

**MINUTES OF THE  
SENATE COMMITTEE ON JUDICIARY**

**Seventy-ninth Session  
February 13, 2017**

The Senate Committee on Judiciary was called to order by Chair Tick Segerblom at 1:30 p.m. on Monday, February 13, 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:**

Senator Becky Harris, Senatorial District No.9

**STAFF MEMBERS PRESENT:**

Patrick Guinan, Policy Analyst  
Nick Anthony, Counsel  
Kate Ely, Committee Secretary

**OTHERS PRESENT:**

James Dzurenda, Director, Department of Corrections  
Grant Hewitt, Chief of Staff, Office of the State Treasurer  
Barry Smith, Executive Director, Nevada Press Association  
John Perdigao, Controller, *Las Vegas Review-Journal*  
John Wagner, Carson City Vice-Chairman, Independent American Party  
Fred Voltz

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Jonathan Friedrich  
Lynn Chapman, State Vice President, Nevada Families for Freedom  
Sean Sullivan, Deputy Public Defender, Washoe County  
John Piro, Deputy Public Defender, Clark County  
Heidi Wixom  
Patrice Tew

CHAIR SEGERBLOM:

We will open the meeting with a presentation by James Dzurenda, Director, Department of Corrections (DOC).

JAMES DZURENDA (Director, Department of Corrections):

With respect to testing inmates for hepatitis C, the protocol followed by the DOC is an inmate must exhibit symptoms to be tested. A total of 714 inmates, 660 male inmates and 54 female inmates have tested positive for hepatitis C. Out of 714 inmates tested, not all have been treated. Twenty-three inmates have been treated, and 6 inmates were treated in fiscal year (FY) 2016. Seventeen inmates were treated in FY 2017, and 6 are being forwarded for potential treatment for FY 2017.

CHAIR SEGERBLOM:

What is the cost for each treatment?

MR. DZURENDA:

Each course of treatment ranges from \$30,000 per treatment to \$51,000 per treatment depending on the severity and stage of progression. Each treatment is about 12 weeks in duration. The DOC does not test every inmate for hepatitis C, although all inmates are tested for HIV.

CHAIR SEGERBLOM:

Is the cost for treatment a large part of the DOC budget?

MR. DZURENDA:

Yes.

CHAIR SEGERBLOM:

Is it possible to determine if inmates are acquiring hepatitis C after they enter the prison system?

MR. DZURENDA:  
I am not sure.

CHAIR SEGERBLOM:  
On a national level, have you discussed with other directors about an attempt to negotiate costs for treatment with drug companies?

MR. DZURENDA:  
There are only two correctional systems, Minnesota and Pennsylvania, that test all inmates for hepatitis C. There has not been any type of discussion among members of the Association for State Correctional Administrators regarding this issue.

CHAIR SEGERBLOM:  
Regarding sex offenders, is it true there are a couple of hundred sex offenders who are still in the prison system because there is no avenue for them to go into a halfway house?

MR. DZURENDA:  
That is correct. At any given time, there can be 300 to 400 inmates approved for parole but still in the system because there is no available transitional housing. Twenty-eight percent of the DOC population is transient and do not have a Nevada physical address to be released to.

CHAIR SEGERBLOM:  
Is there a need to build more transitional housing?

MR. DZURENDA:  
Yes, although this is a function of the Division of Parole and Probation, not Corrections. The Governor has tasked the State Parole Board and the DOC to address the issue.

CHAIR SEGERBLOM:  
In other states, is parole and probation a part of corrections?

MR. DZURENDA:  
Parole is, but probation is not. In six states, parole falls under corrections and probation falls under the courts. Parole is perceived by other commissioners

around the Country as a classification of an inmate. A paroled inmate is in the community but under the jurisdiction of a sentence.

CHAIR SEGERBLOM:  
Would that be helpful in Nevada?

MR. DZURENDA:  
The DOC does not have resources in the community to place homeless inmates or those who need treatment.

CHAIR SEGERBLOM:  
Are there any proposals to improve the Nevada system?

MR. DZURENDA:  
Yes. With regard to reentry, the process of discharge planning and programs begins immediately upon the inmate's entry into the Corrections system. As soon as the inmate enters the system, DOC begins developing accountability plans to ensure the inmate understands what must be accomplished to become parole eligible.

In this Legislative Session, the Division of Parole and Probation has requested to increase staffing in order to place a parole officer in every facility to work with the inmates on their release plans. Presently, the inmate develops a release plan independently and a caseworker from DOC works with the inmate to ensure the release plan paperwork is complete. However, caseworkers in the facilities do not have the resources in the community to assess what is available. Having a parole officer in those facilities would be a benefit in order to develop and implement a true parole release plan. Unfortunately, the 300 to 400 inmates mentioned previously will complete their sentence and walk out of the system with no transitional housing available to them. For public safety reasons, it would be safer for communities to have some type of transitional housing or halfway houses available to inmates returning to the community.

SENATOR FORD:  
Your recommendations, as well as those presented by the Advisory Commission on the Administration of Justice and the citizen's committee to review all drug offenses, will ensure there is an alignment with proper punishment and incarceration time periods.

CHAIR SEGERBLOM:

We will open the hearing on Senate Bill (S.B.) 10.

**SENATE BILL 10**: Revises provisions governing the publication of information concerning unclaimed and abandoned property. (BDR 10-407)

GRANT HEWITT (Chief of Staff, Office of the State Treasurer):

Senate Bill 10 makes changes to the advertising or notice requirement for unclaimed property. The Treasurer's Office is required to list the name of every person who has unclaimed property for the current year. I have distributed to Committee members a copy of the *Las Vegas Review-Journal* to review. Publishing a notice in the newspaper is not the most user-friendly. It is only required to be published once a year and lists only individuals who have unclaimed property for the year in which the notice is published. The Treasurer's Office suggests removing the requirement to list individuals with unclaimed property in the notice and instead require the Treasurer's Office to utilize a more modern approach, such as digital advertising, as well as newspapers. This approach lends flexibility. The Treasurer's Office does not seek to remove its public notice requirements.

Referring to the newspaper ad which Committee members perused, last year the cost for one public notice was \$102,000. It drains the ability to publish additional notices throughout the year. This particular notice includes individuals with unclaimed property and does not include businesses required to surrender property to the Treasurer's Office. There is no requirement that businesses surrender unclaimed property to the State. Only 5 percent of businesses in the State comply with the law with respect to surrendering unclaimed property.

Only 9,000 reports were filed in FY 2016 out of more than 350,000 businesses. The flexibility may allow the Treasurer's Office to address the issue of businesses which are not reporting. The *Las Vegas Review-Journal* has expressed interest to work together, find common ground and draft amendments to the bill.

CHAIR SEGERBLOM:

Is there a place on the Website an individual can search for unclaimed property?

MR. HEWITT:

Yes. The Website is <<http://www.nevadatreasurer.gov>>, and for those individuals who do not have access to the Internet, they may telephone the office in Las Vegas or Carson City or visit the offices and staff will assist in a search to locate unclaimed property.

SENATOR HARRIS:

What other methods are there for people to ascertain whether they have unclaimed property?

MR. HEWITT:

The Treasurer's Office's Public Information Officer has done a number of press releases around unclaimed property during other times of the year, not just during the notice period, and it was discovered that this is a news story people like to talk about. A single press release in December yielded the highest number of claims. The media loves to talk about unclaimed property. It is better to tell people how to search for it rather than the method of publishing names of individuals with unclaimed property once a year.

SENATOR DENIS:

How long does the unclaimed property stay on the list?

MR. HEWITT:

One year. Each year it is a fresh list of individuals with unclaimed property but only for that year.

CHAIR SEGERBLOM:

What is the statute of limitations on unclaimed property?

MR. HEWITT:

We hold unclaimed property in perpetuity until it is claimed. Annually, money that is not claimed is given to the General Fund and is essentially a loan to the General Fund.

MR. HEWITT:

The goal is to do more advertising or more notices throughout the year, rather than just once a year. It would be a mechanism to spread the workload of the Treasurer's personnel over the course of a year rather than process unclaimed property requests within the 30-day window around the published notice. Right

now when we do an unclaimed property public notice, we receive 75 percent of our claims for the entire year in that 30-day window. The advertising would be focused on how to search and what methods are available to the public to do that search for unclaimed property.

SENATOR CANNIZZARO:

Why do you think this method may be more effective?

MR. HEWITT:

Through the Public Information Officer, unclaimed property can be monitored via the Website, a social media post or press release. People share in that they will check for their friends and families. An example: Channel 8 KOLO in Reno posted a Facebook post, and we received 8,000 claims within the 24-hour period of that Facebook post. We are confident that the public enjoys searching our records and loves to find unclaimed property for friends and neighbors. It is a much better use of State dollars to inform folks how to search for all unclaimed property for all years rather than just the current year.

SENATOR CANNIZZARO:

Would there be any additional public notice?

MR. HEWITT:

In S.B. 10 we removed that piece of the advertising because it draws down the entire budget to do those ads. The Treasurer's Office spends about \$119,000 statewide per year publishing ads in every county.

CHAIR SEGERBLOM:

What is the total value of unclaimed property?

MR. HEWITT:

Mark Ciavalo, Deputy of Unclaimed Property, reports it is approximately \$800 million.

BARRY SMITH (Executive Director, Nevada Press Association):

Several newspapers around the State oppose the bill with respect to eliminating publishing a list of individuals with unclaimed property. Smaller communities around the State do share community newspapers. It is understood and favored to allow the Treasurer's Office more flexibility to manage the workload evenly throughout the year.

CHAIR SEGERBLOM:

Do you see some way to work together to address your concerns?

MR. SMITH:

Yes. I think so.

JOHN PERDIGAO (Controller, *Las Vegas Review-Journal*):

New management at the paper is more than willing to work with local and state government to best serve the needs of the people. There has been an attempt to draft an amendment to require more advertising but spread out the advertising to better manage the workload issues of the Treasurer's Office.

The public anticipates and expects to see notices published in their newspapers. There is agreement that more communication would be helpful, and there is a willingness to work with the Treasurer's Office to amend the bill. However, as it is written today, the newspaper cannot support it.

CHAIR SEGERBLOM:

We will close the hearing on S.B. 10 and open the hearing on S.B. 109.

**SENATE BILL 109**: Prohibits any person from requiring another person to undergo implantation of a microchip or other permanent identification marker. (BDR 15-509)

SENATOR BECKY HARRIS (Senatorial District No. 9):

Senate Bill 109 prohibits an officer or employee of the State or any political subdivision or any person from requiring the implantation of a microchip or other radio frequency identification marker, also known as an RFID, or other permanent identification device of any kind or nature. The bill also provides that any violation of this prohibition is a Category C felony and that each day that such a violation is continued constitutes a separate offense.

At least 10 other states have enacted similar legislation, and S.B. 109 has been modeled from those previous versions. One concern is the private sales of RFID chips is increasing rapidly. An Australian company managed by a man who has microchipped both his own hands has sold more 10,000 implantable chips and includes a do-it-yourself kit to install them. Each kit costs approximately \$100 and includes a tag, antiseptic and an injection tool to install the chip.



According to an article in *The Wall Street Journal* dated September 18, 2016, retailers estimate that globally, 30,000 to 50,000 individuals have already purchased these chips. A now-defunct corporation in the United States known as VeriChip made microchips 10 years ago and manufactured approximately 7,000 chips. As of 2007, 2,000 individuals had been implanted.

In Belgium and Sweden, employers require employees to be implanted. It is conducted under the idea that to unlock doors, for example, you could use your hand to accomplish the task. A BBC reporter actually had one implanted to test it and reported that it was awkward because a person has to manipulate the hand around to actually get the RFID to work.

Other concerns that merit consideration are ethical issues. Such issues include who owns the chip and who owns the information that is on the chip once there is a relationship established, whether it is employer-employee, doctor-patient, professional or otherwise. Additionally, what procedures that need to be developed to dechip an individual is a concern.

With regard to implantation, it is an outpatient surgical procedure and is minimal. An incision is made and a needle inserted, placing the chip. There is medical authority to indicate that a chip can migrate once it is implanted. A chip is the size of a grain of rice.

Other concerns include hacking. There is no cryptology or protection measures that we are aware of that are placed on the chip, and therefore it is possible to hack the information contained within the chip. It is possible a person could harass or stalk chipped individuals with the right type of radar. There is the issue of some type of physical mutilation to remove the chip. There is erosion of privacy concerns. For example, should a condition of employment be the requirement to be microchipped? There is concern that every RFID reader from an employer to a grocery store can note a person's location, and in the case of retail readers, note purchases made.

Other issues include whether the chip can be read by other RFID readers and the data be used without consent.

The health concerns seem significant, yet there is no clear evidence that implants done for medical purposes provide any kind of patient protection or help in a medical emergency. Finally, there are confidentiality issues. One author suggested it may be a human rights violation pursuant to Article 3 of the "Universal Declaration of Human Rights" affirming a person's right to life, liberty and security of person.

Permissibly, it could be done if an individual elected to do so. The bill would not prohibit a voluntary decision by an individual to have a microchip implanted. The bill prohibits requiring a person be implanted by either the government, employer or private person.

SENATOR GUSTAVSON:

I support the bill, but there may be a need to include an exception for the military.

SENATOR HARRIS:

No representatives from the armed forces have reached out to discuss the bill. The bill would impact Nellis Air Force Base and other military installations. Whether soldiers do it voluntarily is unknown.

SENATOR GUSTAVSON:

We might want to look into whether it is voluntary or required.

SENATOR DENIS:

How is this chip similar to what is used in animals?

SENATOR HARRIS:

There are documented cases of microchipped animals who developed carcinoma or fiber carcinoma, which are two types of soft-tissue tumors. These tumors have occurred at the site of injection. The concern is the potential for a human to develop a soft-tissue tumor much like animals that are implanted with a microchip.

JONATHAN FRIEDRICH:

I support the bill but with one extreme exception. A chip may be implanted in an individual who suffers from a mental condition such as Alzheimer's and with the written approval of the spouse, guardian or close family. Alzheimer's patients continuously wander away from their homes and families, requiring

police to help search for them. The implantation of a microchip would facilitate finding those individuals quickly.

JOHN WAGNER (Independent American Party):

I support the bill and reiterate what Mr. Friedrich offered. In the case of medical purposes, the written permission to implant a chip into the individual would be necessary and from a spouse, guardian or close family member.

LYNN CHAPMAN (Nevada Families for Freedom):

Between 1998 and 2010, several studies have revealed the development of different tumors as a result of various microchips. The Federal Drug Administration commented VeriChips can migrate around the body, making them difficult to extract. VeriChips can possibly interfere with defibrillators, cause adverse tissue reaction or be incompatible with MRI scans, causing burns. This is a security issue. We are in favor of this bill.

FRED VOLTZ:

I am opposed to the bill and have outlined my concerns in my written testimony. Angel DeFazio could not be here today, and I would like to read her testimony in support of S.B. 109 ([Exhibit C](#)).

HEIDI WIXOM:

As it relates to animals, puppies that have been microchipped have contracted infections, abscesses and cancer. I support S.B. 109.

PATRICE TEW:

I also support S.B. 109, and my concern is privacy, security of data collected from microchips and hacking.

SEAN SULLIVAN (Deputy Public Defender, Washoe County):

The Washoe County Public Defender's office is neutral and is willing to work with Senator Harris. The main concern is in section 1, subsection 1, which provides "shall not require another person to undergo the implantation of a microchip or other permanent identification marker of any kind or nature." There has been cancer research done by universities, private individuals and state-funded hospitals in which radiology departments require a person to undergo tattoos for radiation treatment. A beam of radiation is aimed where the

tattoo has been placed. People can opt out if they choose, but they may not get the most effective radiation treatment.

JOHN PIRO (Deputy Public Defender, Clark County):

The Clark County Public Defender's Office has concerns with section 1, subsection 3, which provides "Each day or part of day during which a violation of this section is continued or repeated constitutes a separate offense." The concern is the possible stacking of charges of Category C felonies. If the chip remained for 100 days, that person would be charged with 100 Category C offenses. The Clark County Public Defender's Office is willing to work on the bill and supports the spirit of the bill.

SENATOR HARRIS:

The criminal component of the bill is to deter people from engaging in that kind of activity.

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CHAIR SEGERBLOM:

The hearing on S.B. 109 is closed, and the meeting is adjourned at 2:34 p.m.

RESPECTFULLY SUBMITTED:

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Kate Ely,  
Committee Secretary

APPROVED BY:

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Senator Tick Segerblom, Chair

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

EXHIBIT SUMMARY				
Bill	Exhibit / # of pages		Witness / Entity	Description
	A	1		Agenda
	B	5		Attendance Roster
S.B. 109	C	1	Fred Voltz	Written Testimony from Angel DeFazio