

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

**Eightieth Session
April 5, 2019**

The Committee on Government Affairs was called to order by Chair Edgar Flores at 8:40 a.m. on Friday, April 5, 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:

Assemblywoman Alexis Hansen, Assembly District No. 32
Assemblywoman Ellen B. Spiegel, Assembly District No. 20
Assemblywoman Dina Neal, Assembly District No. 7

STAFF MEMBERS PRESENT:

Jered McDonald, Committee Policy Analyst
Asher Killian, Committee Counsel
Kirsten Oleson, Committee Secretary
Trinity Thom, Committee Assistant

OTHERS PRESENT:

Garrett D. Gordon, representing Community Association Institute
Randy Soltero, representing Soltero Strategies
Kate Marshall, Lieutenant Governor
Sarah Mysiewicz Gill, Senior Legislative Representative, AARP, Washington, D.C.
Barry Gold, Director, Government Relations, AARP Nevada
Zach Conine, State Treasurer
Lynne E. Keller, Executive Director, Opportunity Alliance Nevada
Rusty McAllister, Executive Secretary-Treasurer, Nevada State AFL-CIO
Kent Ervin, Private Citizen, Reno, Nevada
Shane Piccinini, Government Relations, Food Bank of Northern Nevada
Isabel Youngs, representing Service Employees International Union Local 1107; and
Nevada Women's Lobby
Peter Guzman, President, Latin Chamber of Commerce, Las Vegas, Nevada
John W. Mangan, Vice President, State Relations, American Council of Life Insurers,
Washington, D.C.
Randi Thompson, Nevada State Director, National Federation of Independent
Business
Mendy Elliott, representing Reno Sparks Chamber of Commerce
Gail J. Anderson, Deputy Secretary for Southern Nevada, Office of the Secretary of
State
Edith G. Duarte, representing Nevada Society of Enrolled Agents
Ralph Hartmann, Private Citizen, Sparks, Nevada
Paul J. Moradkhan, Vice President, Government Affairs, Las Vegas Metro Chamber
of Commerce
Kathy Flanagan, Management Analyst, Las Vegas Valley Water District
Bryan Wachter, Senior Vice President, Retail Association of Nevada

Chair Flores:

[Roll was taken. Committee rules and procedures were explained.] We will begin with the work session. We will not be taking the bills in order. The first bill in the work session is Assembly Bill 161.

**Assembly Bill 161: Revises provisions governing common-interest communities.
(BDR 10-705)**

Jered McDonald, Committee Policy Analyst:

Assembly Bill 161 revises provisions governing common-interest communities ([Exhibit C](#)). It was sponsored by Assemblymen Alexis Hansen and Glen Leavitt and others. It was heard on February 27, 2019. There are three amendments:

1. Clarifies that common-interest communities which currently prohibit pet ownership do not have to abandon an existing restriction;
2. Clarifies that a newly formed common-interest community would be allowed to restrict the ownership of pets; and
3. Adds Senator Melanie Scheible as a cosponsor.

Chair Flores:

I will take a motion to amend and do pass A.B. 161.

ASSEMBLYWOMAN BILBRAY-AXELROD MOVED TO AMEND AND
DO PASS ASSEMBLY BILL 161.

ASSEMBLYMAN LEAVITT SECONDED THE MOTION.

Is there any further discussion?

Assemblywoman Duran:

I would like to reserve the right to change my vote on the floor.

Assemblyman Hafen:

I have a point of clarification. Is the amendment that is attached to our work session document the proposed language to move forward?

Assemblywoman Alexis Hansen, Assembly District No. 32:

The amendment as you see it is mine [page 2, ([Exhibit C](#))]. Any additional amendments are friendly. Just to clarify, the governing documents within the amendment clarify that a newly formed common-interest community would be allowed to restrict the ownership of pets. For a new development, those governing documents would not be held to A.B. 161 on the pet ownership. Does that clarify your question?

Chair Flores:

As another point of clarification, my understanding was that the bill was, in essence, doing three things. First, if the common-interest community had governing documents, then this bill would not impact them. In other words, they could continue to prohibit pets. Second, if we had any new development, they could not have a no-pet policy. They could

have restrictions that are reasonable, but they could not ban animals outright. Third, should a common-interest community that currently exists decide in the future to amend documents to allow pets, they could not revert back to their no-pet policy. Once they allow pets, they have to continue to allow them.

Assemblywoman Hansen:

Yes, but let me clarify. On a new development, the developers in their governing documents have the ability to restrict pets at the onset.

Chair Flores:

Yes. I meant that they could not have a rule that restricts pets in any new development, but they could restrict it within reason.

Assemblywoman Hansen:

New developments do not have to have pets. If the governing document said no pets, they do not have to have pets. I guess in amendment 2 it says "restricts." Maybe this will help clarify: as we met with the stakeholders developing the amendment, this does not restrict the authority of a declarant to impose limitations on the keeping of pets at the time of the initial declaration.

Chair Flores:

We want to make sure that we capture your intent. From the conversations we previously had, they could have restrictions—reasonable restrictions—but there could not be an outright ban of pets. If I am hearing you correctly, you are saying differently. You are saying that if there is a new development, they could say upfront that pets are not allowed.

Assemblywoman Hansen:

Yes.

Assemblyman Assefa:

I just wanted to clarify that this amendment is the entire document we are looking at and that this is the bill as we are considering it. Is that correct?

Garrett D. Gordon, representing Community Association Institute:

I am here on behalf of the Community Association Institute. Yes, the amendment that you have in your work session document is the amendment we are discussing. It was negotiated between us, the SPCA, and The Humane Society with direction from the sponsor.

Assemblyman Assefa:

As we consider this bill, is this the document we should be looking at?

Garrett Gordon:

Yes.

Chair Flores:

Are there any further comments?

ASSEMBLYWOMAN BILBRAY-AXELROD WITHDREW HER MOTION
TO AMEND AND DO PASS ASSEMBLY BILL 161.

ASSEMBLYMAN LEAVITT WITHDREW HIS SECOND.

Chair Flores:

The motion to amend and do pass Assembly Bill 161 has been withdrawn. Assemblywoman Hansen, we will continue with discussion and voting on a later date.

Assemblywoman Hansen:

Thank you. We want to make sure the language is something we are all on board with. We want to make sure that the statute reflects that. We will have a conversation to make sure currently existing no-pet communities are exempt; the homeowners' associations that currently allow pets—about 3,200—will continue to allow pets; and the governing documents of new developments going forward have the ability to manage themselves as a declarant.

Chair Flores:

Next on the work session is Assembly Bill 174.

Assembly Bill 174: Establishes the Nevada Interagency Advisory Council on Homelessness to Housing. (BDR 18-94)

Jered McDonald, Committee Policy Analyst:

Assembly Bill 174 establishes the Nevada Interagency Advisory Council on Homelessness to Housing ([Exhibit D](#)). It was sponsored by Assemblyman Thompson and others. It was heard on March 26, 2019. Assembly Bill 174 establishes the Nevada Interagency Advisory Council on Homelessness to Housing in statute and prescribes the membership of the Council. I will go right into the amendments. Assemblyman Thompson proposed the following conceptual amendment:

1. Revise the language in subsection 3 of section 5 mandating that state and local agencies must "cooperate" with the Council, to state and local agencies must "collaborate" with the Council.

As requested during the hearing:

2. Add Assemblyman Glen Leavitt as a cosponsor.

Chair Flores:

I will take a motion to amend and do pass A.B. 174.

ASSEMBLYMAN McCURDY MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 174.

ASSEMBLYWOMAN BILBRAY-AXELROD SECONDED THE MOTION.

Is there any discussion? [There was none.]

THE MOTION PASSED UNANIMOUSLY.

Assemblyman Thompson will take the floor statement. Next on the work session is
Assembly Bill 190.

Assembly Bill 190: Revises provisions relating to certain construction. (BDR 28-637)

Jered McDonald, Committee Policy Analyst:

Assembly Bill 190 revises provisions relating to certain construction ([Exhibit E](#)). It was sponsored by Assemblyman Daly. It was heard in this Committee on March 20, 2019. I will briefly review a few of the provisions of this bill and then go into the amendments.

Assembly Bill 190 defines "bona fide fringe benefits" to mean a benefit in the form of a contribution that is made not less frequently than monthly to an independent third party pursuant to a fund, plan, or program: (1) which is established for the sole and exclusive benefit of a worker and his or her family and dependents; and (2) for which none of the assets will revert to, or otherwise be credited to, any contributing employer or sponsor of the fund, plan, or program. Additionally, the bill provides for administrative penalties against a contractor or subcontractor who discharges his or her obligation to pay prevailing wages in an unauthorized manner. The bill also requires the labor commissioner to: (1) include in a determination of a prevailing wage, which has been collectively bargained, any compensation in addition to the basic hourly wage or benefit for the craft or type of work required to be paid by the collective bargaining agreement; and (2) amend the determination of the prevailing wage for the craft or type of work in response to an increase in the wage prescribed in the collective bargaining agreement that occurs before the next annual determination of that prevailing wage by the labor commissioner.

Now I will go through the amendments. We had an amendment from the bill sponsor—Assemblyman Skip Daly. The amendment states:

1. Add a sliding scale for penalties as defined in *Nevada Administrative Code* 338.120;
2. Remove changes to the monetary threshold requiring prevailing wages on a project;
3. Remove changes to the 90 percent prevailing requirement on school district and Nevada System of Higher Education projects;

4. Remove changes requiring charter schools to pay prevailing wages; and
5. Prohibit a public body from utilizing any type of reverse auction bidding process or procedure not authorized by law.

I also wanted to note that we had a couple of requests for cosponsorship from Assemblyman Smith and Assemblywoman Neal.

Chair Flores:

I will take a motion to amend and do pass A.B. 190.

ASSEMBLYMAN CARRILLO MADE A MOTION AMEND AND DO
PASS ASSEMBLY BILL 190.

ASSEMBLYMAN McCURDY SECONDED THE MOTION.

Is there any discussion?

Assemblyman Leavitt:

Although I do appreciate the amendments, I am going to reserve my right to vote no on the floor.

Assemblyman Ellison:

I was hoping we would get a time to meet with the sponsor of the bill and work out some of the questions we have, but it never happened. I am going to vote no but reserve my right to change my vote. I still have a problem with the charter schools and some of the rural issues out there. I am hoping we can work on this before it goes to the Senate.

Assemblyman Hafen:

I would like to reserve my right to change my vote on the floor. I have not had a chance to evaluate the amendments to see if they alleviated all of my concerns. I am going to vote no.

Assemblywoman Hardy:

I will vote no right now, but I would like to reserve my right to change my vote on the floor.

Chair Flores:

Members, are there any additional questions or comments? [There were none.]

THE MOTION PASSED. (ASSEMBLYMEN ELLISON, HAFEN, HARDY,
AND LEAVITT VOTED NO.)

Assemblyman Carrillo will take the floor statement.

Assemblyman Ellison:

Chair Flores, we were going to have a subcommittee prior to this to try to work things out. Is there a way you could give us a chance to talk before this bill goes to the floor?

Chair Flores:

Absolutely. I know Assemblyman Daly is not here, but I will make sure he reaches out to you and any interested parties. Next on the work session is Assembly Bill 212.

Assembly Bill 212: Revises provisions governing the confidentiality of personal information of certain persons. (BDR 20-620)

Jered McDonald, Committee Policy Analyst:

Assembly Bill 212 revises provisions governing the confidentiality of personal information of certain persons ([Exhibit F](#)). It was sponsored by Assemblywoman Hansen and others. It was heard on March 14, 2019. The bill adds any employee of this state or a political subdivision of this state designated by his or her employer who interacts with the public and performs tasks related to code enforcement to the list of persons and entities authorized to request that certain personal information contained in the records of a county assessor, county recorder, the Secretary of State, or a county or city clerk remain confidential. Similarly, the bill adds those persons to the list of those authorized to request that the Department of Motor Vehicles display an alternate address on the person's driver's license, commercial driver's license, or identification card. We have one amendment from the bill sponsor which is to change the definition of the individuals covered by the bill to include a sworn or nonsworn inspector, officer, or investigator who possesses specialized training in and whose primary duties are the enforcement of violations of laws, ordinances, or codes regulating public nuisance, public health, safety, and welfare.

Chair Flores:

Before I ask for a motion, I wanted to put it out there that the intent of this specific amendment—per my conversation with the bill sponsor—was that we did not cast such a wide net. One of the original concerns was that we were capturing more than the individuals we were intending to. The intent is that this bill would only capture about 80 people statewide. With that, I think it alleviates a lot of the concerns that were brought up by all the men and women behind the scenes working to make sure information stays confidential—which is a huge burden and difficult to do. With that, I will take a motion to amend and do pass A.B. 212.

ASSEMBLYWOMAN HARDY MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 212.

ASSEMBLYWOMAN BILBRAY-AXELROD SECONDED THE MOTION.

Is there any discussion? [There was none.]

THE MOTION PASSED UNANIMOUSLY.

Assemblywoman Hansen will carry the floor statement. Next on the work session is Assembly Bill 274.

**Assembly Bill 274: Revises provisions relating to governmental administration.
(BDR 18-86)**

Jered McDonald, Committee Policy Analyst:

Assembly Bill 274 revises provisions relating to governmental administration ([Exhibit G](#)). It was sponsored by Assemblywoman Neal and others. It was heard on March 27, 2019. Assembly Bill 274 makes the placement of false information in the personnel file of a state or local governmental officer or employee who discloses improper governmental action a form of reprisal or retaliatory action. In addition to other provisions, the bill also authorizes a hearing officer who hears an appeal relating to a reprisal or retaliatory action against a state or local governmental officer or employee to impose a civil penalty against the proper person, which must be paid by that person and not his or her public employer. Finally, the bill: (1) makes it mandatory for a local government to enact procedures that provide at least the same amount of protection against reprisal and retaliation as is provided in existing law; and (2) authorizes such procedures to provide greater protection than the protection provided in existing law. There is an amendment that was submitted by Assemblywoman Neal. The amendment:

1. Clarifies that using official authority or influence to intimidate, threaten, coerce, command, or influence another state or local governmental officer or employee to take reprisal or retaliatory action is prohibited;
2. Requires a state or local governmental officer or employee to use his or her official authority or influence to remedy any reprisal or retaliatory action of which the officer or employee becomes aware;
3. Authorizes the filing of an appeal with a hearing officer for violations of the provisions relating to use of official authority or influence;
4. Authorizes a hearing officer to: (1) order the termination of employment; and (2) impose a civil penalty in an amount not to exceed \$7,500 for each violation, which must be paid by the proper person, not his or her public employer. The amendment also allows the fine to be paid by the employer if the employer had knowledge of the improper governmental action or reprisal or retaliatory action;
5. Requires employers to notify all employees of the changes proposed by this bill and to provide training as needed; and
6. Changes the effective date to upon passage and approval.

Chair Flores:

I will take a motion to amend and do pass A.B. 274.

ASSEMBLYWOMAN MARTINEZ MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 274.

ASSEMBLYMAN ASSEFA SECONDED THE MOTION.

Members, is there any discussion?

Assemblyman Leavitt:

I think this bill is important; however, my issue with this is it allows the governing body to enforce termination and a penalty on top of termination. I am willing to talk to the sponsor of this bill, but right now I am going to vote no and reserve my right to change my vote.

Assemblyman Ellison:

I understand where the sponsor of this bill is coming from and what she is trying to accomplish. I believe this bill could stop the right to manage. I think that is the biggest problem I have. I am hoping that we could work this out. I believe that if someone is harassing someone, they have the right to be terminated or whatever has to be done, but they still have to go through a process. This bill will stop the process. I am going to vote no, but reserve my right to change my vote. I would like to talk to Assemblywoman Neal because we could still change this bill. I still think that this bill will take away from agencies the right to manage.

Assemblyman Hafen:

I would like to echo Assemblyman Ellison's comments. I will be voting no, but I would like to reserve my right to change my vote on the floor.

Assemblywoman Hardy:

I agree. I will be voting no, but I would like to reserve my right to change my vote on the floor. I would like to work with the sponsor because we do want to encourage people who feel like they are being discriminated against to report. I have some concerns with some of the language, specifically "fines and termination." I think it is an important issue.

Chair Flores:

Are there any additional comments? [There were none.]

THE MOTION PASSED. (ASSEMBLYMEN ELLISON, HAFEN, HARDY,
AND LEAVITT VOTED NO.)

Assemblywoman Neal will take the floor statement. Next on the work session is
Assembly Bill 297.

Assembly Bill 297: Revises provisions governing fire safety equipment. (BDR 42-1051)

Jered McDonald, Committee Policy Analyst:

Assembly Bill 297 revises provisions governing fire safety equipment ([Exhibit H](#)). It was sponsored by Assemblywoman Martinez and was heard on March 28, 2019. Assembly Bill 297 requires the owner or operator of a building equipped with a fire or smoke damper or combination of the two to have the unit inspected by a certified technician as often as required by the *International Fire Code* as published by the International Code Council. The bill also requires the owner or operator of a building to make the certification of inspection available upon request of the state fire marshal. Moreover, the bill requires the technician to report malfunctions or defects discovered during the inspection to the building owner or operator and the state fire marshal. Finally, the bill requires the technician to provide a certification of inspection to the building owner or operator containing: (1) the location of the device; (2) the date of the inspection; (3) the results of the inspection; and (4) the name and certification number of the technician.

There is an amendment submitted by the sponsor of this bill which says:

1. Inspections must be in accordance with the most currently adopted version of the *International Fire Code* by an approved testing agency acceptable to the State Fire Marshal Division of the Department of Public Safety and the agency with jurisdiction;
2. Reports containing malfunctions and defects must be sent to the agency having jurisdiction;
3. A licensed fire alarm technician must present or have a current fire alarm license issued to conduct an inspection or test of the fire damper, smoke damper, a combination fire and smoke damper, or smoke control system; and
4. A license issued by the state fire marshal is required for the installation, inspection, or maintenance of smoke control systems, fire dampers, smoke dampers, or combination fire and smoke dampers.

Chair Flores:

I will take a motion to amend and do pass A.B. 297.

ASSEMBLYWOMAN GORELOW MADE A MOTION TO AMEND AND
DO PASS ASSEMBLY BILL 297.

ASSEMBLYMAN McCURDY SECONDED THE MOTION.

Is there any discussion?

Assemblyman Ellison:

I would like some clarification on this bill. I thought that in the bill, the sponsor said that this would exclude most of the rural areas other than when installing new devices.

Randy Soltero, representing Soltero Strategies:

I am representing sheet metal workers. Yes, the clarification is in the language of the bill. It excludes counties of 100,000 people or fewer.

Chair Flores:

Just as a point of clarification, the 100,000 people or fewer referenced in the language was already existing; however, that specifically goes to a different section of the bill. I think we should get clarification from our Legal Division, Legislative Counsel Bureau.

Asher Killian, Committee Counsel:

The new language added in sections 2-5 of the bill is not subject to the population limit. It would apply to any county regardless of population. If the intent of the amendment is to restrict it to certain counties, it is within the Committee's ability to vote out. As drafted, it would apply in any county.

Chair Flores:

We can do one of two things. If the original intent of the bill was for the 100,000-person population cap that was already in statute to apply to this language, we can offer a conceptual amendment. We would have to withdraw the motion on the table now. If the intent is, in fact, for the 100,000-person population cap to apply to where it applies now but not to the new language—so it applies to everyone statewide—we can leave the motion as is. Is there a specific direction that you would like to go?

Randy Soltero:

We will leave it as is.

Chair Flores:

Assemblyman Ellison, to your question, the 100,000-person population cap does not apply to the new language. It would impact the rurals.

Assemblyman Ellison:

Some of these rural areas have very few people who would come out there and do the inspection. If you think that you are going to get someone to go to Eureka, Nevada, every two years to check a stove, it will not happen. I am hoping that you would have left the cap in there the way the original bill was. I will have to oppose the bill.

Assemblyman Leavitt:

My suggestion is to take it to the municipality and have a cap on the municipality rather than the county because it is overly burdensome to certain areas, even those in very large counties—such as Laughlin, Nevada.

Chair Flores:

I appreciate everyone putting on the record how they feel about the motion that was made; however, at this time we are not entertaining to change that. There has been a motion. If you have any concerns with that, I encourage you to speak. The motion is to amend and do pass as the bill was written with the intent of capturing the rurals as well. We respect anyone who disagrees with that. That is the motion, but we are not amending anything. Are there any additional comments?

Assemblyman Assefa:

I have a point of clarification. How often does this equipment need to be inspected?

Randy Soltero:

Every four years.

Chair Flores:

Any additional comments? [There were none.]

THE MOTION PASSED. (ASSEMBLYMEN ELLISON, HAFEN, HARDY,
AND LEAVITT VOTED NO.)

Assemblywoman Martinez will do the floor statement. Next on the work session is Assembly Bill 300.

Assembly Bill 300: Makes various changes relating to veterans. (BDR 37-95)

Jered McDonald, Committee Policy Analyst:

Assembly Bill 300 makes various changes relating to veterans ([Exhibit I](#)). It was sponsored by Assemblywoman Miller and heard on April 1, 2019. Assembly Bill 300 requires the director of the Department of Veterans Services to prescribe a questionnaire for veterans concerning their experience in the military and any service-connected disabilities and diseases, and annually submit the information obtained through the questionnaire to the Division of Public and Behavioral Health (DPBH) of the Department of Health and Human Services. The bill also requires the director to conduct public outreach programs to provide information and raise public awareness concerning service-connected disabilities, diseases, and survivor benefits available to family members of veterans. Further, the bill requires DPBH to establish free continuing education courses concerning issues related to the health of veterans, including service-connected disabilities and diseases, for providers of health care and certain other persons. Finally, in addition to other provisions, the bill requires providers of health care to inquire about the veteran status of new patients over 18 years of age and provide contact information for the Department of Veterans Services.

Assemblywoman Brittney Miller had an amendment that was discussed during the hearing. The amendment does the following:

1. In section 5, requires the Department of Veterans Services to post information regarding diseases presumed to be service-connected on an Internet website maintained by the Department;
2. In section 9, requires DPBH to collaborate with the Department of Veterans Services to establish continuing education courses and/or information concerning the health of veterans;
3. Makes the requirement for providers of health care to inquire about veterans status permissive by changing "shall" to "may";
4. Removes data collection and reporting requirements for providers of health care;
5. In subsection 3 of section 10, allows physicians to respond to surveys requesting whether they inquire about veterans' status;
6. Allows an advanced practice registered nurse, osteopathic physician, physician assistant, or chiropractor to include a statement expressing if they inquired about veterans status in a license renewal application; and
7. Removes sections 13, 17, 19, and 21 regarding disciplinary action.

Katherine Miller, U.S. Army Colonel (Ret.), Director, Department of Veterans Services, proposed the following amendment:

8. Add the term "injuries" to service-connected disability or disease.

Chair Flores:

I will take a motion to amend and do pass A.B. 300.

ASSEMBLYWOMAN MUNK MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 300.

ASSEMBLYMAN LEAVITT SECONDED THE MOTION.

Is there any discussion? [There was none.]

THE MOTION PASSED UNANIMOUSLY.

Assemblywoman Miller will carry the floor statement. Next on the work session is Assembly Bill 326.

Assembly Bill 326: Establishes a program to provide loans to certain operators of grocery stores located in underserved communities. (BDR 18-318)

Jered McDonald, Committee Policy Analyst:

Assembly Bill 326 establishes a program to provide loans to certain operators of grocery stores located in underserved communities ([Exhibit J](#)). It was sponsored by Assemblyman McCurdy and others. It was heard on March 29, 2019. Assembly Bill 326 creates the Nevada Fresh Food Financing Initiative. The bill requires the State Treasurer to develop a lending program, including a loan application process, to grant loans to grocery store operators who are located or plan to locate in an underserved community. The State Treasurer must also establish the criteria to determine whether to make a loan and, in doing so, must consider if the loan will promote access to healthy food options and expand employment opportunities and economic development. Further, the measure requires the State Treasurer to set interest rates as low as possible, but still at a level sufficient to pay for the cost of the program. Finally, the bill creates the Nevada Fresh Food Financing Initiative Account and makes a \$10 million appropriation from the State General Fund.

We have an amendment that was presented during the hearing. The amendment does the following:

1. Replaces all references to "grocery store" with "fresh food retailer";
2. Expands eligible service areas to include low-income areas and census tracts immediately adjacent to underserved areas and low-income areas;
3. Provides for and limits the State Treasurer's administrative expenses for the program; and
4. Authorizes the State Treasurer to enter into one or more public-private partnerships with qualified private partners to administer the program.

Chair Flores:

I will take a motion to amend and do pass A.B. 326.

ASSEMBLYWOMAN BILBRAY-AXELROD MOVED TO AMEND AND DO PASS ASSEMBLY BILL 326.

ASSEMBLYWOMAN DURAN SECONDED THE MOTION.

Is there any discussion? [There was none.]

THE MOTION PASSED UNANIMOUSLY.

Vice Chair McCurdy will carry the floor statement. Next on the work session is Assembly Bill 347.

Assembly Bill 347: Revises provisions governing business associations. (BDR 7-554)

Jered McDonald, Committee Policy Analyst:

Assembly Bill 347 revises provisions governing business associations ([Exhibit K](#)). It was sponsored by Assemblywoman Neal and others. It was heard on April 1, 2019. In lieu of reviewing the original bill, we will continue with the conceptual amendment. The amendment was presented during the hearing and will replace the contents of the original bill. The amendment does the following:

1. Allows a local emerging small business (ESB) in revoked status for a period of five years or less to petition the Secretary of State for reinstatement. The ESB must pay the Secretary of State at least 25 percent of the total amount due and can enter into a one-time payment plan option for the remaining balance for a period of not more than 12 months. The ESB will have its right to transact business restored under a conditional status until the payment plan terminates. If at any time during the term of the payment plan the ESB defaults, its rights to transact business will be forfeited; and
2. Changes the effective date from July 1, 2019, to upon passage and approval.

Chair Flores:

I will take a motion to amend and do pass A.B. 347.

ASSEMBLYMAN LEAVITT MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 347.

ASSEMBLYWOMAN BILBRAY-AXELROD SECONDED THE MOTION.

Is there any discussion? [There was none.]

THE MOTION PASSED UNANIMOUSLY.

Assemblyman Leavitt will take the floor statement. Last on the work session is Assembly Bill 397.

Assembly Bill 397: Revises provisions governing misconduct by certain public officials. (BDR 18-1038)

Jered McDonald, Committee Policy Analyst:

Assembly Bill 397 revises provisions governing misconduct by certain public officials ([Exhibit L](#)). It was sponsored by Assemblymen Benitez-Thompson and Frierson. It was heard in this Committee on April 1, 2019. Assembly Bill 397 authorizes the Nevada Equal Rights Commission to submit a recommendation of impeachment to the Assembly of the Nevada Legislature only if the Commission determines in a public hearing that an elected official has committed an unlawful employment practice regarding sexual harassment and

that such sexual harassment is sufficiently severe that impeachment is appropriate. The bill also authorizes the Commission to present an accusation of sexual harassment against a district, county, township, or municipal officer to the grand jury of a county only if such sexual harassment is sufficiently severe that removal is appropriate. In addition, the bill requires that any damages assessed against an elected official or district, county, township, or municipal officer be paid in his or her personal capacity. Finally, the measure provides that an accusation of sexual harassment made against a district, county, township, or municipal officer made by the Commission is legally sufficient for removal in certain circumstances.

The amendments were discussed during the hearing. Kara Jenkins, Administrator, Nevada Equal Rights Commission, proposed the following amendment:

1. Add the term "pervasive" regarding the standard for determining whether sexual harassment occurred; and
2. Expand the intent of the bill to include unlawful employment practices regarding discrimination. That would pull in all the federal statutes under Title VII.

[A conceptual amendment ([Exhibit M](#)) was also submitted by Assemblywoman Benitez-Thompson.]

Chair Flores:

I will take a motion to amend and do pass A.B. 397.

ASSEMBLYMAN ASSEFA MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 397.

ASSEMBLYMAN McCURDY SECONDED THE MOTION.

Is there any discussion? [There was none.]

THE MOTION PASSED UNANIMOUSLY.

Assemblywoman Benitez-Thompson will take the floor statement. We are ending the work session and going to begin the bill hearing of Assembly Bill 399.

Assembly Bill 399: Provides for the establishment of a retirement savings program for private sector employees. (BDR 31-606)

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

I am delighted to be with you here today to discuss Assembly Bill 399. During the interim I had the privilege of serving on the task force for financial security—which was bipartisan and bicameral. We took a multifaceted view of factors affecting our constituents' financial

position and examined policies that the state can implement that would help Nevadans become more self-reliant. We heard testimony about how too many Nevadans are just one small setback away from financial insolvency and too many Nevadans lack the resources to be able to retire.

[Assemblyman McCurdy assumed the Chair.]

Assembly Bill 399 stems from our task force's efforts and was one of our recommendations. It was presented to us by our former State Treasurer and our current Lieutenant Governor, Kate Marshall, who has a very long track record of successfully helping our state with matters of financial security. Before I turn the presentation over to our Lieutenant Governor, I would like to update you with some additional legislators who would like to sign on to the bill. For the record, we are adding Assemblymen Bilbray-Axelrod, Carrillo, Munk, Neal, and Yeager and Senators Harris, Parks, and Washington.

Kate Marshall, Lieutenant Governor:

I want to yield most of my time to an expert we have flown in from Washington, D.C., who works for AARP and deals with these programs across the country. Before that, I would like to second what Assemblywoman Spiegel said; we have been working on this for a number of years. It began during the Great Recession when we realized that so many Nevadans were in financial straits in part because they did not have much in savings and they certainly were not saving for retirement. We talk a lot about social security not being sufficient for people's retirement, but in my mind, what we really have in this country is a retirement savings crisis—as opposed to a social security crisis. In an effort to bring resiliency and stability to our people in Nevada, this is a program that would allow private sector employees a retirement option that is simple, accessible, and portable. It would also provide an emergency savings account for employees so that if their car broke down, they would not have to go to a payday lender; they could borrow from their own savings. I have worked on this for a number of years. We presented it to the Nevada Task Force on Financial Stability, and it came out as a recommendation from them—for which I am most grateful. I want to pass most of my time off to AARP to go through the bill line by line and give some details about the benefits of the bill.

[([Exhibit N](#)) was submitted but not discussed.]

Sarah Mysiewicz Gill, Senior Legislative Representative, AARP, Washington, D.C.:

Just to give a brief agenda, I will go over what the need is for this legislation, what other states have done to address their retirement security crisis, and then go through the bill line by line. On page 2 ([Exhibit O](#)) you can see that the risk of financial insecurity in retirement is on the rise. In fact, in the 1980s one out of every three households was at risk for a financially insecure retirement. Today that number has climbed to one out of every two households. That does not mean that you will not be able to buy your grandkids a birthday gift. It means that you will not be able to keep the lights on, pay for your

prescription drugs, or pay the rent. That is pretty scary. In fact, it gets a little worse, but I would like to say that the good news is there is a solution to all the gloom. Almost half of all households have nothing saved for retirement—not a dime.

Oftentimes I get the question: Why is AARP working on this; is it not a millennial issue? As a millennial, this is absolutely an issue that affects my generation. Roughly 53 percent of people who are millennials and younger do not have access to a retirement plan and have nothing saved at work [page 3]. This issue also impacts our members who are 50 years and older. Forty percent of people between the ages of 55-64 have nothing saved. Part of the reason this is true is because access to retirement plans has not changed for over forty years. Roughly one out of every two private sector workers has not had a way to save for retirement out of their regular paycheck for forty years. They go to work every day, they do the right thing, but they are expected to figure out how to do it on their own.

Nevada is not alone in this plight; it is a similar case across the country. I think it is good to put the state in a little bit of context. The National Institute on Retirement Security did a financial scorecard ranking of all states and found that Nevada is actually pretty low in the rankings. The survey looks at potential retirement income, retiree costs, labor market conditions, and the average savings rates of residents. As you can see [page 5], Nevada is in the very lowest segment of the country in terms of needing the most. The next page [page 6] shows where the state falls in terms of people without access to a retirement plan. Right about in the middle you can see that a lot of the western region falls in the same areas in terms of roughly one out of two workers not being able to save at work. If you look at the next page [page 7], you will see something that tells a deeper tale, which is that workers of color are far more likely not to have a way to save for retirement out of their regular paycheck. As you can see, Nevada is very strongly impacted by that. The next page [page 8] shows the sheer numbers for the state. Roughly 57 percent of Nevada's private sector workers do not have a way to save out of their paycheck. That is more than a half million people—557,000 people across the state.

The key question is, why does that matter if you can go out on your own and open an individual retirement account (IRA)? You absolutely can and should open an IRA. What we know is that individuals do not do that. Of the more than a half million people in Nevada without a way to save at work, only 5 percent of them will go out on their own and open an IRA. If, on the other hand, they have a way to save out of their regular paycheck, they are 15 times more likely to save for retirement [page 9]. If that is an opt-out version—an automatic enrollment—they are 20 times more likely to save just by using key behavioral economic tools. The next page is why saving is important [page 10]. It is not just the right thing to do, it is not just making the easy way the right way, but it is also about saving taxpayer dollars. If we help people save their own money for retirement now, down the line we will save on social safety net spending. A recent study found that the state of Nevada could save \$24 million over the next decade or so if they help people save a reasonable amount for retirement—an extra \$1,000 per year.

[Assemblyman Flores reassumed the Chair.]

To give a little bit of national context [page 11, ([Exhibit O](#))], states across the country are looking at similar programs. There is a wide variety of action similar to what Nevada did over the last few years in terms of studying the issues. We have several states that have studied and have decided to move forward. In fact, we have roughly 10 states—11 if you count localities—that have passed legislation to set up a program. You will see some of the opposition testimony gloss over the fact that we have 10 states that are getting programs up and running. Most states have not rejected this. In fact, states have decided to move forward and set up these programs because they have looked at the experiences of 529 savings plans and Achieving a Better Life Experience (ABLE) accounts. This is really what this bill is based off of. It is a public-private partnership that helps people save their own money for retirement. It is important to note that this is completely voluntary. Employees are always in the driver's seat. The employee chooses if they want to put money away, how much they want to put away, and where they want to put their money. As you can see in the national context, red states and blue states have decided to move forward on this issue after studying the issue. The states are deciding that now is the time to take action instead of waiting for the federal government to come up with a solution. We do not want a one-size-fits-all solution.

I am really excited because the last time I was here I did not have actual data to point to from other states. Now we have gotten several programs up and running and we have successes to point to. I will turn your attention to OregonSaves [page 12], which was the first over the finish line to get its automatic IRA up and running. As you can see, they have more than \$16 million saved over the last year and a half. That number is mostly by new savers—people who have never saved for retirement before. One of the key features you heard the Lieutenant Governor mention earlier is that the first thousand dollars goes into what is essentially a bank account. Because it is a Roth IRA, they can access their own contributions without a penalty. That means that if they blow a tire and they had no savings account before, they can now access the savings account and they do not have to go to a payday lender. Roughly 75,000 employees have enrolled in this program. They are saving about \$100 a month. We have heard that the average income for these employees is between \$24,000 and \$29,000 a year. These are not people who are making a ton of money. These are people who have wanted the opportunity to save but may not have had the minimum balance to open an IRA.

Kate Marshall:

I would like to add that we have been getting letters and supporters. I wanted to tell you that AARP, Service Employees International Union, the Small Business Majority, the Nevada Women's Lobby, Opportunity Alliance Nevada, the Henderson Chamber of Commerce, State Street Global Advisors, and the Latin Chamber of Commerce are all supporting this bill ([Exhibit P](#)). Barry Gold will talk about a recent poll that AARP did here in Nevada.

Barry Gold, Director, Government Relations, AARP Nevada:

I want to highlight a small business owner survey that AARP just completed ([Exhibit Q](#)). We just released it yesterday. It was done here in Nevada with 500 small business owners with fewer than 100 employees. We found out that 72 percent of small business owners said

that more should be done to encourage Nevada residents; if you include "a little more," that becomes 83 percent. Seventy-two percent support a Nevada retirement savings program and 79 percent agree that our lawmakers should also support a retirement savings program. In terms of staying competitive, 76 percent of small business owners said they currently do not offer a retirement savings program. There are a variety of reasons, including it is too costly, it is too complicated, and it is too time-consuming. This offers them a very simple plug-and-play option. Eighty percent of the small business owners agreed that the retirement savings program would help small businesses stay competitive by helping them attract, hire, and retain quality employees. A two-thirds majority said they were very likely to offer such a plan. I wanted to mention that the small business survey was just released yesterday. It is on Nevada Electronic Legislative Information System (NELIS); and if anyone wants the demographic data and the actual answers, I did not put it on NELIS, but I would be happy to supply it to the Committee members.

Sarah Gill:

I will briefly go through the text of the bill. If there are questions, let me know. Sections 1-18 are definitions. I will call your attention to two particular definitions. First, covered employee includes anyone who is over the age of 18, has worked more than 120 days, and works in the private sector. Second, covered employers are businesses that have been around for two years or more—they are not brand-new businesses; they have not offered a retirement plan in the last two years—which is to prevent attrition of people who are already offering a retirement plan from giving up their plan and moving into an automatic IRA; and finally, they use an electronic payroll provider—if you are writing paper checks, this does not apply to you.

Section 19 creates a board. I will call your attention to a few things in this section. First, I would say that this is a very broadly representative board—much like the study that was set up. The board has representatives from employers, employees, retirees, small businesses, and financial industry providers. The powers of the board are to design, establish, and operate the program. Specifically, they will set defaults—default investments and default rates. They will provide for potential lifetime income with a monthly check—similar to what you have for social security rather than a lump sum at the end of the day. The board will be talking about how to convert that into something that is more manageable for individual savers. It would provide for the drafting of regulations.

Section 21 looks at interstate agreements and allows for different state departments to work together. Section 22 is very important; it does not constitute a debt of the State of Nevada. Nevada is not responsible for the gains and losses of the program. The board obligations are solely payable from assets that are controlled by the board. Section 23 talks about program design. It is automatic enrollment, which means you opt out if you are an employee. Remember, the employee chooses if they want to participate, how much they want to put away, and where they want to put their money. This section provides for setting defaults and employee packets. The only thing the employers are responsible for are the employee packets. To be clear, there are two things that an employer does in this program. One, the employer runs the payroll reduction—which they are already doing for taxes and health care,

among other things. Two, they give a packet of information to the employee. Under federal law, that is really all the employer can do—those two things. The employer is prohibited from interacting more than that because it is not an employer-sponsored plan. Section 24 creates an administrative fund.

Section 25 allows the program to borrow money for start-up funds or to enter into longer-term procurement contracts—which is what some states like Oregon have done in order to deal with startup costs. Very importantly, this program is entirely self-sustaining; it does not take ongoing taxpayer dollars. It is paid for exactly the same way a 401(k) in the industry would be paid for today—through participant fees. Section 26 essentially sets up for other provisions of the board, but it says, most importantly, that these accounts can be pooled. The individuals will always retain their IRA. This is their IRA, which the same federal laws apply to: the \$6,000 contribution limit and the withdrawal requirements under the federal government—those laws still apply, but the State of Nevada can pool these together and get a better deal by getting an investment advisor to say that instead of having an individual retirement account, I am pooling all of these small business workers together and getting them a more cost-effective program.

Section 27 provides for confidentiality—which is really important. The balances that people have are not being publicized; they are in individual accounts just like your regular IRA. Section 28 is also very important. It deals with employer liability. This has been the case across the board in every state I have seen, and it is very clear here in the potential statute. It says that the employers are not responsible for gains and losses—full stop. Just like a 401(k) today, what you put into the market is what you get out—both gains and losses. It is a decision that employees are making. Employers are not fiduciaries of the program. This is unlike a 401(k) which would be provided in the private sector. Employers would not be fiduciaries and are not responsible for the decisions that are made in terms of the providers or investments. Similarly, in section 29 the state is not responsible for gains and losses. Again, this is just money put into the market plus or minus gains and losses.

Additionally, it is reiterated more than once in the bill that these are not state obligations or debts; they are debts of the board. It says in section 30 that board members are fiduciaries. This is really important because we want to make sure that all of the investment decisions and money is used for the exclusive benefit of the workers—that mirrors provisions in the Employee Retirement Income Security Act of 1974. Furthermore, section 30 prohibits conflicts of interest amongst board members. Finally, it requires annual auditing and reporting.

Chair Flores:

Thank you for the presentation. I do not have a question, but I have a comment. I very much appreciate the spirit of this bill. I know there are a lot of people in my district who are so focused on surviving that it is difficult to plan for the future. It is not for a lack of interest;

it is just when you are focused on putting food on the table today, it is very difficult for you to plan for tomorrow. I appreciate the spirit of this bill. I think it is going to positively impact some of our most vulnerable communities. Thank you. I would ask that I have the opportunity to be a cosponsor.

Assemblyman McCurdy:

I, too, represent a district that is very focused on just surviving. I believe that this will allow them to have a future they can actually enjoy. I would be honored to be a cosponsor as well.

Assemblywoman Bilbray-Axelrod:

I think we all have districts where people do not prioritize savings. I am curious about the level of involvement required. Can younger folks be more aggressive while older folks stay back a little bit? Can you speak to that?

Kate Marshall:

While there is a default rate that the board approves to deduct from a person's paycheck, it is voluntary. A person can increase, decrease, or opt out. For example, the average amount put in is \$100 a month in Oregon—about \$42 a paycheck. Let us say that you go through a couple of pay periods and you say that is too much for you; you can change it. You can decide to do nothing. You can decide to do 1 percent of your paycheck. Let us say that you are older and wiser and say, Oh gosh, retirement may be coming up; maybe I should think about saving a little more. You can increase it.

Sarah Gill:

Also on the risk factor, I think it is really important that there will be different types of investments available. Look at, for instance, what is going on in Oregon. They have a conservative option which is target-date funds—it is the default. After you have the first \$1,000 that goes into the savings account, it rolls into a target-date fund which is based on your projected age of retirement. Millennials can be far more aggressive than someone who is coming up towards retirement.

Assemblyman Ellison:

This is an opt-in program, right? This is not something that the state is going to say you have to offer. Is this something that allows companies to say we might want to consider this?

Sarah Gill:

The way that it works is that employers are always able to offer any retirement program they want to offer. If you, as a small business owner, want to offer a 401(k), you already offer one, or you want to set up a simple one, you can do that. The bottom line is, if you have been around for two years or more, do not write paper checks, and you have not offered a program for the last two years, you have to offer the option for employees to save for retirement. You have to give them the opportunity to choose to save. In order to make that easier, the state is going to set up a backup, plug-and-play, IRA option that is run completely through the private sector. It is a public/private partnership. All the employer does then is send the money from payroll deduction and give the employees a packet; that is all.

Assemblywoman Spiegel:

One of the other features that is very nice, because so many other states have gone to programs like this, is the automatic payroll companies out there are already set up to do this. It becomes a matter of having the switch flipped on for Nevada. It will be very easy for employers to make this available to employees who are all individually allowed to opt out if they so choose.

Assemblyman Ellison:

There are so many policies out there. What would make this any different from anything else that is out there? I had a whole life policy until somebody found out how to use it better than I could. Sometimes it is better to watch your own than to watch somebody else's.

Kate Marshall:

Think of this as a starter home. It provides a basic savings account up to \$1,000. Once it has that much, it rolls into relatively conservative investments—just like a college savings account. If the person wants to get more sophisticated, this is their IRA and they could go to Merrill Lynch or any of the other operators in this area. Most people cannot do that now because they do not have the upfront deposit needed to open an IRA. Most of the time you cannot open an IRA with \$42; you need \$500 or \$1,000, but they cannot do that. In addition, there are many people in this country dealing with financial service providers and talking about finances. Sitting down and going through the math is very intimidating. This is a way to get people into the habit of saving in a way that is simple and accessible.

Assemblywoman Spiegel:

Additionally, Nevadans are not saving for retirement. Out of all of the options that are out there today—life insurance, annuities, IRAs, savings accounts—only 5 percent of Nevadans are using them. Most Nevadans do not even have savings accounts. Many Nevadans could not even pay to have their car fixed if it broke down. This is providing Nevadans with the means of being more self-reliant.

Assemblyman Leavitt:

Ideologically this seems like a good thing. I have just a couple of clarifying questions. If employers are not prohibited from doing essentially the same thing that is written into this bill, why are they not doing it? In your research, what is prohibiting, what is the downside for employers doing it right now without legislation?

Sarah Gill:

That is the crux of the issue—why are employers not doing this? When we poll them, what we hear from small business owners is that they think that providing a retirement plan is the right thing to do. They think of their workforces' families and they want to offer a way to save for retirement, but it is too expensive, too time-consuming, too confusing, and they do not know where to start. Frankly, this is for smaller businesses that are busy keeping the doors open. It is for the businesses that do not have a human resources (HR) department. When we poll, we find that 8 out of 10 employers say that the state should do more to make it easier for them to offer a retirement program.

Barry Gold:

This is shown in the Nevada small business survey that we talked about earlier ([Exhibit Q](#)). We surveyed over 500 small businesses. Sixty-two percent of small businesses said it was too costly, 35 percent said it was complicated, 31 percent said it was just time-consuming. Those numbers are playing out there. Those are the reasons that businesses say they cannot offer any retirement programs. They say they would like to, but they cannot.

Assemblyman Leavitt:

Can an individual withdraw or borrow against more money than they have contributed or than the account has increased through investment?

Sarah Gill:

No, they cannot. It works just like an IRA. The money they put in they can get out without a penalty in a Roth IRA. In a pre-tax situation, they would have a penalty if they withdraw earlier. They can withdraw on the investment money they get, but they cannot overdraw it, which brings up a really good point. This is not a guaranteed benefit. The state is not guaranteeing anything. It is explicit in the language that this is not a pension; it is a defined contribution program.

Kate Marshall:

The way that these are structured in most states is that the first \$1,000 is in a straight savings account—just like you would have a savings account, you can use it for anything you like. Any money after the first \$1,000 goes into a post-tax Roth IRA, which means you can borrow to yourself what you have in your Roth IRA and, as long as you do not take out the interest you have earned, there are no penalties attached because you have already paid taxes on the money when it went in.

Assemblyman Leavitt:

Just for clarification, the initial \$1,000 you cannot withdraw from, it has to stay there?

Kate Marshall:

No, the opposite. The initial \$1,000 is in a savings account, and it is easily accessible. If, for example, my car broke down on the way home from work, I could get that money the next day, or within 24 hours, and I could fix my car instead of going to a payday loan agency or asking my employer for an advance on my paycheck.

Assemblyman Leavitt:

Say you pay into that \$1,000 and the money above and beyond that is invested, but you take a loss. Are you no longer eligible to borrow against what you contributed, so the gains and the losses work equally? If I put \$500 into the IRA and it takes a loss and the money is gone, am I eligible for that \$500 I contributed or is the money no longer available to me?

Assemblywoman Spiegel:

Think about it as a savings account: you put money into the bank and the first \$1,000 is a regular bank account—it is very stable and is available on demand—the amount above that is

invested through investment vehicles and the assets in your portfolio may vary based on the performance of the instruments they are invested in. You would still have the capability of borrowing against the \$1,000 in your savings account, but you could not borrow beyond that, or else it would be like bouncing a check.

Assemblyman Assefa:

I think this is an awesome bill that helps people who might not otherwise save. I think your survey nailed it. One of the reasons why small businesses do not provide retirement savings plans is because a small business owner is one person or maybe a family—the same person is the chief executive officer and the payroll person. This bill is something that alleviates burden while it also creates a way for people to save. Because this is an opt-out program, how easy is it for the employee to opt out of the program? Is it a simple form that they fill out or is it a verbal notification through their employer?

Sarah Gill:

It is very easy. In fact, one of the employers in the Illinois program said that she chose her investment structure while her child was taking a nap. She said that was how easy it is. Opting out is just as easy: it is either a paper or online form—most of it is done online. We are well aware that, especially for the population of folks who have never saved for retirement before, there could be various barriers such as access to the Internet and language barriers. In California, they are working on forms in a multitude of different languages. We anticipate that it would be just as easy to do that in the state of Nevada.

Assemblyman Assefa:

As far as the responsibility of the employer or small business owner, you described that their responsibility is to provide the packet and to initiate the process by doing the payroll withdrawal. If the owner is limited to that, let us say that a business owner does not like this policy and does not want to do it; what is the penalty for noncompliance?

Kate Marshall:

We are trying to help businesses and employees, so there is no penalty. If you have been in business for two years and you forget, are six months late, or you got confused and did not do it correctly, we are here to help, not to penalize. There is no penalty.

Assemblywoman Hardy:

As a small business owner, I agree with a lot of the reasons you mentioned why we do not provide retirement savings plans. It is not that we do not want to. A lot of our employees become like family. You mentioned several other states that are doing this or have done it. How was the program rolled out? What is a time frame that you see for this?

Kate Marshall:

It takes a while to roll out because we are trying to make sure there are no glitches. A board would be formed. The board would issue a request for proposal to hire a vendor—like a Vanguard, Fidelity, or State Street. Once we get the vendor, we would first approach larger businesses that have an HR department because it is that much easier to work with them in

comparison to mid- and small-sized businesses. It is tiered. You will see in the bill it talks about beginning the rollout in 2021 and finishing the rollout in 2022. You will see that it takes time. The whole reason we are taking time is because we are trying to do this in the easiest, least destructive way possible. We do not want to have rollout problems, so we would rather take it slower.

Assemblyman Hafen:

I appreciate my colleagues' questions about opt in versus opt out. I think it is clear that this is an opt-out program. One of my concerns is on page 8, section 23, subsection 5, where it talks about the board establishing intervals in which a covered employee could opt out. I have some concerns that this would restrict people from having their money when they actually need it if they only have small windows when they could opt out. Could you elaborate on the intent of those intervals? Would it only be once a year when they could opt out?

Kate Marshall:

Please notice first that it says "may," so it is not a requirement. Some states have found that the private sector employees wanted the opportunity to be reminded so they can reaffirm opt out or opt in. It is there just in case. I think it is up to the board to make sure we do what the employees want.

Sarah Gill:

That is absolutely correct. The intent is to give the workers another bite of the apple—to say they do not want to be in the program.

Kate Marshall:

In other words, we put the word "may" there because, if the employees end up not wanting it, or if the members on the board state that the business community does not want the program, they do not have to have it. We are trying to make sure we have options in there so the business community and private employers feel like they are being heard.

Assemblyman Hafen:

My understanding is that this would be an IRA account. I want to encourage people to save; I think that is very important. While you guys were talking, I went into my IRA and clicked three buttons and added some money to it. It was that easy. My question is: Is the program going to be easy or overly complicated? Is it going to continue to be that easy to contribute?

Assemblywoman Spiegel:

It is going to be that easy for people to do it, but one of the beauties of this is that people will be setting it up through work. I remember when I was first out of college, I was not earning a lot of money and it was very difficult to make ends meet. I started my career doing financial planning, so I knew about the importance of saving for retirement. When I started working for a big company that had a 401(k) program, I said that I need to max out in this and I need the money to come right out of my paycheck, because if it comes into my paycheck, I will spend it. If it is not in my bank account to spend, I will not spend it. That set me up for

saving for retirement that has formed the basis of my retirement. It was that easy for me. I was selling mutual funds, so I knew how to do it. When I was working full-time for someone, I did not feel like I could make the kinds of investments that were necessary to be using a commercial product. This bill affords people the opportunity to set their investment level. It could be a low amount, but it will help them feel they are making positive strides. Look at the average of \$100 a month—which is \$25 a week. There are many people who are earning very little, but can save \$25 a week. If they cannot swing that, they could bring the amount down to \$10 or \$5 a week so that they can make it work, but you cannot necessarily do that with other commercial products. I do not know if I have seen any products where you can invest less than \$50 per pay period—I could be wrong—but I have not seen otherwise. This will help people who do not have means of helping themselves through other alternatives out there in the commercial market.

Assemblyman Leavitt:

For example, if I put the \$1,000 into savings and I am eligible for contributing to a retirement fund and then I need new tires—tires are expensive—so I take out \$600. Do I have to build that account back up before I continue to contribute money to the retirement account? Do you have to have \$1,000 before any money is contributed to the retirement fund?

Kate Marshall:

Normally the way these accounts are set up is just like you said. There is a \$1,000 savings account that is at no risk—Federal Deposit Insurance Corporation-insured. If you were to pay \$800 for tires, then you would only have \$200 left, so you would have to build it back up again.

Barry Gold:

I wanted to mention that AARP is working with states all across the country—not just here in Nevada. We are working for the 348,000 AARP members across the state, but also for the 557,000 employees across the state who have no way to save. We are very interested in Nevada employees and retirees being able to retire with means instead of needs.

Chair Flores:

I would like to put on your radar that Assemblymen Assefa, Martinez, and Smith would also be interested in being added to your bill as sponsors. I would like to invite those wishing to speak in support of A.B. 399 to come up.

Zach Conine, State Treasurer:

I am here to testify in support of A.B. 399. The Office of the State Treasurer is committed to the overall financial well-being of our residents and finding innovative ways for retirement as easy and convenient as possible, while also ensuring hardworking families will have access to money in emergency situations. We would like to thank the Committee for hearing the bill, as well as Lieutenant Governor Marshall and Assemblywoman Spiegel for bringing it forward.

Assembly Bill 399 will help close the retirement gap in the state and allow people to begin saving for the future. Through a voluntary opt-out process, workers can choose to participate in a state-run plan where savings can be deposited automatically and their assets will be managed effectively. Five states are currently implementing similar IRA programs. We believe that Nevada can follow their lead in working to ensure that every worker can effectively save for retirement. The Treasurer's Office currently administers the state's 529 college saving plans; the experience of which will help ensure the success in implementing this program in the long term. In terms of costs, I will note that once this program gets up and running, we anticipate that it will be entirely self-sustaining based upon the fees paid by participants in the program to the vendors that would be administering the accounts. This is very similar to how we operate our college savings plans and the Nevada ABLE programs. Again, thank you for the time, and we urge your support.

Lynne E. Keller, Executive Director, Opportunity Alliance Nevada:

We are a nonprofit advocate that wishes to create financial stability for all Nevadans—with an emphasis on the low- to moderate-income people. I am not going to belabor you by reading the written testimony I gave to you ([Exhibit P](#)); rather, I would like to talk about two things. We are also an advocate on the current bills in the Legislature dealing with payday lending. This bill will help us tremendously in that area. Some of the things we do: we have financial coaches. Most coaches have, over the years, coached many people who get caught up in the vicious cycle of payday lending—with horrendous interest rates of up to 600 percent. This will help that part.

The second part is, in my other life I had 34 years in the gaming industry. I was an executive vice president and general manager of a small casino in Reno, Nevada. I struggled for years trying to get a 401(k) program in our company. It was very time consuming and costly. I had to personally sign as a fiduciary to get the program going. It is important for small businesses to have that for several reasons: it shows that you care about your employees and it creates employee retention. Turnover at that point—this was back a few years—was over \$2,000 an employee to hire and train. The program saves money for the business.

Rusty McAllister, Executive Secretary-Treasurer, Nevada State AFL-CIO:

First of all, this bill would not pertain to the members I have who are already part of an existing pension plan. From a personal standpoint, I will say that I have spent time on the Public Employees' Retirement System of Nevada Retirement Board and also sat as a director for the City of Las Vegas' deferred compensation plan. I can tell you that these are important. A plan like this is a good start. Normal retirement plans seem to be going away. Although we would love to see people have the opportunity to have a defined benefit retirement plan, it is not available to many. This is a good start for those who do not have access.

On a personal note, when I was a younger man and first started in the fire department, these old guys said, "Hey, 'Rook', are you in this deferred compensation plan for the city?" I said I did not know what that was. They said that I needed to be in it. I am thankful every day that those guys talked me into it. I started at \$35 a pay period—which was the minimum that

you could put in. They explained how it went in tax-free so it really was not \$35 off of my paycheck, it was really only \$28. Back then the paychecks were not that good, but every time I got a step increase over the course of my career, I upped that amount. By the time I left, I was at the maximum amount I could put in. I am thankful every day that I have that plan and that those funds are sitting there so that, as I get towards retirement and do not want to work anymore, I will have it to supplement my income. I think just having the opportunity available to them makes all the difference in the world. With that, Mr. Chairman, we support this, and I think it is a great idea.

Kent Ervin, Private Citizen, Reno, Nevada:

For background, I have been a member of Nevada System of Higher Education's Retirement Plan Advisory Committee as the University of Nevada, Reno's faculty representative since 2006 and a governor's appointee to the Nevada Deferred Compensation Program Committee since 2015. I am passionate about defined contribution retirement plans. I have been looking into them for a long time. I love this plan, and I love the emergency cash provision—that is such a great idea.

What I want to address today is the cost and the benefit of having a pooled trust. When individuals invest in an IRA—especially if they are just putting in small amounts that they are able to—they get retail prices. Nevada System of Higher Education essentially had retail prices back in the mid-2000s, which meant we were paying one half of 1 percent, 1 percent, or up to 2 percent for some of the investment funds. By pooling our assets and leveraging to the lowest-cost-available mutual fund shares, classes have gotten that down to less than ten basis points—that is 0.1 percent per year—for our default target date retirement funds. That is even less than Public Employees' Retirement System's expense ratio—which is amazing. This plan will not start off there because of smaller assets, but through the board's fiduciary activities they will be able to invest for the individuals and pool all the funds and get cost-leveraging. That is a big advantage I see for the small employer that would not have access to that kind of leveraging.

Shane Piccinini, Government Relations, Food Bank of Northern Nevada:

I represent the Food Bank of Northern Nevada, and I am also a board member of the Human Services Network. As a point of context, the Food Bank of Northern Nevada is currently serving about 90,000 people every month; 2,300 of those are seniors getting services through our Commodity Supplemental Food Program. Additionally, there are hundreds more seniors getting services through our partner agencies. In the past we have been working with Opportunity Alliance to try to figure out some financial opportunities that would help our clients find alternatives to payday lending—that is a big issue for the people we serve. We think that this bill would help provide that. In a perfect world we would not need a food bank. Whatever tools we can bring into the community that would help people become financially stable on their own is something that we are all in on.

Isabel Youngs, representing Service Employees International Union Local 1107; and Nevada Women's Lobby:

We support providing a voluntary automatic enrollment retirement plan for thousands of people without one. The union is committed to moving this important bill forward—particularly because women struggle with retirement savings due to increased economic insecurity, larger gaps in employment, and a wage gap. We are working towards a future where our members' families, friends, and neighbors also have retirement security. We want a healthy, vibrant economy where seniors can retire with dignity and the independence to control their own destinies. All Nevadans deserve it; that is why we are dedicated to creating a Nevada where there is retirement security for all.

Peter Guzman, President, Latin Chamber of Commerce, Las Vegas, Nevada:

I will briefly share why payday loans are being mentioned at this hearing. Many of my members—entrepreneurs and small business owners—use payday loans because they do not have access to capital to keep their doors open. That being said, I had some prepared remarks for this incredible bill, but I will not use them because after hearing a lot of the testimony, I realized I wanted to come from a different place in my soul. I think this bill is so incredible. I commend Lieutenant Governor Marshall. It really hits home that this is such an incredible bill. Twenty years from now people are going to be able to reach into their retirement savings account and they will probably remember the Lieutenant Governor and will be glad they have dignity. I also commend that this is a small business-friendly bill because small business is the engine that drives our community. This will help with retention and with employees. I see no negative in this. I think it is an incredible bill that will, again, allow for a dignified retirement.

On a personal note, a lot of people who look like us are more concerned about paying our bills and not thinking so far into the future. This will give them the opportunity to put a little bit of money away now so they can live a lot better later. I commend everyone for being behind this bill.

Chair Flores:

Seeing no one else in support, we will begin with those who wish to speak in opposition.

John W. Mangan, Vice President, State Relations, American Council of Life Insurers Washington, D.C.:

I want to applaud your interest in retirement security. I am here to tell you that we share that interest and commitment. Our companies are dedicated, one hundred percent of the time, to securing the financial and retirement security to middle-income and Americans of all income levels, not only up to retirement but all the way through retirement. We are doing that every day in Nevada. I want to mention a couple of things because they came up in some of your questions.

Middle-income Nevadans are doing as good of a job as they can to secure their retirement. More than 700,000 individual life insurance policies are in effect in Nevada. Many of those are cash-value life insurance policies. It might surprise you to know that about 15 percent of

retirement savings in America are in cash-value life insurance—that is something that is not often shown in reports. Our individual retirement annuities serve primarily middle-income Nevadans. Each year we pay more than \$550 million to Nevadans in retirement plans under these individual programs. We also provide a range of programs that are available in the private market to any employer of any size. I wanted to make sure that you knew we are out there working hard for middle-income Nevadans and small employers.

In my testimony and my letter ([Exhibit R](#)), I wanted to point out a couple of things. We hope you will take a close look at what other states have done because we do think that the states that have passed this type of mandatory autoenrollment program have actually struggled to implement them. Just a couple of quick examples: California passed its program in 2012. The plan is currently subjected to litigation which has not been resolved. The Legislature in California has approved a four-year, \$170 million taxpayer loan for setup costs. There is a large taxpayer subsidy necessary to get these off the ground—something you should consider. Even the Oregon program—which has not moved forward—testified that taxpayers have fronted between \$7 million and \$10 million to get that plan up and running over the last 15 months. Again, there has not been repayment of that taxpayer subsidy. There are other states that have studied the subsidy necessary, and I would be happy to get you those publicly available subsidies, but all of them are multimillion-dollar subsidies.

Chair Flores:

We have a couple of questions.

Assemblyman McCurdy:

Would you provide the Committee with what the minimum investment for your product is?

John Mangan:

There is no minimum on our products—like life insurance and annuities. Retirement accounts and IRAs are available from many sources—like credit unions and banks—in Nevada with minimums as low as \$25 to open them up.

Assemblyman McCurdy:

Is there anything that would stop anyone from opting into what you are offering in addition to opting into this plan? If so, what are the prohibitions from being able to receive that?

John Mangan:

I would say that there are absolutely no prohibitions for any employer or individual to participate in our plans. One of the obstacles is that all of our plans that are provided to employers in autoenrollment are subject to federal protections for workers—under the Employee Retirement Income Security Act of 1974 (ERISA). This program that is being proposed today actually conflicts with the worker protection program. A lot of small employers are reluctant to move forward with an ERISA plan because it comes with responsibilities: they have to make sure that they protect their workers and are accountable to their workers if anything goes wrong. For instance, if they forget to remit the contributions

to the provider, the worker has the ability to hold the employer accountable. We heard testimony that under this program, the employer is not accountable or responsible for things that go wrong in this program. We disagree with that; we think employers should be accountable under federal laws to the workers whom they are trying to protect.

Assemblyman McCurdy:

To be clear, you are saying that there are no prohibitions to purchasing a life insurance policy at a reasonable rate.

John Mangan:

No, there are no prohibitions. All of our products are purchased voluntarily by individuals and businesses. They are openly available in the free market through thousands of financial advisors in Nevada.

Chair Flores:

Thank you. Is there anyone else in opposition?

Randi Thompson, Nevada State Director, National Federation of Independent Business:

We represent over 2,000 small business owners. There are roughly 300,000 businesses in Nevada and, according to the U.S. Small Business Administration, about 15 percent have 20 or fewer employees. When we talk about small businesses being impacted by this bill, we are talking about roughly 45,000 businesses in this state. I would love to support this bill. We need to teach employees the benefits of retirement savings. Though this bill is well intentioned, this bill is an opt-out program, which makes it mandatory. It is not an employer mandate, it is an employee mandate. While I like the idea of modeling it after the college savings plan, that is an opt-in program. If an employer goes to his employees and says, I have to sign you up, what if the employee does not want to sign up? It is going to put a big wedge between an employer and an employee—especially in a small business. Chair Flores and Assemblyman McCurdy, you both said that you have constituents who are living day to day. If their boss comes to them and says they are going to take 2 percent of their paycheck away, it will put a bad onus on the employer doing the work of the government; that is my biggest concern. There should be some way where we could have this as an opt-in or not put the employer in the middle of this. The other concern I have is that there is no threshold—there is not a certain number of employees; it is not a certain payroll.

We are concerned with the line that says "Pays its employees through a payroll system or service." That is very broad. We interpret that as including services such as QuickBooks—which most business owners use. The business owners would have to keep up with all the deduction plans through their QuickBooks system—those could be paper checks or automatic deposits. Less than 20 percent of small businesses use a payroll service, so they will have to manage that payroll deduction, which is a big ask. I looked at the AARP study that was published. I am not sure what questions they asked, but we asked our members last year—we poll our members every year on questions of concern—do you support legislation allowing sole proprietors and employers who do not offer an employee-sponsored retirement

plan to participate in a Nevada-sponsored retirement account? I am not sure how AARP asked their survey, but we provide the pros and cons. Fifty-five percent of my members said no; only 35 percent said yes. We are a member-driven organization, so I really have to stand by their choice. We all recognize that offering paid leave and retirement is a great way to keep valued employees. I would love to be able to do this. If we could potentially look at an opt-in program like Vermont has or look at minimum employees who would participate, I would be much more open to that conversation. I am very concerned that this program would drive a huge wedge between employers and employees.

Chair Flores:

We have some questions.

Assemblyman Carrillo:

What is the difference between taking opt-in away versus the employee getting to decide? You are saying two different things, but the opt-in is a concern of yours.

Randi Thompson:

I want the option of opt-in instead of opt-out. What they are saying is that the board may establish intervals in which the employee may reaffirm or opt out—that is after they opt in. This is mandatory and they have to participate. I understand that you need to get a pool of people to make this thing work, but you have to opt in first before you can opt out. The way I interpret this is, you are putting the onus on the employer. You are saying that employees have to opt into this program. You can only opt out after you have opted in. At that point they are in and I would encourage them to keep it in. I would love to encourage a way for employees to do this, but the way that I am interpreting this and my members are interpreting this is that the employer is the bad guy; they are the ones who are saying they will take 2 percent out of your paycheck. Again, I think it is the right thing to do, but it is the wrong approach.

Chair Flores:

We will have the sponsor specifically address the concerns about intent. In the conversations I had with the bill sponsors, it made it seem like, if I get hired or I am about to be hired, in the normal course of my submitting paperwork they will have a conversation with me about whether I, the employee, want in or out. If the employee does not answer whether they want to be a part of it, they will be enrolled. Otherwise, at the time of the conversation, the employee would be able to say, No, I do not want to be enrolled—that is fine. The employee will have the opportunity to say, I do not want to do this. In no way will the employee be obligated to do so. I do not think that an employer would somehow hide that from them. I think the employer would want to mention the program. In fact, I think most employers do not offer that benefit. They do not talk about retirement or having other options. I think it makes the employer seem a little bit better in terms of what options they are offering an employee. The employer would be saying, I am helping you prepare for the future. Not only am I helping you feed your family today, but by doing this, we are helping you feed your

family tomorrow. That is the way we see it. I want to invite the bill sponsor to come back up and address concerns specifically. I appreciate the opposition. It is very important that we have this dialogue. As our sponsors come up, I think Assemblyman Assefa wanted to put a comment or question on the record.

Assemblyman Assefa:

I had a quick question for Randi Thompson. You referred to about 45,000 small businesses potentially being impacted by this. What is the average size of those small businesses? How many employees do they have?

Randi Thompson:

Roughly 45,000 companies have 20 employees or less.

Assemblyman Assefa:

I think the opt-out provision of this has clearly been echoed by many members. I assume the sponsor of the bill will clarify it for us. It is available, and an employee will be given the paperwork to enroll and, upon enrollment, if the employee decides that he or she does not want to participate, he or she can opt out instantly. The employee does not have to be enrolled from the get-go—if I am clear about this. If they are enrolled and choose to participate, they can opt out of it at any time they choose to. It is not that much of a burden to ask an employer to administer this program if we are looking at overall intent of the bill. If we are going to help people be self-sustaining and contribute towards their retirement, it will take some work, but it is not that much work to ask an employer to do. That is my comment. I want to get clarification from the sponsor of the bill that this is available for an employee to get into it upon hiring. The employee can opt out upon processing of paperwork.

Kate Marshall:

For example, if you are a new employee, there is an option that you can opt out of the retirement plan. If you do nothing, then you are going to be in the program. If you are in the program for, let us say, two pay periods and say, Wait, what is the \$42 that is being withdrawn? You can opt out and do not have to worry about it. If you only want \$25 withdrawn, do it. If you are like Assemblyman Hafen and think, When is the last time I contributed to my IRA, and want to contribute more, go for it. Let me give you an example: when I was recently hired by the state to be your Lieutenant Governor, I went in and they said, If you do not sign up for another health care plan, you will default to our health care plan. If you do not want the default health care, you better tell them.

Chair Flores:

I think we have said the same thing about 40 different ways. If you have an opt-out or opt-in question, please ask it off the record. I wanted to get your statement on the record. Is there anyone in neutral?

Mendy Elliott, representing Reno Sparks Chamber of Commerce:

We had a presentation late yesterday afternoon by the Lieutenant Governor and have not had a chance to vet the bill entirely with the public policy committee. We are going to review it, and then we will provide our position.

Chair Flores:

Is there anyone else wishing to speak in the neutral position? [There was no one.] Assemblywoman Spiegel, will you come up and make closing remarks? We also have two questions for you.

Assemblywoman Spiegel:

One thing I wanted to point out about the comments that were made by Mr. Mangan, he mentioned a California lawsuit in his testimony. For the record, that case was thrown out last week in court, and the judge said that there was no conflict with ERISA, and the program works in tandem. I just want the record to be clear. I can get the actual citation and provide it to this Committee. [*Howard Jarvis Taxpayers Association et al v. CA Secure Choice Retirement Savings Program* docket 2:2018cv01584, filed May 30, 2018.]

Assemblywoman Hardy:

Just for clarification, is there any cost for an employer to sign up? Is there any cost to the employer other than they have to give it to the employee and sign them up?

Assemblywoman Spiegel:

There is no additional cost to the employer. They are required to give the employee the paperwork.

Assemblyman Hafen:

When I originally saw the concept, I was excited because I thought we were going to be offering something new for the employees. I wanted to touch on some of my colleagues' comments on restrictions. There are some restrictions that would prohibit someone who already has an IRA. There are federal limitations, so if you are maxing it out in the private sector, you would not be able to use this plan. Actually, if you did not opt out, you would be penalized for overcontributing to your IRA, which may be an unintended consequence. Why did you take the direction of an IRA versus a 401(k)? I know that right now I have an IRA that I manage myself, but a 401(k) option is not available to me since my employer does not offer that option. I was just wondering what your motive was in going the direction of the IRA.

Assemblywoman Spiegel:

I am going to ask Ms. Gill to answer your question. One thing I will say is that one of the beauties of this plan is that it lets people get started and it has the \$1,000 savings account component. It also lets employees build up their savings to have enough principal to fund a 401(k). These plans are fully portable, and the employee is always vested in their money because it is after-tax dollars, their money, and their account. They can take the program with them if they change employers. It is always their money.

Sarah Gill:

In terms of the first question about overpayment into an IRA, the first thing I will draw to your attention is that the average account balance after a full year is \$1,100 and is even less in California. What we have seen is that, although it is possible, that is an unintended consequence. It is highly unlikely. It has not been the case anywhere else. Yes, the onus is on the individual to make sure they are saving under the federal cap, but there are plenty of safeguards in the program, including through the providers that can be set up to make sure that it does not happen within the current account.

In terms of the question about a 401(k), this is intended to be a starter program. It is like a starter kit for retirement. It is for small businesses that are trying to make ends meet. It is not intended to supplant programs like 401(k)s, simplified employee pensions, savings incentive match plans for employees of small employers. The employers can always offer those if they so choose.

Chair Flores:

There are no additional questions. I am going to close the hearing on A.B. 399 and hand it over to my Vice Chair as I present the following bill.

[Assemblyman McCurdy assumed the Chair.]

Vice Chair McCurdy:

We will now open the hearing on Assembly Bill 280.

**Assembly Bill 280: Revises provisions governing document preparation services.
(BDR 19-254)**

Assemblyman Edgar Flores, Assembly District No. 28:

I represent some of the hardest-working men and women in the state. It is an honor to be here on their behalf. I do not intend for this conversation to be too long; however, I would like to give you a quick road map for how I intend the conversation to proceed. I will explain a little bit about how *Nevada Revised Statutes* (NRS) Chapter 240A operates, and why we have been working on this bill for so many years. I would like to explain one of the unintended consequences from a bill that I worked on last session. Lastly, I will walk you quickly through the bill. I believe it is labeled "Proposed Amendments to A.B. 280, submitted by Gail Anderson," ([Exhibit S](#)). After I walk you through the bill, I will hand it over to Ms. Gail Anderson, who has been instrumental in working alongside me on this issue. I am thankful for her and the Secretary of State's Office for working with me.

If I can take you back to 2011, that is the first time I—not in my capacity as a legislator, but through the lens of being a law student—started working on the unauthorized practice of law, specifically *notario* fraud. One of the biggest issues that we have on the east side of Las Vegas is that we have companies, businesses that establish themselves using a business model wherein they would put on the front of their business "*Notario Services*." *Notario* is the way you say notary in Spanish. The confusion is that *notario* in Spanish, and in a lot of

Latin American countries, is a business whose employees have more training than an attorney. Often when communities of color would see that sign, they would interpret that a notary here in the U.S. could equally operate and function as a lawyer. One of the things that was happening was a lot of the members of the community were being victimized. People would go to these businesses and request legal services and advice and would be taken advantage of. Thousands of dollars would be charged, and then they would get nothing in return because the notary individual was taking advantage of them. The notary individual would work in immigration law, criminal law, family law—people lost custody of their kids. You would see people in removal proceedings or being deported because their paperwork was filed incorrectly. There were individuals who thought they had a criminal defense attorney, but, in fact, did not have one. It was a huge issue.

In 2011, I started working on a project which was my first exposure to this building. In 2013, Assembly Bill 74 of the 77th Session was the very first time that we really aggressively approached this conversation with the creation of document preparation services. Though we had been talking about putting that bill in for a really long time and we had addressed some issues of notary fraud, it was the first time that the Legislature got heavily involved. I was not a member of the Legislature then; however, I had published a study through the *Texas Hispanic Journal of Law & Policy* titled "Legal Service Awareness of the Latino Population in Southern Nevada," and that was the first time I came into this building. That is a very long way of saying that I have been working on this since 2011. I am incredibly passionate about this topic; it is a huge problem in our community. I have committed myself to getting rid of this garbage we have in the state.

In 2015, through Senate Bill 401 of the 78th Session, we once again reopened the document preparation statute. Last session I came back and got us through Assembly Bill 324 of the 79th Session. From 2011 to now my focus has consistently been going after the bad actor. In 2019 my focus is on protecting the good actor. My emphasis has always been about going after the bad apples—consistently. I have been throwing this very wide net trying to capture as many people as possible, but now I have to look back at what I did in 2017 through Assembly Bill 324 of the 79th Session and realize the unintended consequences of my throwing the net. I would like to walk you through that.

One of the things that we realized that the *notario* fraud companies were doing is, half of the year the companies would operate as a tax preparation service and then the other half of the year they would operate as a document preparation service. We had this hybrid company, but they would identify as tax preparation services. They were not operating as a document preparation service; they were not getting registered by the Secretary of State as one. They were circumventing the rules that we put in to capture and limit the activity they were doing. Last session we said that one of the ways to capture them is to include tax preparation services specifically in the statute. When we did that, we included enrolled agents. Enrolled agents have a whole host of rules that they have to follow at the federal level—including continuing education courses. They have a whole additional process that they go through. One of the things that specifically this section of the law restricts you in is that you cannot represent and/or avail yourself like you can represent someone in court,

because that is the function of an attorney. Except, that is not always true. When practicing for the Internal Revenue Service (IRS), enrolled agents can, in fact, give some type of representation and advice to their clients. When I cast that net last session, I was inadvertently limiting what they can, in fact, do. They can actually represent before the IRS. The way the statute was written said that they could not.

This session we are coming back, and I will walk you through the proposed amendment and explain specifically as to the section I just mentioned. If you look at the actual bill, what we did was create a carve-out for enrolled agents. What I mean by a carve-out is that we are still capturing tax preparation services, but we are ensuring that within that definition—we individually named enrolled agents as being captured—we are just carving them out. When I was talking about the conceptual amendment on page 3 ([Exhibit S](#)), we are taking out the language that referred back to the enrolled agents. We are cleaning that up. Again, enrolled agents will be taken out of this statute and will no longer have to abide by it.

The second thing we are correcting is the bond amount we created last session in A.B. 324 of the 79th Session. I will give you an example of one of the things we saw happening. In a tax preparation service company or document preparation company, there was an incentive to convince you to lie because of the way they set up the fee structure that says the more money they get you in your return, the more money you pay them. Sometimes they will set up that structure, but I am not implying that all companies do that—just the few that we are trying to capture. They had that type of arrangement so that the person providing the tax preparation service had an incentive to try to apply for a credit that you do not necessarily qualify for, and/or would blindly fill it out for you without telling you what they were doing. They would do this to fulfill their own interest of getting more money. A company came up overnight and five months later they would disappear after the tax season was over. The IRS would then go after an individual asking why they got these benefits or money that they were not eligible for. The individual would be left holding the bag. One of the things that we were trying to do is to create a bond and make sure that everyone had a bond. Through the bond process it would ensure that even if a company disappeared, the bond stays there. The victim can always recoup the money; that was a way to protect them.

When we created the bill last session, one of the unintended consequences from my end was we said that we want tax preparation—document preparation in general—to have a bond. The way it was laid out, it was not clear if it had to be every single individual or if it had to be per business and, if it was per business, did it matter if it was 1,000 employees versus 100 or 50 or 4. We did not clarify that. With the Office of the Secretary of State, we provided an interpretation to make clear that it was not the intent that each and every single individual had to have a bond. There are three reasons for that. One, very often it is the employer who is paying that and it could be very expensive for an employer who has a bunch of people underneath him or her who are working under a document preparation service license or operating as a tax preparer. Imagine every single individual having to post that bond. It was very expensive. Two, we never really put on the record what the intent was—whether or not we wanted it to be per company or individual. The business community that works in this area was also confused by that. Three, one of the things I never

even thought of—I just simply did not address it—is the scenario that a business operates with just one individual or another business operates with 1,000 people. Obviously you can think of these major businesses like H&R Block that have a whole host of tax preparers operating under them. We just wanted to create some guidance as to how we wanted the bond to operate.

We are specifically looking at the conceptual amendment ([Exhibit S](#)). If you look at section 3, we created a tier system. What I mean by a tier system is, depending on how many individuals are operating as a document preparer under your license, that determines the type of bond you have to have. In the proposed conceptual amendment, if it is one registrant that does document preparation services, then the bond that is required is \$25,000. If there are 2 people but not more than 25 people, then you need at least \$50,000. If there are 26 people but not more than 75 people, it is \$75,000. If there are 76 people but not more than 125 people, it is \$100,000. If there are 126 people but not more than 200 people, it is \$150,000. Lastly, if 200 individuals or more are employed, the bond is \$200,000. We want to make it clear that the way you calculate how many people you have includes seasonal workers. We understand that, within the tax preparation industry, sometimes you may be employed for a short amount of time. If you have 50 employees June through December, but you have 100 employees from January through June, we wanted to make sure that you have to go off the greater of the two numbers.

There was some slight pushback as to whether or not this bond was enough. I would like to hand this presentation off to Ms. Gail Anderson so she can tell you through the lens of the Secretary of State's Office why we think these amounts are adequate and meet the needs that we are trying to capture, while also protecting the small business community.

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

I oversee the document preparation service program out of our office. In the bill as a whole, there are several sections that address bonds. In section 7, as introduced, there is a proposed reduction to \$25,000 for a single registrant holding a bond. The intent in document preparation service is that every registrant is covered by a bond—whether it is the bond they hold themselves or they are working for a business entity which has a bond that covers its employees. There was a need to codify and address the business entity bond that came up after the last session. The new proposed language in section 2 separately addresses a business entity bond. The reduction to \$25,000 is something that I have been looking at. At this time the bonds are made out to the Nevada Secretary of State—they are held by our office. We have had no claims made on a bond through service of process. We had inquiries about bonds and what they are, so we provided a copy, but not an actual service through a civil action to make a claim. We have not had any of those. We have had no bonds that have been canceled because they were exhausted by claims—I wanted to set that on the record.

I would also note that in NRS Chapter 240—the notary law—the bond is \$10,000 for a notary, a single person. In California they have a legal document assistant, which is a similar type of jurisdiction over these document preparers. That bond is \$25,000. The tiered bond

proposal in the business entity would be for a business—even if they were a business entity holding the bond—with one employee or more; we do have businesses that do that. We have already worked with the Office of the Attorney General for bond formats. The formats have been on our website for more than a year so that a business entity or an individual registrant can use the format. If we found that we had claims and the \$25,000 was not adequate, we would need to come back and address that. At this point, without having any known claims, that amount would be there.

Another aspect I wanted to point out is that there are several places in the bill where attention is given to notary—not the *notario* that Assemblyman Flores mentioned. In section 5 we find that there is considerable correlation with multiservice document preparation business entities that are also offering a notary service. Under the existing law, it is prohibited to use the word "notary"—not just *notario*—in your advertising. We have business structures that are a Nevada commissioned notary as part of the structure. We have added some language in section 9 of Assemblyman Flores' bill, as introduced, which would allow the word "notary" to be used if they have a Nevada commission notary as part of their multiservice business. We also found that sometimes there were notaries that were revoked or suspended—whether they were in Nevada or another jurisdiction—that were holding a document preparation service registration. Section 5 says that when a notary is suspended or revoked, it becomes a basis for denial of a registration and denial of a renewal. In section 10, the Secretary of State can suspend a document preparation registrant who has had his or her notary commission suspended by operation of law and notification to them; it can then be reinstated when the suspension is lifted. There are several aspects here in the bill addressing document preparation services that offer notary services.

The exclusion in section 9 of the proposed amendment—with my name on it—eliminates the "except" clauses in subsections 2(e), 2(f), and 2(g). Those were things that enrolled agents had an issue with. Now that enrolled agents are removed from having to register under the jurisdiction of NRS Chapter 240A, those "except" clauses are not necessary and are rather confusing—especially in section 9, subsection 2. There were also two suggestions that came from other people. With Assemblyman Flores' approval, I will add the suggestions to the proposed amendments. One of the suggestions was to give a more detailed procedure about how a bond claim is made. There are several places in existing law, escrow, and notary where that is detailed a little bit more clearly. I absolutely agree it would be helpful. In addition to that suggestion, it would be added that the person making a claim has to notify the Secretary of State in writing upon filing an action to make a claim on a bond. The other suggestion was to add a definition of "business entity," since in section 2 we talk about a bond for a business entity. I will work with our office and provide it back to Assemblyman Flores for his approval.

My last comment is to thank Assemblyman Flores for all the work he has done. We are in the compliance and enforcement phase—and have been for two or three years—so as we find these things like the notary and bond issue that need to be fixed, we are taking steps to fix it.

Assemblyman Flores:

I wanted to make a point of clarification because I misspoke at the beginning of the presentation. I thought I was looking at the conceptual amendment. My intent was to provide the conceptual amendment with Ms. Anderson's amendments in one document. It was not until I started going through it that I realized there was a bunch of stuff that was not there. The intent is that we are going off the document titled "Proposed Amendments to AB 280, submitted by Gail Anderson" ([Exhibit S](#)) and my bill. My intent was to send a conceptual amendment that had everything in there.

Assemblyman Assefa:

I have a clarification question, and I do not know if it was just a drafting issue. In section 2 it says a business entity that has more than one employee who performs document preparation services may file with the secretary a cash bond or a surety bond. In section 5 you prescribe the graduation of bond requirement. Is it an option when you say "may"? It seems like you are scheduling the bond requirement as a "must."

Gail Anderson:

There is an option for a registrant or a business entity to file with the Secretary of State a cash bond or to provide a surety bond. That exists in the law. We had a constituent who had a cash bond—\$50,000—posted with our office. Then he purchased a surety bond and wanted his money back, but under the law we had to keep it for three years in case there was a claim made during that period of time when it was cashed. He got his money back this year. There is an option to provide either cash that the Secretary of State's Office holds and it accrues interest or a surety bond with a bonding company.

Assemblyman Assefa:

As a point of clarification, you can do either/or, but it is not an option to not have a bond?

Gail Anderson:

Correct. Either cash or a surety, but it is not an option to not have a bond.

Assemblyman Assefa:

I just wanted to make sure that the intent is clear here: it is a requirement, not an option.

Assemblyman Carrillo:

One thing I can tell you is that after the bill passed in 2017, I got an earful from my enrolled agent. I appreciate that the intention was to catch the bad actors. This is just a comment of appreciation.

Assemblyman Ellison:

If you go back to 2015 when they were doing the bonds, are we re-creating what happened back then? It threw everybody into a loop and created a lot of problems. Say you had someone who is a good document preparer and there are one or two people in the office and each one had to take out a bond, and one had good credit and one had bad credit, and said let us only work three months a year. It was not worth it, so they were all bailing out at that

point in time. The big companies thought that they were also going to have to carry separate bonds. This bill makes sure they do not. If you are looking for a bond, it can be anywhere from \$1,250 to \$2,500 or \$25,000 if you have bad credit. To me, this is a business killer, unless I am understanding it incorrectly. We spent months trying to fix this. I think, at this point, you are fixing it.

Gail Anderson:

You are correct. If it is an individual registrant getting a bond and they have credit issues, it could cost them more than the 1 percent of the cost it generally is. I have talked with a very large national surety bond company over the last year and a half. Yes, an individual registrant will look at credit when they determine the cost and risk of a bond. They may need some financial information on the business entity as they determine the cost of a bond for a large business entity. It is a free market in terms of pricing; people can shop for bonds. Generally, with reasonably good credit, it runs 1 percent of the face value of the bond—that is what I was told.

Assemblyman Ellison:

I totally understand that the issue out there is bad and we have to fix it. I just do not want to see everybody thrown back into the mix again. That is my biggest fear. You cannot believe the calls and the people who were showing up in the office with massive heart attacks over shutting down their businesses. We understood what happened. I agree with the sponsor of this bill that there are some bad apples out there, but there are also a lot of good, honest individuals. I do not want the good to go in with the bad.

Gail Anderson:

The bond will be issued, and every registrant needs to be covered by a bond—whether or not they hold it individually, as the law initially implemented in 2014 said. We looked at how we could address how we could have a business entity hold a bond—we did not want a \$50,000 bond per employee. Again, there is a proposed reduction to \$25,000, and we will see if this seems to be adequate. Our notaries currently require a \$10,000 bond per person. Their businesses do one single operation, but the document preparation service entities may do tax preparation in addition to a number of other things like immigration and other legal document preparation that cover more activities. Everyone does have to have a bond. We are hoping that by codifying the business entity section in section 2, it will clear the issue that you had concerns from your constituents about.

Assemblyman Leavitt:

It is unfortunate there are bad actors. It is also unfortunate that bonding has to exist to fulfill some of the obligations that bad actors create; nonetheless, it exists. My question is in accordance to what you mentioned before with the bonding not being enough. As a notary, their bonding exists for acts of omission—often unintentional—but which may cost money outside of their line of work that they did not do on purpose. You mentioned in your statements that there are bad actors, and the bonding exists for people who are doing things intentionally. When you have a pop-up or a temporary tax prep service that employs quite a few people doing tax preparation at once, it can add up to a lot of money. My concern is that

maybe the bonding would not cover it if you have a pop-up business that does tax prep for 200 to 300 people. When a large company misappropriates the tax documents, the IRS comes and wants to make them whole, but there might not be enough in the bond. When we are talking about bad actors, it could be on a massive level—rather than a small level. If it is one person doing tax prep service and they have a \$25,000 bond, they could see 150 people in the course of one year and then they close their doors and walk away. It could be upwards of several hundred thousand dollars of misappropriated tax allocations. How do we, without trying to shut down business, even it out to where it is more closely associated with the penalty?

Assemblyman Flores:

I will say two things. First, I was incredibly concerned with exactly that hypothetical you gave where it is willful misconduct. How do we go after them? I think, in part, I hit that last session through Assembly Bill 324 of the 79th Session, wherein we included the clause "irrefutable harm" in NRS. To me, irrefutable harm would be someone going to one of these places and losing the custody of their child because someone promised they would help them or they were deported because their paperwork was done incorrectly. Specifically, if you willfully violate the provisions within NRS Chapter 240A and cause irrefutable harm, that would be a category D felony. So on top of the bond that is sitting there to try to protect victims, you also have the fact that an individual can now be put in jail on a category D felony. On top of that, the court can issue fines and or restitution—which typically happens.

Whether or not that bad actor will have the funds to pay back the victim is a reasonable question. Very likely they might not have the money. In that scenario where we think of the worst bad actor—they exist, and I could give you many examples of where hundreds of people were victimized—I think the appropriate course the court would take is to seize their assets, close out the business, try to get as much money back, put them in jail, and the bond, on top of that, would trigger. In the ideal world, everyone would have a \$200,000 bond, but we have to reconcile the fact that we are trying to protect the good actors. We want to allow them to work while we are adding as much security as we can for the consumer who, at times, will be a victim of them. To me, that is the middle ground.

Now I promise you, and I commit to the Committee, that should we find ourselves in a position where we hear of another case where we find that this does not do enough—unfortunately, at some point we will hear that—and we have to come back and we have specific examples to back up that argument, I will come back and do it myself. For now, I am trying to focus this session on trying to protect the good-acting businesses.

Assemblyman Leavitt:

That is a very ideologically sound way to look at it. My point is that some of the bad actors disappear, so there is nothing to make these people whole. My concern is there is nothing in place to make them whole when the bad actor disappears and drops off the face of the earth. That was my only concern.

Assemblyman Assefa:

In section 5 it says the Secretary of State's Office shall not register document preparation services for businesses who have previously offended, been suspended, or have gotten into other trouble. I just want to make sure that does not bar someone who unintentionally screwed up previously and is now attempting to come to compliance. I want to make sure there is a path for people who did not comply with existing law but have learned and are trying to come to compliance.

Assemblyman Flores:

I have two things to state. I wanted to let you know that, should someone have lost the ability to operate because they have done whatever, they can try to get their license after ten years. We have that provision in there. Here, we were specifically trying to focus on individuals who have a very specific type of record. To get to the hypothetical that was presented by Assemblyman Leavitt, if we can get them on the front end and weed them out, it minimizes the scenario of having one bad actor hurting 100 people. We are trying to keep that scale even, not going one way or the other. In addition to that, it is also what we have there now.

Vice Chair McCurdy:

Those wishing to speak in support, please come forward.

Edith G. Duarte, representing Nevada Society of Enrolled Agents:

First, we would like to thank the sponsor of this bill. We know that his efforts last session were about consumer protection. Unintended consequences happened, so here we are. We are specifically very happy about section 4: the repeal and exemption language of enrolled agents. I am going to try to keep my testimony short because I have some enrolled agents here who need to get back to preparing taxes. If you have any technical or education questions, Mr. Hartmann will answer those.

Ralph Hartmann, Private Citizen, Sparks, Nevada:

As an enrolled agent for 40-plus years, I have a passion for this subject. I also have an incredible passion for helping the people of Nevada. This bill, in essence, is phenomenal. Having us be able to now not be a part of it but support what it stands for is very important to us all.

Vice Chair McCurdy:

Is there anyone else in support? Seeing no one, we will move to opposition. Seeing no one, is there anyone here in neutral? [There was no one.] We have a comment from Assemblyman Carrillo.

Assemblyman Carrillo:

I wanted to ask if I can be put on as a sponsor.

Vice Chair McCurdy:

We will now close the hearing on Assembly Bill 280.

[Assemblyman Flores reassumed the Chair].

Chair Flores:

For the next hearing, Assembly Bill 428 will not be heard. I had been working closely with small business and the Latin Chamber of Commerce on A.B. 428. We were trying to do some great work. However, when the fiscal note was attached to it, specifically Mr. Peter Guzman and other small businesses said they did not want to make the state spend that type of money. We would prefer to come back in two years and look at a way to not put the burden on the state. I think that is very commendable. I think all of us want to do great things, but sometimes it comes at a huge cost. I wanted to do a huge shout-out to the Latin Chamber of Commerce. Thank you for working with me and I appreciate your always being mindful of the cost to the state and, when realizing that it was expensive, pursuing it through different routes. We will be pulling Assembly Bill 428, and we will not be hearing it.

Assembly Bill 428: Requires the Department of Business and Industry to conduct a study related to disparities and unlawful discrimination in the awarding of certain contracts by the State or a local government. (BDR S-892)

[Assembly Bill 428 was agendized but not heard.]

I would like to open up the hearing on Assembly Bill 413.

Assembly Bill 413: Revises provisions relating to local governments. (BDR 19-893)

Assemblywoman Dina Neal, Assembly District No. 7:

I am here to present Assembly Bill 413. I would like to give you some quick history on the origin of this bill. In 2013 I had a bill—Assembly Bill 408 of the 77th Session—which required state agencies to make a concerted effort to determine the impact of a proposed regulation on small businesses as well as conduct an independent analysis of the likely impact of a proposed regulation on a small business. [([Exhibit T](#)) are documents regarding Assembly Bill 408 of the 77th Session.] The measure imposed similar requirements on the governing body of a local government with respect to the proposed rule. The director, executive head, or other person responsible for this state agency was supposed to sign a statement certifying that there was a concerted effort made to determine the impact made by a proposed regulation on a small business and verify the accuracy of that information. There was also supposed to be a copy of the small business impact statement (BIS) submitted to the Legislative Commission when the adopted regulation was submitted. The Legislative Commission was supposed to return the regulation to the agency if it was submitted without a statement. The Legislative Commission's Subcommittee to Review Regulations was

supposed to act as an entity to reject the regulation if it found the small business impact statement to be inaccurate, incomplete, or did not adequately consider or significantly underestimate the economic effect on small business. In the interim we included local governments under *Nevada Revised Statutes* 237.080. Some agencies have followed through and some have not.

Assembly Bill 413 takes the extra step to put a hammer on local governments that may not be acting in proper relationship to A.B. 408 of the 77th Session. If you look at section 1, subsection 4 of the bill, the new piece to this bill says that the governing body of the local government shall not include the consideration of the business impact statement on the agenda for a meeting unless the statement has been prepared. Any action taken by the governing body of a local government to adopt a proposed rule is void if the governing body does not consider the business impact statement as required—pursuant to section 1, subsection 1. You are probably asking why we need to void an action. At this point, small businesses are trying to make sure that the economic interest of what could impact them as a regulation is actually being addressed, acknowledged, and discussed at a meeting. The continuation of the bill in section 1, subsection 1(c) is if the governing body of the local government failed to consider the business impact statement before adopting the rule. That is section 2.

I will keep it simple. What is going on in this bill is to make sure that the regulatory agencies, if they do not take into consideration the small business impact statement, will run into a situation where the action will be voided related to that business item. The addition to this is the amendment you have ([Exhibit U](#)). In section 3, we know who local government is. We are adding in city, county, health district, irrigation district, water district, or water conservancy district. The amended change is now in the void language; if there is failure to follow *Nevada Revised Statutes* Chapter 237, it shall result in the action related to the business to be void. That is the next step. That is the simple part of where we are going with this. We move from the language in Assembly Bill 408 of the 77th Session, which says you should do the business impact statement. We had a series of six years where they did not—not all, but some. Now this bill presents the hammer to make sure that the local agencies actually comply. I do not want to belabor this.

Assemblyman Ellison:

I have to tell you that this is a great bill. This is something that had to be done. It impacts people running small businesses, but people are not listening. If I could add my name to put on your bill, I would be honored.

Assemblywoman Neal:

I think the world just turned upside down. Okay, Assemblyman Ellison.

Assemblyman Ellison:

There is a God.

Chair Flores:

Is there anyone wishing to speak in support of Assembly Bill 413?

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

First, the Chamber would like to thank Assemblywoman Dina Neal for bringing this bill forward. As she indicated, this bill was adopted in 2013. The Chamber was in early support of this. As you heard from Assemblywoman Neal, businesses in general need to be notified if there are going to be fee increases and ordinance changes. I have to give credit to the City of Las Vegas, Henderson, and the Clark County water authority for doing the right thing. We still have had challenges with certain entities down south—I know it also happens up here in the north—where certain groups feel like they do not have to comply with NRS and that this section of law does not apply to them. It is concerning when we are here in Carson City working on policy and discussion, and we suddenly get notified by an agenda posting or in the morning about impacts to our business but we do not have a BIS received and/or there is no analysis done. Again, to Assemblywoman Neal's comments, this is a commonsense bill that benefits businesses. It is a pro-business piece. We believe this would impact business in all your districts, and we would appreciate the support today.

Kathy Flanagan, Management Analyst, Las Vegas Valley Water District:

As a local government agency that routinely follows the requirements of the BIS process, we support this bill.

Bryan Wachter, Senior Vice President, Retail Association of Nevada:

We could not agree more with what the Las Vegas Chamber of Commerce said.

Randi Thompson, Nevada State Director, National Federation of Independent Business:

I wanted to be here and say thank you to Assemblywoman Neal for being such a great friend to small businesses.

Chair Flores:

Anyone else wishing to speak in support? Seeing no one, is there anyone wishing to speak in opposition? Seeing no one, is there anyone wishing to speak in the neutral position? Seeing no one, Assemblywoman Neal, do you have any closing remarks?

Assemblywoman Neal:

Assembly Bill 413 would be a good measure to move out this session. We would like to make sure that local governments are in compliance with existing law. All this does is add an extra tool in the tool belt if they do not comply. It says that there are additional enforcement measures and your agenda item will be removed if you do not comply.

Chair Flores:

We are going to close out the hearing on Assembly Bill 413. I would like to invite forward anyone wishing to speak in public comment. Seeing no one, this meeting is adjourned [at 11:44 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 the Work Session Document, dated April 5, 2019, for [Assembly Bill 161](#), presented by Jered McDonald, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

[Exhibit D](#) is the Work Session Document, dated April 5, 2019, for [Assembly Bill 174](#), presented by Jered McDonald, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

[Exhibit E](#) is the Work Session Document, dated April 5, 2019, for [Assembly Bill 190](#), presented by Jered McDonald, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

[Exhibit F](#) is the Work Session Document, dated April 5, 2019, for [Assembly Bill 212](#), presented by Jered McDonald, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

[Exhibit G](#) is the Work Session Document, dated April 5, 2019, for [Assembly Bill 274](#), presented by Jered McDonald, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

[Exhibit H](#) is the Work Session Document, dated April 5, 2019, for [Assembly Bill 297](#), presented by Jered McDonald, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

[Exhibit I](#) is the Work Session Document, dated April 5, 2019, for [Assembly Bill 300](#), presented by Jered McDonald, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

[Exhibit J](#) is the Work Session Document, dated April 5, 2019, for [Assembly Bill 326](#), presented by Jered McDonald, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

[Exhibit K](#) is the Work Session Document, dated April 5, 2019, for [Assembly Bill 347](#), presented by Jered McDonald, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

[Exhibit L](#) is the Work Session Document, dated April 5, 2019, for [Assembly Bill 397](#), presented by Jered McDonald, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

[Exhibit M](#) is a conceptual amendment to [Assembly Bill 397](#), submitted by Assemblywoman Teresa Benitez-Thompson, Assembly District No. 27.

[Exhibit N](#) is a document titled "Work & Save Nevada," submitted by Kate Marshall, Lieutenant Governor, regarding [Assembly Bill 399](#).

[Exhibit O](#) is a copy of a PowerPoint presentation titled "Nevada Saves: Nevada's Financial Security Gap in Retirement," submitted and presented by Kate Marshall, Lieutenant Governor, regarding [Assembly Bill 399](#).

[Exhibit P](#) is a packet of letters in support of [Assembly Bill 399](#).

[Exhibit Q](#) is a document titled "Why Work and Save Matters," submitted by Barry Gold, Director, Government Relations, AARP Nevada, in support of [Assembly Bill 399](#).

[Exhibit R](#) is a letter dated April 4, 2019, submitted by John W. Mangan, Vice President, State Relations, American Council of Life Insurers, Washington, D.C., in opposition to [Assembly Bill 399](#).

[Exhibit S](#) is a set of proposed amendments to [Assembly Bill 280](#), submitted by Gail J. Anderson, Deputy Secretary for Southern Nevada, Office of the Secretary of State.

[Exhibit T](#) is a set of documents regarding [Assembly Bill 408 of the 77th Session](#), submitted by Assemblywoman Dina Neal, Assembly District No. 7.

[Exhibit U](#) is a proposed amendment to [Assembly Bill 413](#), submitted by Paul J. Moradkhan, Vice President, Government Affairs, Las Vegas Metro Chamber of Commerce.