Vegas but rather by the Nevada Legislature. A resident of Beverly Green asked how the gaming overlay could be removed. I stated that we did not want it removed. Assemblywoman Swank assured us that no one was trying to remove the overlay. Having made that statement, Assemblywoman Swank ended the discussion of the overlay, which was one of the two stated subjects of the meeting. I feared at the time that Assemblywoman Swank was not being straightforward and might intend to have the overlay removed by the Legislature.

Conveying my fears and trying to ask my Assembly person for help and assistance in stopping any such bill would be have been absolutely to no avail because Assemblywoman Swank is my Assemblywoman. I contacted members of the Legislature for assistance and learned that at that time there was no bill presented and that it was too late to be presented. Obviously, my fears and concerns were prophetic. At that time, I thought Assemblywoman Swank would have someone else present the bill because perhaps it might be a conflict of interest. Evidently, it is not.

I only found out about this bill from an invitation to a neighborhood meeting on February 22. This bill was not a subject of that meeting. After the meeting, others were talking amongst themselves and one mentioned that Assemblywoman Swank had introduced this bill.

CHAIR SEGERBI OM:

Can you tell us about the bill itself and why you want to build a hotel where your house is?

MR. RIVERS:

I am not asking to build a hotel. I am asking to be allowed to finish my statement. My Assemblywoman is fully aware that we voted against historic preservation because our houses were built for workers. They were not built like 'Leave It to Beaver" homes. Where Assemblywoman Swank lives there are "Leave It to Beaver" homes. Ours have been falling apart for quite some time. The area has problems. It will cost us a great deal of money to become a historic neighborhood. It would cost us money to lose our gaming overlay. I have become confused just listening today. What originally was a bill about Beverly Green now incorporates downtown Las Vegas. I can see why our government is so messed up. That is what we do. We add things into bills in order to get what we want passed. We were not informed of any of this.

CHAIR SEGERBLOM:

Now is your chance to tell us why you want to remain in the gaming overlay.

Mr. RIVERS:

We want to remain in the gaming overlay because somebody somewhere along the line may very well want to build a casino. Our property values are affected by the gaming overlay. My land value is what is important. The value of my house went down on my most recent evaluation. The land value went up. Our area is literally falling apart. It will cost us a great deal of money as a historic neighborhood to keep the area up. Someone may come along and propose expanding the Sahara. Things that do not need to be preserved should not be preserved. We need the ability to keep our property values up so we can sell it when we so choose at a decent price.

CHAIR SEGERBLOM:

You believe that removing the gaming overlay will reduce your property's value.

Mr. RIVERS:

Yes.

ALAN RICHERT:

My family has owned a home at 2321 Santa Rita for 55 years. I oppose A.B. 219. It seems to me that Assemblywoman Swank has selective mailings and notifications.

CHAIR SEGERBLOM:

You have notice and you are testifying. Tell us why you oppose A.B. 219.

Mr. RICHERT:

I think the area should be left as is. You need to hear from the people who live in this area. <u>Assembly Bill 219</u> takes away our future possibilities. This is why we have owned this property for so long. We have had the hope that down the line it would have more value. I think the property will be more valuable with the gaming overlay.

SHARRON PRUSSE (Mary Bartsas 16, LLC):

I am a Nevada native and the manager of Mary Bartsas 16, LLC, which owns 6 of the homes in Paradise Village. Three of the homes were lived in by Mary Bartsas during the 60 years she was a real estate broker. Three properties were acquired as investments. When I became the manager, the homes were in extremely poor condition due to foundation erosion, large cracks in the exterior supporting walls, plumbing and windows needing repair and replacement, etc. Mary Bartsas 16 addressed the most urgent problems so the houses could remain standing. They are not in good shape, and it would cost a large amount of money to bring them up to a standard that would be valuable or pass today's codes. Mary Bartsas 16, as well as the majority of our neighbors, has held on to these homes because of the gaming overlay. For many, this is their retirement fund. The proceeds from the sale of the homes owned by Mary Bartsas will go into a foundation. Mary Bartsas 16, as well as the majority of our neighbors, voted against having Paradise Village added to the historic district. I applaud Assemblywoman Swank and her efforts in wanting to preserve some part of the history of Las Vegas and especially her neighborhood. Those houses are a different style of architecture than Paradise Village. They are lovely homes. Unfortunately, ours are not holding up to the test of time. The question we have is why, after all the statements that we do not want this, is Paradise Village being included in A.B. 219. The majority of homeowners who expressed their opposition are being ignored.

JEFFREY D. PATTERSON (Mary Bartsas 16, LLC):

The Legislature created the gaming overlay knowing that it was covering these residential homes. The people who bought these properties have relied on the Legislature's wisdom in making an investment. Over the decades that the gaming overlay has existed, I have found no record of these owners requesting the Legislature remove the gaming overlay. Parties that do not own these properties are making this fuss. I applaud Assemblywoman Swank's desire to have her neighborhood in a historic district. That is not the desire of the people who live in the Paradise Village tract. There is baggage that goes along with that. There are requirements, restrictions and guidelines on what you can do with your property when you have a historic designation.

This is an end around. If you remove the economic incentive of the people who bought these properties within the gaming overlay, they will sell and there will be less opposition to the historic district. This is a method for getting what the Beverly Green historic folks want without the consent of the Paradise Village people. I suggest that if you want to preserve these properties in their current state, buy them. Then you can be the owner and speak from the position of an owner rather than forcing your desire on property owners who do not have that same desire.

ASSEMBLYWOMAN SWANK:

The neighborhood plan was the request of the neighborhood. The people who sat on the committee and created the neighborhood plan were not just from the north part of Beverly Green but from the south as well. In the plan, they specifically asked the Legislature to remove the gaming overlay. There is no conflict between having a historic district and a gaming overlay. You do not need to remove a gaming overlay to put a historic district over it. You can have both. That has nothing to do with the motivation here. The issue addressed in A.B. 219 was brought to me by constituents. It was not my plan, and it was not in the bills I was bringing this Session until it was brought to me. It had come up often enough that I decided it was something I would do. The manager of Mary Bartsas 16, LLC, said that the majority of homeowners rejected the historic designation. That is normal. A little opposition is normal. It was mostly that people did not return mailers or answer doors. It was not because the majority of the homeowners rejected the historic district designation.

In response to the idea that these are not good homes, the City of Las Vegas hired a company to do a historic survey of this neighborhood, and it is actually one of the most historically significant neighborhoods in the City. It has some architectural innovations that are not seen until the 1960s, and these houses were built in the early 1950s, some as early as 1951. Zick and Sharp built this neighborhood. They did so much in southern Nevada in the midcentury. They were a famous architect duo. They were at least a decade ahead of their time. This is a significant neighborhood.

SENATOR DENIS:

How does the historic district or the removal of the gaming overlay affect the value of the homes in the neighborhood?

ASSEMBLYWOMAN SWANK:

It is not clear. We know that in a historic district home values tend to go up. They do not skyrocket, but they tick up. The revitalization of downtown Las Vegas should result in interest in these homes, and if the home is not in the gaming overlay, people should be more likely to purchase as homeowner-occupied. There are folks that shy away from buying houses in the part of Paradise Village tracts that are in the gaming overlay.

SENATOR DENIS:

If an individual wanted to buy a big tract of land and have the tract changed to gaming, can he or she do that?

ASSEMBLYWOMAN SWANK:

In order to assemble these properties and have the houses demolished is a long process. It is not as simple as I own this house, and now I can tear it down.

CHAIR SEGERBLOM:

I will close the hearing on A.B. 219 and open the hearing on A.B. 277.

ASSEMBLY BILL 227: Makes changes relating to domestic partnerships. (BDR 11-784)

ASSEMBLYMAN RICHARD CARRILLO (Assembly District No. 18): Thank you for hearing A.B. 227. Kim Surratt will present the bill.

KIMBERLY SURRATT (Nevada Justice Association):

Assembly Bill 227 is a cleanup bill. Domestic partnerships are available in Nevada to opposite-sex couples and same-sex couples. Registered domestic partners in Nevada receive State benefits. They do not receive any federal recognition. It is a viable option even with marriage equality. A good example is an elderly couple who have to divorce in order to lower their income. They will enter into a domestic partnership for State recognition as a relationship. Thousands of Nevadans are in domestic partnerships.

There are two problems in the current law, which are shown in section 4 and section 6 of A.B. 227. If a couple registers in California as a domestic partnership but does not register in Nevada, the California registration will not be recognized. If the couple then registers in Nevada, the domestic partnership will be recognized, but the registration resets the community property date. Most couples who register as domestic partners do not know they need to reregister in Nevada. It is a common problem. A couple that reregisters may have been in a relationship for years, but their Nevada reregistration resets their community property date. That has a significant impact on the couple because the amount of assets accumulated together as a couple is significantly reduced. The number of years for alimony is significantly reduced. The partners are significantly harmed.

The opposition to A.B. 227 is not to the date resetting. The Office of the Secretary of State would like couples to reregister. That poses a major problem. This raises problems both in the context of death and divorce. A California couple in a long-term relationship moves to Nevada, maintains a long-term relationship but does not reregister. One dies. There is no way to register in Nevada. Nevada is not going to recognize the California registration because the couple did not register in Nevada. The second scenario involves divorce. A couple with a California domestic partnership moves to Nevada and needs a divorce. They did not reregister in Nevada. They cannot then reregister in Nevada because of the requirement that they must sign a declaration with the Office of the Secretary of State that they are in an intimate and committed relationship, that they are signing the declaration at their own free will and that they have a common residence. The couple resides in Nevada, but Nevada will not give them a divorce.

The argument given for the need to reregister in Nevada is that Nevada is one of only two states that have a complete registry of domestic partnerships. The

Nevada registry is only complete as to couples who have initially registered in Nevada. The reregistrations are incomplete. The registry of couples who happened to reregister is only complete as to those who have done so but is not complete otherwise. Forcing couples to reregister in Nevada is problematic because of the injustice and harm it causes people. The argument of a complete registry and a complete log does not outweigh the injustices that happen as a result.

CHAIR SEGERBLOM:

Are you opposed to requiring people in domestic partnership to register in Nevada?

Ms. Surratt:

Yes.

CHAIR SEGERBLOM:

Are married couples required to register their marriage?

Ms. Surratt:

No.

Ms. Stolyarov:

This is a straightforward commonsense piece of legislation that will enable people in domestic partnerships to live as they like in Nevada.

GAIL ANDERSON (Deputy Secretary of State for Southern Nevada, Office of the Secretary of State):

I oversee the domestic partnership registry. The Secretary of State believes there is purpose and value in continuing the registry. Nevada is one of two states that have a statewide registry. There are states that have county registries. I have provided a letter of opposition (Exhibit I).

In order to respond to Ms. Surratt's concerns, we have proposed to resolve the continuity issue with the language proposed in Exhibit I.

CHAIR SEGERBLOM:

Is there a registration fee?

Ms. Anderson:

Yes, there is a \$50 registration fee.

CHAIR SEGERBLOM:

How many registrations do you have?

Ms. Anderson:

We have over 7,000 registered domestic partnerships.

CHAIR SEGERBLOM:

We will close the hearing on A.B. 227 and open the hearing on A.B. 391.

ASSEMBLY BILL 391 (1st Reprint): Creates the crime of bestiality. (BDR 15-29)

ASSEMBLYMAN RICHARD CARRILLO (Assembly District No. 18):

Assembly Bill 391 is brought at the request of a constituent in my district, who is unable to attend today's hearing. As of the end of 2016, bestiality is illegal in 42 states. Nevada is one of the eight remaining states that do not specifically prohibit bestiality. This bill makes the crime of bestiality a gross misdemeanor. If the animal dies or suffers serious bodily injury or if the person committing the act has previously had a felony conviction for cruelty to animals, the penalty is increased to a Category D felony.

In addition to any other penalties that the court may impose, if a person is convicted of the crime, he or she would be required to give up ownership or possession of all animals which are in the same household as the person and would not be able to own or possess an animal or work or volunteer for a business or animal shelter for a time to be determined by the court. The person convicted of the crime would also be required to undergo a psychological evaluation and counseling, including substance abuse treatment and counseling if warranted to be paid for by the person convicted. In addition, the person would be required to pay all the costs incurred for the care and maintenance of the animal involved in the crime and any other animal relinquished by the person to an animal shelter or organization that cares for animals. If the person convicted is not the owner of the animal involved in the crime, he or she will be required to reimburse the owner of the animal for all medical expenses related to treating the animal.

WARREN HARDY (The Humane Society of the United States):

We support A.B. 391. Everyone I have talked to about this bill is surprised that bestiality is not a crime in Nevada. The bad actors make their way to places with the weakest laws. There is a strong connection between animal sexual abuse and child abuse. There is also a strong connection between animal sexual abuse and sexual homicide. The FBI tracks animal abuses separately for that very reason. There is a pronounced connection between the two crimes. The issue speaks for itself.

CHAIR SEGERBLOM:

Did this bill pass unanimously in the Assembly?

MR. HARDY:

Yes. The shocking thing is how often this happens.

BRIAN O'CALLAGHAN (Las Vegas Metropolitan Police Department):

The Las Vegas Metropolitan Police Department (LVMPD) sees one of these incidents a month. It runs the gamut. It is prevalent. People call LVMPD to report the crime only to find out it is not a crime in Nevada. It is shocking to the conscience.

CHAIR SEGERBLOM:

I have heard that perpetrators advertise on Craigslist.

HEATHER CARPENTER (Western Regional Director, The Humane Society of the United States):

We support A.B. 391. Animal sexual abuse is not isolated deviant behavior but is a prevalent violent offense and frequently precedes child sexual abuse, sexual homicide and other violent acts. Tracking bestiality as a separate crime from animal cruelty is important because it allows law enforcement to identify potential sexual predators and hopefully intervene before they harm a human. Nevada is one of eight states where bestiality is legal and weak laws make a state vulnerable.

We believe the penalties associated with this crime should be a felony. Like rapists, these are violent predatory sex offenders who may share common traits with pedophiles. It is the No. 1 predictor for sexual abuse of a child, and multiple studies have found nearly 40 percent of pedophiles and 100 percent of sexual murderers sexually abused animals. The felony is not simply about

punishment. Convicted felons are prohibited from participation in many state license programs such as the foster parent network, operating a childcare center, driving a school bus and teaching. Bestiality is a felony in 23 states and a second offense felony in 4.

Some may wonder why this offense is not covered in animal cruelty. It does not always result in physical injury to the animal. It can be difficult for prosecutors to prove pain and suffering without that physical injury. In addition, the act of advertising, renting, selling and training an animal for sex with humans occurs before the act of cruelty is committed. <u>Assembly Bill 391</u> will also criminalize those actions. The Internet facilitates this crime and, with no legal prohibition, allows it to flourish in Nevada. Perpetrators use various Websites. They seek one another out and trade, sell and rent the animals for sex.

There are thousands of registered users in Nevada. Law enforcement has reported an increase in trafficking of animals for sex. By identifying the sexual abuse of animals as dangerous predatory behavior, courts can order necessary psychological counseling to break the cycle of abuse and prohibit offenders from having with contact with animals, law enforcement can identify and monitor dangers in their community, and employers and civil organizations can keep animals and children safer.

SENATOR ROBERSON:

Assemblyman Carrillo, are you open to an amendment to make this a felony for a first-time offense? I think we should do that.

ANN DUNN (Extern, Office of the District Attorney, Clark County; Nevada District Attorneys Association):

We support A.B. 391.

LEAH STURGIS (Nevada Chapter, League of Humane Voters):

We support A.B. 391. We represent the voiceless animals in Nevada that are victims of horrible abuses by humans. Laws clearly must be created to stop abuses and protect the innocent lives of animals that are trafficked and tortured for people's pleasure. There is no good reason why bestiality is legal in Nevada, and it is time for Nevada to take a stand against animal abuse and stop being a safe haven for depraved and sick individuals who want to act out sick fantasies.

TRISH SWAIN (Nevada Chapter, League of Humane Voters): We support A.B. 391.

LESLEY PITTMAN (Nevada Wildlife Alliance): We support A.B. 391 and Senator Roberson's proposed amendment.

Remainder of page intentionally left blank; signature page to follow.

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CHAIR SEGERBLOM: will close the hearing on $\underline{A.B.\ 391}$. The hearing is adjourned at 3:36 p.m.				
	RESPECTFULLY SUBMITTED:			
	Connie Westadt, Committee Secretary			
APPROVED BY:				
Senator Tick Segerblom, Chair	-			

EXHIBIT SUMMARY				
Bill	Exhibit / # of pages		Witness / Entity	Description
	Α	2		Agenda
	В	9		Attendance Roster
A.B. 118	С	1	Daniel S. Reid / National Rifle Association	Letter of Support
A.B. 118	D	2	Kimberly Carden	Written Testimony
A.B. 123	Е	6	Richard G. Barrows	Written Testimony
A.B. 123	F	5	Scott Scherer / Nevada Registered Agent Association	Proposed Amendment
A.B. 219	G	10	Jeffery D. Patterson / Mary Bartsas 16, LLC	Letter of Opposition
A.B. 219	Н	1	Brian McAnallen / City of Las Vegas	Map of Non-Restricted Gaming Locations
A.B. 227	I	2	Gail Anderson / Secretary of State	Letter of Opposition