

**MINUTES OF THE MEETING  
OF THE  
ASSEMBLY COMMITTEE ON COMMERCE AND LABOR**

**Eightieth Session  
May 23, 2019**

The Committee on Commerce and Labor was called to order by Chair Ellen B. Spiegel at 5:42 p.m. on Thursday, May 23, 2019, in Room 4100 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/80th2019](http://www.leg.state.nv.us/App/NELIS/REL/80th2019).

**COMMITTEE MEMBERS PRESENT:**

Assemblywoman Ellen B. Spiegel, Chair  
Assemblyman Jason Frierson, Vice Chair  
Assemblywoman Maggie Carlton  
Assemblyman Skip Daly  
Assemblyman Chris Edwards  
Assemblywoman Melissa Hardy  
Assemblywoman Sandra Jauregui  
Assemblyman Al Kramer  
Assemblywoman Susie Martinez  
Assemblyman William McCurdy II  
Assemblywoman Dina Neal

**COMMITTEE MEMBERS ABSENT:**

Assemblywoman Jill Tolles (excused)  
Assemblyman Steve Yeager (excused)

**GUEST LEGISLATORS PRESENT:**

None

**STAFF MEMBERS PRESENT:**

Patrick Ashton, Committee Policy Analyst  
Wil Keane, Committee Counsel  
Earlene Miller, Committee Secretary  
Olivia Lloyd, Committee Assistant

Minutes ID: 1316

**\*CM1316\***

**OTHERS PRESENT:**

Christine Saunders, Policy Director, Progressive Leadership Alliance of Nevada  
LaLo Montoya, Political Director, Make the Road Nevada  
Brian O. Shepherd, Deputy Executive Director, Local 1107, Service Employees  
International Union  
Annette Magnus, Executive Director, Battle Born Progress  
Natha C. Anderson, President, Washoe Education Association  
Paul J. Moradkhan, Vice President, Government Affairs, Las Vegas Metro Chamber  
of Commerce  
Andy Peterson, Vice President, Government Affairs, Retail Association of Nevada

**Chair Spiegel:**

[Roll was taken. Committee rules and protocol were explained.] We will open the hearing on Assembly Joint Resolution 10.

**Assembly Joint Resolution 10: Proposes to amend the Nevada Constitution to prospectively increase the required minimum wage paid to employees. (BDR C-1273)**

**Assemblyman Jason Frierson, Assembly District No. 8:**

Assembly Joint Resolution 10 proposes to amend the *Nevada Constitution* to prospectively increase the required minimum wage paid to employees. More people than ever are working at jobs that pay too little and offer too few benefits. This session, we have committed to increasing the minimum wage in Nevada, and minimum wage is just that—an hourly wage floor, not an hourly wage ceiling. The continued delay of our taking action to raise the minimum wage has reduced the real value and purchasing power of the wages of hardworking Nevadans.

The minimum wage was originally passed with the intent of providing full-time workers with the capacity to support themselves and their families, but Nevada has not made any significant changes to the minimum wage rate in over a decade. In 2006, a minimum wage amendment to the *Nevada Constitution* was passed which required that rates be recalculated based on the increases to the federal minimum wage and cost of living. Currently, the minimum wage is \$8.25 per hour, or \$7.25 per hour if the employer offers qualified health benefits. The minimum wage has failed to increase with the rate of inflation and average wages. As a result, low-wage workers are not benefiting from economic growth and productivity increases. This resolution would allow Nevadans to decide how the minimum wage is enacted in our state, which I think is important. If the resolution is approved, and approved in identical form in the 2021 Legislative Session, the proposal will be submitted to the voters for final approval or disapproval in the 2022 General Election.

Assembly Joint Resolution 10 proposes to amend the *Nevada Constitution* to set the minimum wage at \$12 per hour beginning July 1, 2024, regardless of whether the employer offers health benefits to its employees. Additionally, A.J.R. 10 removes the annual adjustment to the minimum wage as currently established in the *Nevada Constitution*, and instead provides that if at any time the federal minimum wage is greater than \$12 per hour, the state minimum wage will be increased to the amount established as the federal minimum wage. Finally, A.J.R. 10 allows the Legislature to establish a minimum wage that is greater than the hourly rate set forth in the *Nevada Constitution*.

An increase to the minimum wage will stimulate consumer demand and help drive economic growth for people who need it the most in Nevada—working families. I urge your support for what I believe is critical legislation. The distinction between the minimum wage rates for offering health care benefits has been included in the *Nevada Constitution* and our statutory structure for some time. Nevada is the only state that has this distinction. We have had numerous conversations in an attempt to define what the health care benefits need to be in order to qualify. In 2017, there was an effort to base the qualification on the Affordable Care Act, but that is subject to change. It is an unusual way to calculate the minimum wage and distinguish between minimum wage rates, and we believe it is time to make a change so that Nevada can remain competitive with surrounding states. Lastly, the resolution proposes to raise the minimum wage on July 1, 2024, so I would submit that the effective date of the resolution be June 30, 2024.

**Chair Spiegel:**

Committee, are there any questions? [There were none.] We will hear testimony from those in support.

**Christine Saunders, Policy Director, Progressive Leadership Alliance of Nevada:**

Nevada has not had a minimum wage increase in a decade. Currently, hardworking Nevadans who earn minimum wage—women, people of color, immigrants, and families—simply do not earn enough money to make ends meet. We have been asking thousands of Nevadans to do more with less, and it is unacceptable. We need to ensure that we address the minimum wage in the right way. Assembly Joint Resolution 10 would solidify potential statutory changes and address the distinction for offering health care, which has been taken advantage of by employers. Nevada needs an updated process so that employees are not left behind for years. I urge you to support A.J.R. 10, to begin making these necessary changes.

**LaLo Montoya, Political Director, Make the Road Nevada:**

I concur with what Ms. Saunders stated. We are in full support.

**Brian O. Shepherd, Deputy Executive Director, Local 1107, Service Employees International Union:**

I agree with what Ms. Saunders and Mr. Montoya stated. We are in full support of A.J.R. 10.

**Annette Magnus, Executive Director, Battle Born Progress:**

We rise in strong support of A.J.R. 10. Nevadans are depending on their legislators to bring them some economic relief. Assembly Joint Resolution 10 does just that. It puts the Legislature in a position in which our elected officials can continue to improve people's lives by ensuring that the minimum wage is raised with the increased costs of living, as opposed to having to go through an intense process to make modifications. This resolution will also eliminate the distinction for offering health care, which is necessary.

Raising the minimum wage provides workers with higher incomes. It also increases their consumer buying power, helps eliminate food and housing insecurity, and leads to happier, healthier, and more productive workers. The business community has resisted attempts to enact a raise to the minimum wage, claiming it will lead to mass layoffs and crush small businesses. As someone who runs a small business, I can attest that I am able to manage my small nonprofit and ensure my staff is compensated properly. This is a priority for me. If business owners prioritize the life and health of their employees, they will find a way to pay them enough to afford food, housing, transportation, and medical care. Many have been fighting to raise the wage for years, and now it is our chance to do something about it permanently. For many workers, Nevada is a place for second chances and a land of opportunity, where hard work pays off for many, but not for our workers earning minimum wage. We need to do right by them and pass A.J.R. 10. We want to thank Assemblyman Frierson for working with us on this critical issue, and we urge you to pass A.J.R. 10.

**Natha C. Anderson, President, Washoe Education Association:**

We are in support of this resolution, and I agree with what Ms. Magnus stated.

**Chair Spiegel:**

We will hear testimony from those in opposition.

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

The Las Vegas Metro Chamber of Commerce is concerned about the potential adverse impacts that Assembly Joint Resolution 10 may have on Nevada's employers and employees and the overall job climate. Many of our members are small employers who work hard every

day and want to do the right thing for their employees and customers. In doing so, they also have to manage their businesses within their means. Currently, the market demand for qualified employees is helping to increase the state's mean wage. According to Nevada's employment information, the mean wage per hour for all occupations is \$21.65. We recognize that there is a wage range that exists within Nevada's broad and diverse employment sectors.

We wanted to know how the proposed increased minimum wage would impact our members. In a survey conducted of the Chamber members across approximately 30 different industry sectors, many respondents indicated that a minimum wage increase would affect their business. Respondents indicated that they would consider changes to their business models. Of those respondents, 60 percent indicated they would consider slowing the hiring of new employees, 61 percent would consider increasing the price of goods and services; 57 percent would consider reducing employee hours; and 48 percent would consider not replacing employees who leave. Fifty percent of respondents indicated they would consider automation services.

In the economics of business, any wage increase creates additional costs for the employer at the state level as well, such as the modified business tax. The cost of unemployment insurance and workers' compensation would also increase. These are not independent of one another; there is a direct correlation between wages and the costs associated with them. As the measure is considered, it is important to look at these issues holistically. In the survey, 57 percent of respondents indicated that these additional costs would increase their levels of concern about a minimum wage increase.

There are also economic development factors to be considered—how friendly a state's employment labor laws are for employers, and the number of requirements and mandates that factor into a company's decision to relocate or expand in the existing market. We have concerns about removing the credit for offering health care, but we understand Assemblyman Frierson's perspective. We appreciate the Committee's consideration of the different factors of this issue.

**Andy Peterson, Vice President, Government Affairs, Retail Association of Nevada:**

We agree with what Mr. Moradkhan stated.

**Chair Spiegel:**

Is there anyone who wishes to provide neutral testimony? [There was no one.]

[[Exhibit C](#)] was submitted, but not discussed, and will become part of the record.]

We will close the hearing on Assembly Joint Resolution 10 and open the work session for Assembly Joint Resolution 10.

**Assembly Joint Resolution 10: Proposes to amend the Nevada Constitution to prospectively increase the required minimum wage paid to employees. (BDR C-1273)**

**Assemblywoman Carlton:**

The minimum wage was originally written in the *Nevada Constitution* in 2006. Nevada was booming at the time, and we continued booming, so the scenarios brought forth in opposition to the resolution do not necessarily hold true. I appreciate Ms. Magnus' comments, as I have made the same comments. The resolution does not raise the minimum wage, but allows our constituents to vote on the issue. We should always listen to what they have to say. I do not understand why anyone would be opposed to a measure being voted on by the people. If it is time to hear their voices, I am supportive of it.

**Chair Spiegel:**

I will entertain a motion to amend and adopt Assembly Joint Resolution 10, with the amendment to change the effective date to June 30, 2024.

ASSEMBLYWOMAN CARLTON MOVED TO AMEND AND ADOPT  
ASSEMBLY JOINT RESOLUTION 10.

ASSEMBLYMAN McCURDY SECONDED THE MOTION.

Is there any discussion on the motion?

**Assemblyman Edwards:**

I understand the desire for people to earn more money, but I am always frustrated when there is not a distinction made between a minimum wage, which creates jobs for entry-level employees, and a living wage, which is the wage they strive for over the course of their career. We will, yet again, be placing burdens on small businesses. This will diminish the number of jobs that my constituents will have access to, especially in the rural areas. I will be voting against the measure, and I encourage others to do the same. It has been stated that raising the minimum wage all too often eliminates jobs. Nevada cannot afford to lose jobs, especially in my district.

**Chair Spiegel:**

I want to be sure you understand that the resolution does not raise the minimum wage. The resolution proposes to put the question on the ballot in 2022 and allow our constituents to vote for whether or not the minimum wage should be raised.

**Assemblyman Edwards:**

I understand.

**Assemblyman Frierson:**

I am inclined to clarify that the resolution poses the question to voters and makes it incumbent for stakeholders to decide one way or the other. The notion that we would deprive voters of the opportunity to weigh in on this issue is troubling. Consequently, there would be more support for allowing the voters to decide than for the resolution itself. The voters are informed, and we will have time to educate the public, gauge their input, and ultimately allow them to weigh in and be heard.

**Chair Spiegel:**

Is there any other discussion on the motion? [There was none.]

THE MOTION WAS ADOPTED. (ASSEMBLYMEN EDWARDS AND HARDY VOTED NO. ASSEMBLYMEN TOLLES AND YEAGER WERE ABSENT FOR THE VOTE.)

**Chair Spiegel:**

I will assign the floor statement to Assemblyman McCurdy. Is there anyone who wishes to provide public comment? [There was no one.] The meeting is adjourned [at 6:01 p.m.].

RESPECTFULLY SUBMITTED:

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Earlene Miller  
Recording Secretary

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Katelyn Malone  
Transcribing Secretary

APPROVED BY:

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Assemblywoman Ellen B. Spiegel, Chair

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

## **EXHIBITS**

[Exhibit A](#) is the Agenda.

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

[Exhibit C](#) is a letter dated May 23, 2019, authored by Amber Stidham, Director of Government Affairs, Henderson Chamber of Commerce, in opposition to Assembly Joint Resolution 10.