

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON GOVERNMENT AFFAIRS**

**Eightieth Session
May 3, 2019**

The Committee on Government Affairs was called to order by Chair Edgar Flores at 8:36 a.m. on Friday, May 3, 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.

COMMITTEE MEMBERS PRESENT:

Assemblyman Edgar Flores, Chair
Assemblyman William McCurdy II, Vice Chair
Assemblyman Alex Assefa
Assemblywoman Shannon Bilbray-Axelrod
Assemblyman Richard Carrillo
Assemblywoman Bea Duran
Assemblyman John Ellison
Assemblywoman Michelle Gorelow
Assemblyman Gregory T. Hafen II
Assemblywoman Melissa Hardy
Assemblyman Glen Leavitt
Assemblywoman Susie Martinez
Assemblywoman Connie Munk
Assemblyman Greg Smith

COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

Senator Pete Goicoechea, Senate District No. 19
Senator Melanie Scheible, Senate District No. 9
Senator Heidi Seevers Gansert, Senate District No. 15

STAFF MEMBERS PRESENT:

Daniel L. Crossman, Chief Deputy Legislative Auditor
Jered McDonald, Committee Policy Analyst
Asher Killian, Committee Counsel
Kirsten Oleson, Committee Secretary
Trinity Thom, Committee Assistant

OTHERS PRESENT:

Jeff Fontaine, representing Central Nevada Regional Water Authority; and Humboldt River Basin Water Authority
Laurel Saito, Nevada Water Program Director, The Nature Conservancy
Chaunsey Chau-Duong, Public Affairs, Southern Nevada Water Authority
Tim Wilson, Acting State Engineer and Administrator, Division of Water Resources, State Department of Conservation and Natural Resources
Erik Jimenez, Senior Deputy Treasurer-North, Office of the State Treasurer
David A. Dawley, Assessor, Carson City Assessor's Office
John Fudenberg, representing Clark County
Jamie Rodriguez, Government Affairs Manager, Office of the County Manager, Washoe County
Ira Victor, Digital Forensic Analyst, Privacy Technician, Inc., Reno, Nevada
Jeffrey J. Frischmann, Deputy Administrator, Employment Security Division, Unemployment Insurance Program, Department of Employment, Training and Rehabilitation
Susan Lea Riggs, Senior Director of State Legislation, Western Region Government Relations, American Society for the Prevention of Cruelty to Animals
Jack Mayes, Private Citizen, Reno, Nevada
Miranda Hoover, representing Nevada Humane Society
Denny French, Private Citizen, Carson City, Nevada

Chair Flores:

[Committee rules and procedures were explained.] We have four items on the agenda. We will take them in the order they appear beginning with Senate Bill 150 (1st Reprint).

Senate Bill 150 (1st Reprint): Revises provisions relating to land use planning. (BDR 22-775)

Senator Pete Goicoechea, Senate District No. 19:

This bill was brought forward by Central Nevada Regional Water Authority, Humboldt River Basin Water Authority, and some other entities throughout the state. It is going along the lines of water and the amount that is available in the state of Nevada. We thought it would be a good idea to bring forward a requirement that every municipality or local jurisdiction create a water resource plan. It gives them up to ten years to create the plan and they have to maintain it.

I will walk you through the mechanics of the bill. First and foremost, it requires a water resource plan that would become a component of the master plan—even the small counties have master plans in place. This would become a component of their master plan—a water resource plan. It would identify all known sources of surface groundwater—effluent and any other water source that could technically be used. In the larger communities you can deal with wastewater. In the smaller communities it might only be the surface water and groundwater that is available. It would require an analysis of what water resources would be available to them in the future; what their needs would be going forward; and, again, this has to be updated every ten years. There were some amendments to this bill. We did not want to require that all the larger jurisdictions such as those in southern Nevada—whether the City of North Las Vegas or Las Vegas—have separate master plans, as long as those were covered by a county master plan, that would in fact meet the requirements of having a plan. We do not want to have every jurisdiction in a county having to come up with their own water resource plan. There is nothing in the language that would preclude it if, for example, Laughlin did not feel they were adequately covered in the county plan. I do not think there would be anything in it that would prohibit them from developing, or at least adding to, the water resource plan that was developed by the county or water district, in the case of southern Nevada.

The only other real piece of the bill is that it does allow for a government entity to access what I call the "old 398 fund." It is the program under the Division of Environmental Protection of the State Department of Conservation and Natural Resources which allows the government entity to access some grant funding and other funding to pay for water construction or development in their jurisdiction. This would allow for the government entity to go to them. I am not really sure how much money is available—Mr. Fontaine could probably answer that—but there is some money available. It would allow for some of the small jurisdictions, like if you were in Esmeralda County, a small community, or Nye County and you did not feel you were adequately covered. If Nye County did not have the funding, they could actually access money through this fund to help develop some of the outlying areas. It is just a funding mechanism. There is not a ton of money available. We are mandating something, and I wanted to put something in place to allow for some of the smaller jurisdictions to have a funding mechanism for this requirement over the next ten years. The bill also says that they have to maintain this and revisit it every ten years. They have to maintain it at some sort of current level. It is fairly simple. We are just asking jurisdictions to look at what their water needs are, what they are going to be in the future, to document them, and to put them in the master plan. We think we have a small piece of the funding formula to help them in case they cannot get there. Let us see what our demands are going to be in the future.

Assemblyman Ellison:

When we look at the plan, would the Humboldt River Basin include Battle Mountain, Humboldt, and all those on the Humboldt River? Would every aquifer and basin have to do their own?

Senator Goicoechea:

This is every jurisdiction, so it would be Elko County or in conjunction with the cities of Carlin, Elko, West Wendover, and Wells—they would all have a component in the water resource

plan. This water resource plan would be tied to Elko County as the umbrella, then those jurisdictions inside could provide their input. It would be Elko County's water resource plan that would incorporate pieces of those cities, but it would not extend into another jurisdiction or another county.

Assemblywoman Bilbray-Axelrod:

I am looking at section 4 of the bill. Currently, it looks like grants under the provisions are to be used for capital improvement-type projects. Are you able to use bonds for capital improvement projects to pay for the water resource plans?

Senator Goicoechea:

I probably should have Mr. Fontaine testify. He is more qualified to answer.

Jeff Fontaine, representing Central Nevada Regional Water Authority; and Humboldt River Basin Water Authority:

We had this discussion with the Division of Environmental Protection of the State Department of Conservation and Natural Resources that administers the program, as well as the state ward for finance and water projects. There are some questions about that. I am not quite sure if they have been resolved; however, one of the things that I believe could be funded through this is any capital improvements that result from the plan itself. There may be a nexus there that we are trying to see if that would work to help fund part of these plans. It is a question that still needs to be resolved.

Assemblyman Hafen:

I have a question regarding how this will work with the dozen or so private utilities that are regulated by the Public Utilities Commission of Nevada. I see that this is supposed to be done by the county, but I do not know where there may or may not be any interaction with the private companies. There may be a conflict. I was just wondering whether that had been contemplated in the drafting of this bill.

Senator Goicoechea:

It truly would not impact the small private companies, other than the jurisdiction would have to look at the amount of water they have appropriated in their service. The numbers would have to be included, but it would not have an impact because they would not be required to report them—that is how I envision it. If they are providing service to a portion of Pahrump, they would have to be able to say that there are 10,000 acre-feet of water appropriated serving X amount of customers. It would not impact them in terms of what their future needs and future growth would be.

Jeff Fontaine:

We have been talking with the Nye County Water District. In fact, I attended one of their meetings to talk about this bill. Without getting into a lot of detail, I would say that the water plan that Nye County Water District recently adopted is probably as close to what was envisioned in this bill—in comparison to the plans I have seen before, with the exception of

some of the urban plans. I think Nye County got it right. That is the kind of thing we are looking at in regard to other counties and cities having water plans.

Assemblyman Hafen:

I was the chairman of the advisory committee that drafted that plan. When we did that we had different stakeholders from the entire community—whether they were domestic well owners or, as I happen to be, the private utility guys. I did not know if this would preclude that or if there is language in here that says they have to include the stakeholders, so the county could not say, This is our plan, take it or leave it.

Jeff Fontaine:

I guess to the extent that these are plans that need to be adopted by municipalities and counties, they would have to have public hearings. It would be a public input process. I guess that would depend on the individual jurisdictions with regard to how much stakeholder involvement they want to have in the development of those plans.

Assemblyman Leavitt:

When we are talking about jurisdictions, Laughlin is one you mentioned. It is in the Mohave Valley, and Boulder City has their own water utility, but they are under the umbrella of the Southern Nevada Water Authority—or whatever the overarching organization is. They are under that plan, correct? If they want to add to it, would they just be adding to the plan that is in place and the additions to the plan are just for that municipality or township? Do they have a whole separate plan outside of the county's plan? How does that work in accordance to those smaller jurisdictions that are not separate, but are kind of separate?

Senator Goicoechea:

It is a new piece of legislation, and we are not really sure how it is going to work. I would hope that it would be incorporated into the umbrella framework, which would be the Southern Nevada Water Authority. These are going to be living documents. We anticipate that these will change over time as the resource demands change. That is why we require the plan to be updated. In my mind in the ten-year update, if there were new demands on Laughlin or Boulder City, like new requirements or less growth than was anticipated, that would be incorporated into this water resource plan. Again, this is going to be a living document that is going to change. If we just put something on paper and in ten years we say we are still there, then we have missed the mark. That is why we require that this be updated and maintained every ten years. You will have an umbrella resource plan, but those components have to change with those particular jurisdictions. That was a long way around to say, I think that everyone gets to participate, but under the one umbrella plan. This is trying to come up with better water planning, not put requirements on small jurisdictions that make it hard for them to get there.

Assemblyman Assefa:

We live in the desert, and it is very important that we have water plans in place. In my short time on the Committee on Natural Resources, Agriculture, and Mining, I have learned how explosive water issues can be. It is very important that we are doing this. What is the methodology being used to quantify water to account for population growth? Does the State

Engineer have involvement in validating these plans? Is it just a few people coming together and coming up with a plan?

Jeff Fontaine:

In developing this concept, we met with the Office of the State Engineer, which is within the Division of Water Resources, and the Director of the State Department of Conservation and Natural Resources to get input on this language. I know the Acting State Engineer, Mr. Wilson, is here and he can speak on his own behalf. I believe the goal is to have the coordination between the local entities and the development of plans as well as the State Engineer's Office. I want to make it clear that this bill does not delegate any of the State Engineer's authorities for those responsibilities and obligations under state law that you are concerned about. It does not delegate those to local entities. The State Engineer still has to prepare water budgets, determine perennial yields, and things of that nature. The intent is to have coordination between the local entities and the State Engineer's Office as they develop and update their plans.

Assemblywoman Gorelow:

I had a question about updating the plan every ten years. I realize that it says at least every ten years, but why not maybe every five years or seven years? Is ten years a standard time line?

Senator Goicoechea:

We are putting this in statute, and there will probably be some jurisdictions, like if you happen to be in Goldfield or Esmeralda County, where ten years would be more than adequate to review it. If you were in a larger growth area, you would want to update it more frequently. There is nothing that says that you cannot do it every five years. We are saying every ten years so as not to impose a hardship on these entities.

Chair Flores:

Seeing no additional questions, those wishing to speak in support of Senate Bill 150 (1st Reprint) please come up.

Laurel Saito, Nevada Water Program Director, The Nature Conservancy:

We are pleased to provide comment in support of S.B. 150 (R1) that addresses water planning in Nevada. The Nature Conservancy's mission is to conserve the lands and waters on which all life depends. We seek to address the most urgent conservation challenges by pursuing collaborative, pragmatic solutions supported by science. We support S.B. 150 (R1) because, as the driest state in the United States, Nevadans must plan wisely to ensure there is water for people and nature for future generations. Where cities and counties are not already within a region that maintains a water resource plan, this bill will require cities and counties in Nevada to develop and maintain water resource plans that consider existing and future uses of water. If existing water supplies are found through the plan analysis to be insufficient for future uses, cities and counties must also plan for obtaining additional water. Such forethought would enable realistic planning and economic development in Nevada.

[Juan Palma, Nevada State Director, The Nature Conservancy, submitted a letter of support, dated May 1, 2019 ([Exhibit C](#)).]

Chaunsey Chau-Duong, Public Affairs, Southern Nevada Water Authority:

We want to say that we appreciate the bill sponsor bringing this bill forward and we appreciate this bill.

[Steve Walker, representing Eureka County, submitted a letter of support, dated April 30, 2019 ([Exhibit D](#)).]

Chair Flores:

Is there anyone else wishing to speak in support of S.B. 150 (R1)? Seeing no one, is there anyone wishing to speak in opposition? Seeing no one, is there anyone wishing to speak in the neutral position?

Tim Wilson, Acting State Engineer and Administrator, Division of Water Resources, State Department of Conservation and Natural Resources:

The Division of Water Resources of the State Department of Conservation and Natural Resources is neutral on S.B. 150 (R1). The Division supports the intent of S.B. 150 (R1). Responsible water planning at both state and local levels is a critical part of managing our limited water resources in Nevada—the driest state in the nation. The purpose of my testimony today is to address certain aspects of the bill. First, most of the bill is based on subject matter that is within the Division's responsibilities established by *Nevada Revised Statutes* (NRS) Chapters 278, 533, 534, and 540. This includes the appropriation and reallocation of water rights, the quantification and management of existing rights, monitoring the use of water, maintaining data and records relating to water availability, reviewing and approving water supply for new subdivisions, water planning, water rights, water usage, and providing the public and government entities assistance in each of these areas. Further, the Division maintains extensive records—all of which are publicly accessible and much of which is available online through our website, water.nv.gov. It is important to note that a comprehensive analysis of water rights often requires further review of historic records maintained by the Division. The types of records maintained by the Division that are necessary for the preparation of a water resource plan include:

- Existing water rights plans held by government entities or any other entity within the domain of a water resource plan;
- Orders and rulings that may affect dedication rates, availability of water for future development, monitoring requirements, or other considerations that would be critical in developing a water resource plan;
- Domestic well locations and well-drilling reports; water budget studies and other documents utilized to evaluate water supply;
- Stream flow and groundwater level measurements;
- Groundwater pump records;
- Base and scale inventories;

- Water inventories performed and pursuant to NRS 533.364; and
- Existing water conservation plans prepared in accordance to NRS Chapter 540.

Further, should the Legislature approve the Division's budget request for the development of a water planning and drought resiliency program, the existing resources and capacity of the Division to support water planning both on a statewide and local basis will be greatly improved. The Division understands that it is the bill sponsor's intent for the Division to provide consultation for the water plans developed pursuant to S.B. 150 (R1). The Division supports this intent. The Division will ensure the best and most reliable data is utilized in the development of any plan pursuant to S.B. 150 (R1) and allow for consistent and realistic water plans. Additionally, the Division can provide an appropriate level of support and expertise.

Chair Flores:

Is there anyone else wishing to speak in the neutral position? Seeing no one, we will close the hearing. We will now open the hearing on Senate Bill 199 (1st Reprint).

Senate Bill 199 (1st Reprint): Revises provisions relating to real property. (BDR 32-747)

Senator Melanie Scheible, Senate District No. 9:

I love Senate Bill 199 (1st Reprint) because it is very simple. If you have read it in its first reprint, you will see that it is only a paragraph long. I will explain how we got there. It started with a very simple problem that one of my constituents had and, upon talking to other legislators, I understand other constituents have had. Our property taxes are only assessed once a year, but they can be paid in four installments. When property—real property or real estate—is sold during the year, a new bill is not created and sent to the new owner. While the existing law provided that the new owner should be informed of that property tax and the seller should be communicating with the buyer that there are still one or more payments due on the annual taxes, that was not happening. People were closing on properties and within two, three, or four days, another installment of the property taxes was due. It was not a new bill or new tax, it was just an installment of the yearly property tax. They were not being notified until 30 days later when the payment was late. The buyers were being assessed late fees. More importantly, we have talked to assessors, recorders, and county treasurers. We found that a certain county treasurer's office had files stacking up of late payments, letters, waivers, and inquiries. It was creating a large headache for our county treasurers who work so hard to keep our governments running.

This bill started out very long with a lot of provisions, but through many hours of conversation and exploration into the genesis of the problem, we discovered that there is simply a missing link in some cases where the assessor has not informed the treasurer that the property changed hands. This bill says that once a month the county assessor has to run a scan of their database and any property that has changed ownership, they flag, and the county assessor has to send a report to the treasurer with all the properties that have changed hands that month. The treasurer can then decide whether to send an updated bill, check and see if any of them are late on their payments, give them a call, or stop by. The goal is that treasurers will not be left in the lurch not realizing that a property has changed ownership. I want to mention that the

Realtors are in support of this bill, but they could not be here to testify. On the Senate side I think it will reflect that the county recorders were also in support of the bill.

Assemblyman Leavitt:

I wonder if they have the processes in place or a way to do this without incurring a huge amount of personnel cost to do it. Do they already have that set up? I am assuming that you have talked to them and that they are good to go.

Senator Scheible:

Yes. We have confirmed with the Nevada Assessors' Association, who have talked to the assessors in every county, and they are fine with this.

Assemblyman Hafen:

I was under the impression, at least in my county, that at the time we went to record the deed, all the property taxes were due. I am curious whether it will take that authority away from us and we will no longer be able to do that.

Senator Scheible:

No, not at all. This just says that the assessor has to inform the treasurer of property that has changed hands. Counties assess property taxes on their own schedules. This does not affect the scheduling of the taxes. This is just to help the treasurer understand that, if there is a tax due that has not been paid, it may be because the property has changed hands.

Assemblywoman Munk:

If the seller and buyer went through a title company, would the escrow company pick up and prorate those taxes on the closing statement?

Senator Scheible:

That is an excellent question. Yes, that is exactly what a title company does—which was the source of much confusion when we first set out on this journey. When there is no title company involved and when real property is bought with cash, often that is when the buyers are not getting this information. This closes the loop and helps everyone be timely in their payments.

Assemblyman Assefa:

I assume this covers the entire state, is that correct?

Senator Scheible:

Yes.

Assemblyman Assefa:

How many properties change ownership every month?

Senator Scheible:

It really varies by county.

Assemblyman Assefa:

What does a treasurer do with that information? My understanding is that the treasurer gets this report after the property has changed hands. The person with the payment plan has already sold and moved on. What does the treasurer do with that information after the fact that the property has changed hands?

Senator Scheible:

The treasurer knows who the new owner of the property is and who is now responsible for the taxes on the property.

Assemblyman Assefa:

Is the new owner now responsible for the overdue taxes?

Senator Scheible:

That is correct. To clarify, that is a common negotiation when a property is sold—whether the buyer will be paying all the taxes for the year, the taxes that are left due, or the taxes up to the date of closure. This just tells the treasurer who owns the property now in the case that taxes are not paid.

Assemblyman Ellison:

We have a lot of seniors and smaller families who have a hard time making their quarterly payment. They were trying to go in and see if they could make monthly payments into some kind of account. They do not have escrow accounts or they bought the property individually. I asked them if there is a way these people can make payments so that when the taxes are due they can do it. They said no, that would be too much work. Maybe offline you can think of some way they can do this without opening a savings account. At least at the tax department, they know they are going to pay it if they can make payments.

Senator Scheible:

I am always happy to follow up offline.

Chair Flores:

Those wishing to speak in support of S.B. 199 (R1), please come forward.

Erik Jimenez, Senior Deputy Treasurer-North, Office of the State Treasurer:

We are enthusiastically in support of S.B. 199 (R1). Senator Scheible approached us early on in the process to try and get a bunch of stakeholders to the table—mainly the county treasurers with whom we work every day. I think we went through six or seven drafts. This has been an incredibly rewarding and character-building experience, but I think we got everybody to the table and are adding four good lines to public policy. I would like to point out that the genesis of this bill was to make sure that working families do not get penalized if they buy a property after that initial property tax bill has been put in place. Hopefully, this will ensure that those working families do not have to pay any penalty or interest through no fault of their own.

David A. Dawley, Assessor, Carson City Assessor's Office:

I wanted to give you an idea of the process on how a property works once it is actually recorded. Typically, what happens in the counties is that the deed itself is either transferred or downloaded to the assessor's office from the recorder's office. At that point, we verify all the legal descriptions on it and make sure that the grantees and grantors match up. If they do not, then it creates a cloud on the title. Once everything matches up, we will transfer the title. We transfer the name on the property. Almost all of the assessors' offices send a list to the treasurers' offices. They are able to send out a list or a new tax statement; however, there are many programs that do not allow them to send out a tax bill. Many of them will just send out a computer-generated page that has the due dates and the amounts due. There are many different types and processes that the title company has. Many of the mortgage companies require six months of the taxes be paid up front and at that point the title company will take care of it. If a person is not going through a title company—and this is my own opinion—I think it is kind of a shame because they really do a title search on it and they do title insurance on it. It is very important so people really should be using that service.

One of the things that we find is a huge issue and one of the reasons why people do not pay their taxes is because it has a wrong address on the deed itself. On a deed, in the upper right hand corner, it says, When recorded mail the document to . . . and mail tax statements to . . . as well. If that deed or mailing address is incorrect, then we are going to use the incorrect address and we are going to be sending out the tax statements to that address. That is no fault of our own. It is no fault of the treasurer's office. Unfortunately, that is a proofreading error that the buyer did not see when he or she purchased the property. That will cause a problem and add penalties to the taxes themselves.

Assemblyman Ellison, I am very shocked that you were told that. I know in Carson City, we do. We are not going to not accept anybody's payment even if it is not the full amount. We do accept payments. Unfortunately, it does not stop the penalties, so if the full payment is not paid by the installment date, then the penalties will be added on to any delinquent amount. As far as the original bill, we greatly appreciate that Senator Scheible is working with us because there was a lot of misunderstanding as far as the process. We appreciate where the bill has come.

Assemblyman Ellison:

I am glad to see that there are different programs in different counties. From what they were looking at, these were people on set incomes who wanted to pay a certain amount every month so that at the end of the year they would not owe anything. That is what they were trying to do, not just saying that it is delinquent. They were asking if they could put in a payment every month versus waiting until quarterly or yearly.

Assemblyman Leavitt:

If the assessor has the ability to submit this report currently, what was the reasoning behind not submitting it on a regular basis now?

David Dawley:

We do it now. Part of the problem—I am not sure of the problem that brought the constituent to Senator Scheible's office—is if the mailing address is incorrect, we are going to be sending it to where they told us to send it. They may not be getting it because they may have purchased a property, but it may be a rental property. The deed says to send it to an address that is not their actual mailing address. We are sending it to where they told us to send it, but they are just not getting it. We have been sending it. We do that with our treasurer, when we get updates or when we do updates. We do not do them every week. We will typically wait two or three weeks and then we will update all the addresses and send it over to the treasurer's office, who will then send out a computer-generated form to show if there are taxes owed. We currently do that now.

Chair Flores:

Is there anyone else wishing to speak in support of this bill? Seeing no one, is there anyone wishing to speak in opposition? Seeing no one, is there anyone wishing to come up in the neutral position?

John Fudenberg, representing Clark County:

Clark County is neutral on this bill. I just wanted to state on the record and show our appreciation to Senator Scheible for working with both the treasurers and assessors on coming to a consensus on some of the verbiage.

Jamie Rodriguez, Government Affairs Manager, Office of the County Manager, Washoe County:

We, too, want to thank Senator Scheible for working to address the concerns that our treasurer and recorder had with the original draft of the bill. It has moved us to a position of neutral since those concerns were addressed.

Chair Flores:

Senator Scheible, do you have any closing remarks?

Senator Scheible:

I wanted to thank you for your time.

Chair Flores:

We will close the hearing on Senate Bill 199 (1st Reprint) and open the hearing on Senate Bill 302 (1st Reprint).

Senate Bill 302 (1st Reprint): Revises provisions relating to personal information collected by governmental agencies. (BDR 52-547)

Senator Heidi Seevers Gansert, Senate District No. 15:

Thank you for hearing Senate Bill 302 (1st Reprint). With me, I have Ira Victor. Mr. Victor has 25 years of experience in digital forensic work. He has spent a couple of sessions here working with other representatives on issues related to cybersecurity and

encryption—particularly one in 2005 with Senator Valerie Wiener. That bill set a standard/model across the country for data encryption. He has a wealth of experience. He was the person who brought the concept of the bill to me. I would like to have Mr. Victor talk about cybersecurity and the risk of breaches, then I will go through the bill.

Ira Victor, Digital Forensic Analyst, Privacy Technician, Inc., Reno, Nevada:

I am a partner in a firm based in Nevada, but I am serving customers around the country. Back in 2005 I worked with Senator Wiener on a groundbreaking bill related to identity theft [Senate Bill 347 of the 73rd Session]. It became a model for the rest of the country. I have been to national and international conferences that talk about data security and encryption. One of the slides that comes up on the screen in front of the audience is a map of the state of Nevada. They talk about the groundbreaking law that we have in Nevada. It has been a wonderful form of advertising to technologists around the country and the world to put Nevada on their mind. That issue, compared to what I am going to talk about today, was relatively simple because the cyber criminals were still operating less sophisticated in their means and had less of an impact than what we are seeing today. What we are seeing today will be shocking to those who are not working in my field.

Juniper Research estimates that we will have \$2.1 trillion in losses to businesses due to cybercrime this year [page 3, ([Exhibit E](#))]. The number is staggering. Everyone is being targeted: government, businesses, and individuals. One of the many new techniques that cybercriminals are using is they will break into the networks that have relatively less security. They will worm their way into that network and gather the information about who that business is communicating with and use that business's connection to attack the people they are doing business with. We call it a "lily pad attack." They are going after the soft targets to get into the harder targets. Unfortunately, small businesses and individuals are those soft targets—a great number of them are those small businesses. Because of the \$2.1 trillion in losses, unfortunately, the cyber security industry is focused on the big companies. There was just a conference in Reno, Nevada, covering data security and other related issues. I went to the conference and spoke to every single vendor there. I only found one that has any sort of product that scales down for small businesses out of all the attendees. It is similar to the larger conferences that take place in Las Vegas. Ninety-nine percent of the vendors there have industry solutions geared towards large businesses. Their solutions do not scale down. The minimum price of entry is too great for the smaller businesses.

This bill covers a couple of items. One, it talks about having state agencies that are interfacing with these small businesses and individuals for them to adopt the Center for Internet Security controls. These are a set of controls that have been put together with input by academia, industry, and government to have a minimum standard for information security. Or, the NIST Standard, the National Institute of Standards and Technology. The National Institute of Standards and Technology has standards that are a little harder and more complicated, but some agencies for other reasons want to comply with NIST. Either of those two standards, where practical, the agencies are to comply with. There are lots of details here. I do not have time to go over all the controls. The Chief Information Security Officer for the state of Nevada is very familiar with the Center for Internet Security (CIS) and their controls.

The other element of the bill is when businesses or individuals are communicating with the state—those who have done a risk assessment and say that they are concerned about their network and whether their computer systems are safe enough to put confidential data on it. The person could say that they are not confident that the risk is low enough to put my data on it so they want to mail in a form. That was the way it was, but that is slowly changing. State agencies like the Department of Employment, Training and Rehabilitation (DETR) mandated in 2018 that every business send in that information. That information is social security numbers, employee names, salaries, and where they live. It is a treasure trove for cybercriminals. The Department of Employment, Training and Rehabilitation mandated that every business send that in electronically even if the business has not been able to spend a considerable amount of money to secure their network for that kind of data. They are still required to send it in. This bill will fix this and say that businesses that want to opt out can decide to opt out. If they decide to opt out, then every two years they send a note to the agency saying they want to opt out and instead send in the paper form. Currently, for example, DETR can decide if they want to grant an opt-out to a business. Fewer than ten businesses have decided to do so. Those businesses that have the risk assessment and decide that they want to protect the data can mail it in. We see a small number of businesses doing that now—getting permission from DETR. Currently, they have to get the permission every year. This would extend that to every two years with written permission. The business or individual can make that decision.

Another element of the bill has to do with audits. With CIS controls you can audit and the state will audit to those controls. The nice thing is, because the Center for Internet Security controls are a cooperation of lots of different entities, those controls "map" as we call it. If you are compliant with Control 2, it says, Oh, here are the controls for the other standards, and they are mirrored there. It makes it easier when the audits are going to happen because the gears do not grind there—you do not have a conflict between one standard and the other. If the agency cannot meet a certain element in the control, rather than making that public, that would be kept confidential. Whether they are or are not compliant can be made public, but the details of it would be kept confidential. There is a core group of people who would be informed at the state level, but it would not be made public. This is important because there is a standard in information security on responsible disclosure. You do not want to give the bad guys a road map. You do not want to do an audit and say, This particular area of the network is vulnerable. You do not want to publicize that because it would put a banner in front of the business saying, Here is how you break into the system. This would follow the principles of responsible disclosure. That is the summary of the bill.

Assemblywoman Bilbray-Axelrod:

One of the last things that you mentioned was about advertising the breaches. It just occurred to me that I just heard from a constituent—unfortunately, it is too late in the legislative session to do anything about it—about how easy it is on the Secretary of State's website to change those managing members. Literally, you do not even have to be a cybersecurity person to make changes. Could you address that in the context of this bill?

Ira Victor:

I am aware of that issue. My understanding is that the Office of the Secretary of State does not have a vetting mechanism, so anybody could log in and put in any data. The nice part of the Center for Internet Security's standard is there is a lot of flexibility in it. There could be a mechanism for validation. The Secretary of State's Office would have to make that decision, but the Center for Internet Security's standard would give them a road map on how to implement that in a secure way. It does not have a specific subsection that says you have to do what you are talking about. I think it is a problem that the Secretary of State's Office is aware of.

Assemblyman Carrillo:

Is this more proactive or reactive? Is there something that took place?

Ira Victor:

I have clients in the state of Nevada that were impacted by the change in the rule from DETR. I was concerned about the liability of my clients. I have clients who have done business with customers who have suffered a database breach and those other parties sue their own business. The lawyers say that they sue as broad a number of people as they can. Businesses right here in Nevada are being impacted by data breaches that do not occur on the businesses' network, but in the networks of the people they are doing business with. Sending confidential information over a business network not robust enough to handle it will introduce additional risk to that business.

One of the businesses that I am an expert on is a piece of civil litigation here in Nevada. It is a young woman who started her own business. It is basically her and a part-time assistant. Her first transaction in real estate was for about \$1 million and there was cyber fraud in that first transaction. She has been burdened by litigation for two and a half years after just starting out with her business. It has been a tremendous burden for her. The thought behind this was that businesses need to have the option to opt out. Also, the agencies can, at the same time, improve their security by adopting this standard.

Senator Seevers Gansert:

I would like to walk you through the amendment ([Exhibit F](#)). We are here because there is a potential for data breaches. This bill states, as practicable, we want the agencies of the state to follow these controls—either CIS or NIST. That is in section 1. It also has the Office of Information Security of the Division of Enterprise Information Technology Services (EITS) of the Department of Administration. A list of controls is being created and published by EITS so that the state agencies know what the rules of engagement are.

Sections 1.5 and 2 talk about the Legislative Auditor. Our Legislative Auditor already does information security audits; however, if there is a vulnerability that is identified within an agency, the auditor—at that point—will talk to the Legislative Commission's Audit Subcommittee and will hold that information—they will not release the report—until they can take care of the vulnerability. Once the vulnerability is dealt with, they will release the report.

The companies asked for policies around what they need to do. We recognized that they may be telling the Legislative Commission's Audit Subcommittee and then working with an agency, but they were not letting the Office of the Governor or the Legislative Counsel Bureau know. The amendment speaks to that. It would make sure that if the Legislative Auditor determines in the course of an audit that an agency of the state has serious security vulnerability with regard to the information system, the Legislative Auditor shall immediately report the serious security vulnerability to the Governor, the chair of the Legislative Commission, the chair of the Audit Subcommittee, and the head of the agency affected so there is notification. That information would be kept confidential. Having worked in the Executive Branch, I thought it was really important that the Governor's Office knows if there is a very large risk within an agency.

Section 3 talks about the waiver process that Mr. Victor discussed. The different agencies can come up with a process whereby someone can get a two-year waiver. This stemmed from an original engagement with DETR. We spoke to DETR about this bill. We also spoke to the Legislative Auditor about this bill. Essentially, DETR has businesses upload on a monthly basis personal identifying information—names, social security numbers, addresses, and amounts that people make. That is what led us to bring this bill forward. That is a brief overview. I covered the audit at the same time because we want to make sure that there is responsible disclosure of information around what would be serious security vulnerability for the state. We want to make sure there is a notification to certain parties when that information is discovered.

Chair Flores:

There are no additional questions.

Senator Seevers Gansert:

We have someone here from the Legislative Counsel Bureau Audit Division.

Chair Flores:

We will now open up the floor for those wishing to speak in support. Seeing no one, we will hear those wishing to speak in opposition. Seeing no one, is there anyone wishing to speak in the neutral position?

Jeffrey J. Frischmann, Deputy Administrator, Employment Security Division, Unemployment Insurance Program, Department of Employment, Training and Rehabilitation:

I would like to clarify a few numbers. We have given approximately 140 waivers of which less than 10 were cited for security concerns. Other types of waivers that we give are for people who may not have Internet connection, people who do not have the ability to file electronically. We give a lot of types of waivers. I would like to thank Senator Seevers Gansert for working with us on the bill. We are neutral.

Daniel L. Crossman, Chief Deputy Legislative Auditor, Audit Division, Legislative Counsel Bureau:

I am testifying today on behalf of Rocky Cooper, the Legislative Auditor who is testifying in another committee at this time. The Audit Division of the Legislative Counsel Bureau is neutral on this bill; however, we would like to make a couple of comments on the record about section 1.5 on the proposed amendment that was just discussed. It relates specifically to the Audit Division. We would like to thank Senator Seevers Gansert for working with us on the issue and for working on the language that directly impacts our division. The proposed amendment in section 1.5 provides a statutory framework for the division in handling security vulnerability issues identified in our audits going forward. Our office takes these types of information security issues very seriously when we identify them. We encounter them frequently. We have two full-time staff auditors who have extensive knowledge and background in information security who are dedicated full-time to information security audits. We appreciate the proposed language in section 1.5 as it provides for the timely notification of the Governor, chair of the Legislative Commission, chair of the Audit Subcommittee, and the agency head of the serious security vulnerabilities. This would be an enhancement to our current process.

Currently, when we identify a serious security vulnerability during an audit, we will meet regularly with the agency until we are able to adequately mitigate the security vulnerability. Only then will we issue an audit report. For example, in the audit of the Division of Human Resource Management information security which we released in October 2016, we found that 145,000 current and former state employees and beneficiaries' confidential personal information was stored unencrypted on division databases—inconsistent with state security standards. This vulnerability was identified during 2015, but we worked with the agency for more than a year before we issued the report. We did not issue the report until the vulnerability had been sufficiently and adequately mitigated.

If S.B. 302 (R1) would go into effect, the Audit Division would provide timely notification to the Governor and the chairs of the Legislative Commission and the Audit Subcommittee of three agencies that have serious security vulnerabilities that we are currently auditing. We are currently meeting regularly with these agencies as they work to mitigate their issues. We believe this notification process would likely help ensure that the necessary corrective actions are given the proper attention and priority in a timely manner.

Chair Flores:

Is there anyone else wishing to speak in neutral? Seeing no one, I would like to invite Senator Seevers Gansert up for closing remarks.

Senator Seevers Gansert:

I think there is an increased awareness of this being such an important bill given the statements from the Legislative Auditor that we just heard. I truly appreciate your consideration and urge passage of the legislation.

Chair Flores:

We will close the hearing on S.B. 302 (R1). We will now take a brief recess [at 9:41 a.m.].

We will now resume the Committee [at 9:45 a.m.] and open the hearing on Senate Bill 367.

Senate Bill 367: Authorizes a tenant of certain low-income housing to keep a pet within the tenant's residence. (BDR 25-750)

Senator Melanie Scheible, Senate District No. 9:

I have brought some friends with me—Canine Companions for Independence—these are all puppies in training who are in support of Senate Bill 367. Senate Bill 367 says that anybody who operates a housing development, housing unit, or rental operation that was funded in whole or in part through the Account for Low-Income Housing—I believe it will soon read as the Affordable Housing Fund—has to allow tenants to keep pets in those properties. We think that this is incredibly important because nobody should have to make the decision between a roof over their head or being able to stay united with a furry family member. The bill is fairly simple in that way. The policy set forth is permissive. It allows a landlord or manager to set rules within the community about pet ownership, the kinds of animals that are allowed to be kept, and it provides a pathway to discipline people whose animals are not behaving appropriately or require them to make other arrangements for their animals. Basically, it allows them to set reasonable pet policies. We are not allowing anybody to bring in just anything to any apartment building—those would be subject to the local ordinances regarding the number of pets, types of pets, and why they are allowed to keep them. The goal is to ensure that individuals who are in need of affordable housing are able to keep their animals with them.

As we all know, there is a severe housing crisis and a shortage of affordable housing units that are available. People—including families with kids—who have animals that are a part of the family know that animals are very meaningful and can help provide them with support and companionship during hard times. It is just not fair or right to tell those people that if they want to move into this affordable unit they are going to have to get rid of rehome their animal.

Experts from the American Society for the Prevention of Cruelty to Animals (ASPCA) and the Humane Society of the United States—I have one of them here today—have done extensive research into the costs of these policies and the ramifications of these policies. We are finding that there is not really an increased cost to an apartment to allow pets in their facilities. We are not talking about people bringing hyenas into a studio apartment. We are talking about allowing one or two cats in a one- or two-bedroom apartment. The cost to clean or replace carpet and paint walls is the same if you have two cats in the apartment or if you have two kids in the apartment. We feel as if this is a reasonable policy position and it will help our Nevada families who are looking for affordable housing. It will give them more options.

The reason that Canine Companions for Independence is here, and I hope they will speak to this, is that every place already has to accommodate the Americans with Disabilities Act. They have to allow service animals in any type of housing situation. Today there is also a legal status for emotional support animals. They are somewhere in between a pet and a service

animal in terms of the legal rights they are afforded and the places they have to be allowed to be kept. What we are seeing is that because people are so invested in staying united with their animals, where they are not allowed to keep a pet they are certifying their animals as emotional support animals. Where they are not allowed to keep an emotional support animal, they are successfully, or not, forging documents to indicate that they have a service animal—especially a service dog. That is detrimental to the entire community that depends on animals and dogs to provide them with true services to people with true disabilities. By opening up the gates and allowing everybody to have their pets, it allows for building managers, landowners, landlords, and property managers to create much more flexible and enforceable policies. Instead of having people falsely certify their animals as emotional support animals, instead of people arguing with landlords about their emotional need to have an animal with them or their legal right to have an animal with them based on a disability, if you just allow pets in the facilities, you can set rules. Such rules might include if your pet is not quiet by midnight, you have to train your animal or find another place to live. If you do not pick up after your animal when they do their business outside, you can be fined, cited, or asked to move. I think all of those are important policies that make sense for Nevada and make sense for people who want a place to live, which I think is everybody. With that, I would like to turn it over to Ms. Riggs from the ASPCA and then we will be open for questions.

Susan Lea Riggs, Senior Director of State Legislation, Western Region Government Relations, American Society for the Prevention of Cruelty to Animals:

We are a 152-year-old organization and, during that time, we have been working for the betterment of all types of animals. In recent years, we have been focused on intake and euthanasia in animal shelters. One of the primary reasons we are finding for intake is because of barriers to keeping pets and people together. Among those is access to pet-friendly housing. A national study from the ASPCA revealed that those who rent in the market are more likely to need to rehome their pets for housing issues—more than any other reason. Furthermore, a primary housing issue cited by families relinquishing animals is financial eviction. What happens is folks are evicted from the market due to the lack of supply. They go out into the market and find that there is a lack of pet-friendly housing options. In order to access housing they have to make a really difficult decision: Do I keep a roof over my head or do I keep my pet? That is a really difficult decision—as any of you who have pets know. In addition, just to make that number a little more real for Nevadans, The Animal Foundation, based in Las Vegas, said that 28 percent of folks who are relinquishing to a shelter are citing housing-related issues for the relinquishment. That is what we want to avoid.

Beyond that we are seeing that there seems to be a bifurcation of incomes in this. Folks that have higher incomes are able to access homeownership and are able to access newer type A or type B rental facilities—oftentimes, those are pet-friendly. It is the people on the lower end of the market who are facing this issue. What we know through our research is that there are benefits throughout the life cycle for individuals who have pets. For kids there is a cognitive and emotional stability benefit as well as increased physical activity. For seniors there is companionship and support during their senior years that is really important. To tell those folks that you should not accrue those benefits because you have a low income is not a very good public policy, in my opinion.

The last thing that I will add is that this is really built on precedent from the federal government. Public housing that is financed by the government and senior and disabled housing that is financed or insured by the United States Department of Housing and Urban Development (HUD) are both already pet-friendly. There is already a great portfolio dating back to 2010. There is a great, established portfolio of housing that is already pet-friendly in the affordable housing network. This would build on that and complement the efforts from the federal government to make housing pet-friendly. With that, I will close and thank you for your consideration.

[Susan Lea Riggs submitted a letter of support ([Exhibit G](#)), but it was not discussed.]

Assemblyman Carrillo:

Is there a maximum number of pets that are allowed based on the size of their residence? Let us say that if an individual has a studio or a two-bedroom apartment, is there a maximum that they could keep? I know it says pets, and I know they sometimes come in pairs. Is there a maximum based on square footage?

Susan Lea Riggs:

Generally speaking, most jurisdictions already have limits on the number of residential pets that you can have in a residential unit. Beyond that, the property management or the owner of the property can set additional limitations based upon the configuration of the property. Certainly if it is an efficiency unit you do not want four Dalmatians in there. There is some ability for the owner to set those restrictions. I want to take a step back and say that in addition to local laws pertaining to limitations on pets—the nuisance laws, the cruelty laws, the health and safety laws—all of those things would equally apply to this case. Many of the things that might be contemplated are already addressed under existing law.

Assemblyman Leavitt:

The Leavitt farm is up and running with our dog Jeter; two guinea pigs, S'mores and Cupcake; our hamster Bear; and our two tortoises, Sunshine and Rainbow. If we had to get rid of any of them, my kids would be heartbroken and would probably have some emotional damage. My question is, when you were researching this and you said that there would be no additional cost to the landlord, is there anything that may be an unintended consequence of this bill? Not in the way of costs to repair the carpet, that is not what I am talking about. I am talking about future deprivation to low-income housing. Is there any unintended consequence that could arise out of that?

Senator Scheible:

I think what you are asking is if we would see a further decrease in supply of low-income housing because they have to allow pets. Is that your question?

Assemblyman Leavitt:

That is probably part of it. I was not thinking of anything specific. I was just wanting to ensure that this particular bill did not work against low-income housing in some way, shape, or form.

Senator Scheible:

I worked closely with stakeholders from the low-income housing advocacy organizations that lobby us frequently. I also spoke to other Senators who are working on low-income housing bills; they are very supportive of this measure. We do not foresee any kind of negative impact or externalities based on implementing this policy. One of the reasons why we do not foresee it is based on hindsight in the housing that my colleague brought up. We are still seeing that the supply is not enough for places that are pet-friendly even with HUD insurance for seniors or for people with disabilities. We are not seeing a dramatic effect since 2010 when they all became pet-friendly.

Assemblyman Smith:

My only concern is with the way this is written. It says that you must be allowed to keep one or more pets within the residence of a tenant in accordance with the applicable laws and ordinances. Piggybacking on Assemblyman Carrillo's question, I would worry that even though each housing development would have rules listing only two pets or whatever, someone could say that the law says they could have more. That is the only concern I have that someone could bring this up and say they can have more pets because the law says they can.

Senator Scheible:

Like every bill, this has been vetted by the Legal Division of the Legislative Counsel Bureau. No one has posed that concern, but I would be happy to run it by legal counsel or perhaps committee counsel wants to weigh in.

Assemblyman Smith:

My only concern is that some people like to have five dogs or ten cats—that is just the way they are. Someone could, if I read this correctly, say they are coming in with their ten cats.

Senator Scheible:

The bill does allow for the landlords to create rules and restrictions—pet policies—that I think would be able to reduce that number. Also, I think every jurisdiction in Nevada has regulations on the number of pets that can be kept in a residential area or dwelling. The ten cats would be problematic from a code enforcement perspective. I will follow up with legal counsel.

Assemblyman Ellison:

As a landlord and property manager for years, we owned apartment complexes and we were forced to allow them to bring animals if they had a permit that said they had to have a service animal. They moved in eight cats and a dog and totally destroyed that room. Then we found out that the insurance company said they were in violation of the insurance and they cancelled the insurance because the dogs were over 35 pounds—that was an insurance issue. My concern is that there has to be a limit. I do not know if it is in here but if an apartment complex says no pets, would this exclude that? There are a lot of complexes that have no pets allowed. Would that exclude them?

Senator Scheible:

This only applies to housing developments that are paid for in part or in full through the affordable housing or Account for Low-Income Housing. We are not touching apartment complexes that are not funded that way. The apartment complexes that are funded that way, again, they are allowed to implement a policy. That policy can certainly include limitations on the number of pets. That would be subject to the local ordinances and state laws about the number of pets that people are allowed to keep. All of that being said, the one thing that this bill says that a landlord or property owner who utilized funds from the Account for Low-Income Housing cannot do is to make a blanket no pets policy. That is the one thing that they are not allowed to do.

Assemblyman Ellison:

For the record, I, too, am a large-pet person. We have two dogs and a cat who control the house. We built giant backyards for them. They have the best of both worlds. There are some areas where people are allergic or there are size-of-dog requirements. Somebody, at the end of the day, has to pay for certain damages where they are digging at doors or there is urine. It is not like if somebody moves out and then someone else moves in they can just shampoo the carpets. Sometimes you have to rip it all out.

Senator Scheible:

I want to speak to your original question about a family bringing five or seven cats with a card saying they are emotional support animals. That is exactly the kind of problem that we are trying to address because we know that people are acquiring those cards because they are not allowed to keep pets in their apartments. As a landlord or a property manager, it is incredibly scary to think about trying to evict someone because of their animals when they have one of those cards. You are opening yourself up to all kinds of liabilities. We are trying to disincentivize getting that card so that people are honest and they come in and say, I have seven cats and I want to live in this apartment. You can put reasonable restrictions on the person and say okay, but if your seven cats cause any damage you are going to have to pay for all of it or you have to put a deposit down for each of your seven cats—which, by the way, is a violation of the county code that says you cannot have more than three animals in a residential dwelling. I am really hopeful that this policy will help alleviate some of those problems for landowners and property managers. I think the bill has adequate guidelines along with adequate room for movement to allow for the policies to be tailored to the individual property.

Susan Lea Riggs:

One thing that I would like to clarify as it relates to assistance animals is that, for purposes of fair housing law, assistance animals are not pets. This does not change that law. There is no such thing, at this point, as a no-animal community because if someone comes in and has documentation that allows them to have a service or support animal, there is an interactive process that they go through. As Senator Scheible mentioned, to reject that documentation subjects the landlord to extensive litigation. We have seen that happen on many occasions.

This takes a lot of the risk factor out of it and reduces the liability for landlords who are contemplating rejecting assistance animals. In this case, all animals and pets can be treated equally. I also wanted to say that this does not preclude asking for a pet deposit within the confines of preexisting state law. The only thing that we would say is that because this is about serving low-income households, the landlords would be sensitive to that. Asking for a month's rent up front for a deposit for having pets is probably unreasonable for these folks because they do not have that sort of savings. This bill does not preclude that.

Assemblyman Hafen:

I have a couple of questions and a couple of comments. To start out, would this be proactive or retroactive? Would someone who has taken these funds now be required to allow pets?

Senator Scheible:

My reading is that this is retroactive. I am willing to put on the record that that was my intent. I understand that other lawyers may have read this bill and do not read it the same way.

Assemblyman Hafen:

I understand that your intent is for this to be retroactive. Anybody that has accepted money, we are going to require them to accept pets. I wanted to comment on my colleague's question on the number of pets allowed. Currently, in my community, the limit is ten. Ten in a small apartment. We may want to consider that in the language that ten may be too many. I do not see anywhere in here where we could address size restrictions. My other concern is that I know there are some seniors who are highly allergic or deathly afraid of large animals. I did not know if there would be an exemption for these affordable housing complexes to designate certain areas so there is a pet-friendly area and the ones who are allergic or afraid of animals are in another area. These are some of my concerns. One of my questions is, do we know what percentage of affordable housing is currently pet-friendly?

Senator Scheible:

I want to try and address all of your questions and comments. Broadly, I can say that all of these landlords and property owners have to function within the laws and regulations of their community. That would apply to a lot of what you mentioned: the number, size, and breed restrictions. Whatever your community allows property managers to delineate, they would be allowed to delineate in these affordable housing units as well. If size restrictions are allowed by your county code, then these property managers could implement a size restriction. If size restrictions are not allowed, per county code, then you could not implement a size restriction. If the number that is allowed in Nye County is 10 animals, then they could still be below 10 but not 11 or more animals within a residential dwelling. Part of the reason why the bill does not spell out with incredible specificity those numerical aspects of the policy is because it does vary by community. We want to respect that and make sure that individuals are able to tailor their policies to fit the place where the housing is. To your last question about the percentage

of housing that is currently pet-friendly, we do not currently know the percentage. It is an interesting question. You also mentioned that there are people who are allergic or afraid of animals. There is no reason why a community cannot set up separate areas or cater to particular kinds of animals. I certainly believe that there is room to adapt to people who want to avoid animals.

Asher Killian, Committee Counsel:

To address whether this bill is retroactive, if you look at section 2 of the bill, it is transitory language that expressly states that the provisions of this act would apply to any rental agreement entered into before, on, or after the effective date of the act. That is the language that would make it have a directive effect on any existing rental agreements.

Chair Flores:

I will now invite those wishing to speak in support of S.B. 367 to come up.

Jack Mayes, Private Citizen, Reno, Nevada:

I am an executive director with Nevada Disability Advocacy and Law Center, but I am here as a volunteer with the Northern Nevada Comstock Chapter of Canine Companions for Independence. We are doing an outing with our group today to expose the dogs to different settings so that they are ready and able to perform once they are called upon after graduation. Today I brought my service dog that has graduated. Her name is Forever. We were paired together in 2016 so we have been together almost two and a half years.

One of the things that we have been doing, as an organization, is educating the public on legal service animals and appropriate service animals. Although this bill is not directly on that topic, in my professional work I see that the very first time that service animal fraud occurs is in housing. Once someone gets a note saying that their dog serves them as an emotional support animal, they extend that and start taking them out in public. We are hoping that this may deter some of the fraud that may occur.

Miranda Hoover, representing Nevada Humane Society:

We are here in full support of the bill.

Denny French, Private Citizen, Carson City, Nevada:

It was not my intent to be here today. I am in full support of this bill. My exposure to service dogs is recent. It started last year as a necessity to helping a vet I had been meeting with at the U.S. Department of Veterans Affairs (VA). Through the VA, with Lisa Howard as a director—she is a pet person—their plans for development do not anticipate allowing for places for dogs to relieve themselves. I have seen how these animals have helped the veterans that I have been associated with. I am now waiting for a dog to be trained so that when I go up to assist veterans, it will be in a community setting—hospitals, hotels, and public transit. That is huge. I have to be trained to be able to work with an assist dog. Sometimes in emergency situations people have to step up. I am really thankful for this bill and I am excited for this to

pass. I like the considerations that you have added. This morning I was a little late because I had to clean up after a neighbor's dog that made a discretionary choice in my yard, then I went to the wrong floor. Anybody who gets money for housing should have an awareness of how important these animals are.

Chair Flores:

Is there anyone wishing to speak in opposition? Seeing no one, is there anyone here wishing to speak in the neutral position? Seeing no one, we will proceed with closing remarks.

Senator Scheible:

Thank you for hearing this bill.

Chair Flores:

With that, we are going to close the hearing on S.B. 367 and invite those wishing to speak in public comment to come forward.

Denny French, Private Citizen, Carson City, Nevada:

I had to run off and get some information. The first bill was presented and the alarms in my head went off when I heard about the ten-year water plan and the idea of an umbrella. I think this bill needs to have a consideration of time be an ongoing review of the weather and flows. The different considerations cannot be met by only having a ten-year plan. It has to be a daily thing. I got information from one of the resources right here in town. I have some literature that I would like to present. There is a website that I would highly recommend. This water program is through the Carson Water Subconservancy District. They provide a yearly program where they will take community members on a bus and they will show them where the water starts. They will educate you on where it comes from, how much they have to pay attention to the weather. You have to make sure that everybody knows they are under that umbrella policy and that they need to report. If they need to report then they have to have information that is up to date. Things change so rapidly. Weather changes and everything has to be considered. I just wanted to make sure that this particular resource was available to you. The website is www.cwsd.org/watershed. That will answer so many questions about where it comes from and where it goes; how it is retained; how it is transported—if it is transported by truck, pipe, stream, or river; where it goes; and how it is divided between nature, farming, businesses, regular housing, and public. I am sorry that I have not spoken well. I am not a spokesperson for anyone. I am just a person in public that had the opportunity to meet the people that do have these answers. I would like to encourage you to meet those people too. They can shed a lot of light. I think ten years is inappropriate. It needs to be an every year thing. If you are dealing with using water, you should be able to account for where you are using it and who is using it.

Chair Flores:

What is the website?

Denny French:

The website is www.cwsd.org/watershed. I am not a big computer person but I know how to get that on the computer. I have this information ([Exhibit H](#)). I would like to submit it to you. I was not able to get as much literature as I would have liked, but they are very open to being communicated with.

Chair Flores:

This meeting is adjourned [at 10:23 a.m.].

RESPECTFULLY SUBMITTED:

Kirsten Oleson
Committee Secretary

APPROVED BY:

Assemblyman Edgar Flores, Chair

DATE: _____

EXHIBITS

[Exhibit A](#) is the Agenda.

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

[Exhibit C](#) is a letter written to Chair Flores, dated May 1, 2019, in support of Senate Bill 150 (1st Reprint), authored by Juan Palma, Nevada State Director, The Nature Conservancy.

[Exhibit D](#) is a letter written to Chair Flores and Members of the Assembly Committee on Government Affairs, dated April 30, 2019, in support of Senate Bill 150 (1st Reprint), authored by Steve Walker, representing Eureka County.

[Exhibit E](#) is a copy of a PowerPoint presentation regarding Senate Bill 302 (1st Reprint), titled "How the State Can Bolster Electronic Information Security for All Nevadans," presented by Ira Victor, Digital Forensic Analyst, Privacy Technician, Inc., Reno, Nevada, submitted by Senator Heidi Seevers Gansert, Senate District No. 15.

[Exhibit F](#) is a proposed amendment to Senate Bill 302 (1st Reprint), submitted by Senator Heidi Seevers Gansert, Senate District No. 15.

[Exhibit G](#) is a letter written to Chair Flores, dated April 30, 2019, in support of Senate Bill 367, submitted by Susan Lea Riggs, Senior Director of State Legislation, Western Region, American Society for the Prevention of Cruelty to Animals.

[Exhibit H](#) is a collection of documents regarding the Carson River Watershed, submitted by Denny French, Private Citizen, Carson City, Nevada.