

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON JUDICIARY**

**Eightieth Session
May 23, 2019**

The Committee on Judiciary was called to order by Chairman Steve Yeager at 9:35 a.m. on Thursday, May 23, 2019, in Room 3138 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4406 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 Steve Yeager, Chairman
Assemblywoman Lesley E. Cohen, Vice Chairwoman
Assemblywoman Shea Backus
Assemblyman Skip Daly
Assemblyman Chris Edwards
Assemblyman Ozzie Fumo
Assemblywoman Alexis Hansen
Assemblywoman Lisa Krasner
Assemblywoman Brittney Miller
Assemblywoman Rochelle T. Nguyen
Assemblywoman Sarah Peters
Assemblyman Tom Roberts
Assemblywoman Jill Tolles
Assemblywoman Selena Torres
Assemblyman Howard Watts

COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

None



STAFF MEMBERS PRESENT:

Diane C. Thornton, Committee Policy Analyst
Bradley A. Wilkinson, Committee Counsel
Traci Dory, Committee Secretary
Melissa Loomis, Committee Assistant

OTHERS PRESENT:

Greg Ferraro, representing Nevada Athletic Commission
Staci Alonso, Commissioner, Nevada Athletic Commission
Robert Bennett, Executive Director, Nevada Athletic Commission

Chairman Yeager:

[Roll was called, and Committee protocol was explained.] Members, as you can see, we did end up pulling one bill from the work session this morning, and we will take up that bill tomorrow morning. There is still some work being done on the amendment for that particular bill. At this time, we will go to the work session on Assembly Bill 534.

**Assembly Bill 534: Revises provisions regarding response to emergencies.
(BDR 16-1220)**

Diane C. Thornton, Committee Policy Analyst:

Assembly Bill 534 revises provisions regarding response to emergencies. It is sponsored by the Assembly Committee on Judiciary on behalf of the Office of the Governor and was heard in this Committee on May 22, 2019 ([Exhibit C](#)).

This bill transfers the administration of the process that governs the application and determination of eligibility for compensation from the Fund for the Compensation of Victims of Crime from the Department of Administration to the Department of Health and Human Services (DHHS). Further, the DHHS is required to develop a state plan for services for victims of crime to ensure that agencies providing compensation to and services for victims of crime coordinate their efforts. Lastly, the measure requires certain professional licensing boards to maintain lists of licensees trained in the treatment of mental and emotional trauma and provide those lists to a governmental entity responding to an emergency or disaster.

Allison Combs, Policy Director, Office of the Governor, proposed an amendment to the measure. The amendment does the following:

- Replaces references to the Board of Examiners with the Department of Health and Human Services.
- Revises sections 12 through 18 regarding the requirements of certain professional licensing boards.

- Provides that sections 12 through 18 are effective on January 1, 2020, to allow time for implementation.

Chairman Yeager:

Are there any questions regarding the work session document for A.B. 534? [There were none.] I will take a motion to amend and do pass Assembly Bill 534.

ASSEMBLYWOMAN BACKUS MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 534.

ASSEMBLYMAN WATTS SECONDED THE MOTION.

Is there any discussion on the motion?

Assemblyman Daly:

As you know, I had questions in Committee yesterday regarding not following the rulemaking process. I think that is wrong and I cannot support it; I am never going to. So I will be a no and it will remain that way.

Chairman Yeager:

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

THE MOTION PASSED. (ASSEMBLYMAN DALY VOTED NO.
ASSEMBLYWOMAN KRASNER WAS ABSENT FOR THE VOTE.)

I will assign the floor statement to Assemblywoman Miller. We will now move to the bill on our agenda, Senate Bill 29, which makes various changes relating to unarmed combat.

Senate Bill 29: Makes various changes relating to unarmed combat. (BDR 41-363)

Greg Ferraro, representing Nevada Athletic Commission:

I would like to give you a little bit of background on the purpose and function of the Nevada Athletic Commission (Commission). Some of you are acquainted with the Commission, but others of you are not. I will provide that background and Commissioner Alonso will take you through the bill and answer questions.

The Commission is made up of five part-time members, each of whom is appointed by the Governor for a three-year term. The chairman is appointed by the Governor for a two-year term. The chairman is currently Anthony Marnell of Las Vegas. Other members are Commissioner Alonso at the table with me, Commissioner Christopher Ault of Reno, Commissioner Dallas Haun of Las Vegas, and Commissioner Dr. Robert McBeath of Las Vegas.

The Commission regulates all contests and exhibitions of unarmed combat, including licensure and supervision of promoters, boxers, mixed martial artists, kickboxers, ring

officials, managers, ring announcers, and matchmakers. The Commission is the final authority on licensing matters, having the ability to approve, deny, revoke, or suspend all licenses for unarmed combat. The Commission appoints an executive director to conduct day-to-day operations of the Commission, and the executive director does not have a vote on actions taken by the Commission. In addition to the executive director, the Commission has a staff of four full-time employees. The Office of the Attorney General serves as legal counsel for the Commission.

Along with collecting fees from the sale of tickets, the Commission works with the venues that host events throughout the state. The responsibilities of the Commission also include ruling in disciplinary cases and arbitrating disputes between boxers and managers brought pursuant to *Nevada Administrative Code* (NAC) 467.102. Additionally, the Commission is charged with the responsibility of promulgating regulations to implement and enforce state laws governing unarmed combat.

In conclusion, for all championship bouts and special events, the Commission must approve the contest and must assign the judges and referees to work the contest. I was reminded by the Chairman that it does not really matter to you what the Senate did, but it did pass Senate Bill 29 unanimously and it is here before you today. Commissioner Alonso will take you through each section, explain to you in practical terms and in using examples why these changes are necessary and important. Executive Director Bennett is here to answer any other questions you may have.

Staci Alonso, Commissioner, Nevada Athletic Commission:

I am here to testify on behalf of S.B. 29. Last year, we began working on the updates now represented in the bill with the former administration and Mr. Ferraro. Since it has been a few years since changes were submitted for consideration, this bill now includes our initial priorities as well as some housekeeping items.

As the unarmed combat sport continues to evolve and our focus remains on protecting the health and welfare of the fighters, we feel it is important to ensure our guidelines reflect the state's position and intent not only for our current Commission but also to provide a roadmap for the future. As Mr. Ferraro mentioned, we oversee all unarmed combat sports. As a point of reference, our contributions to the state range from approximately \$5 million to \$6 million a year. That is based on the number of fights that are held primarily in Las Vegas. An example would be, in October of 2018, the Ultimate Fighting Championship (UFC) fight between Conor McGregor and Khabib Nurmagomedov, which brought in approximately \$2 million towards that total budget when you looked at the revenue from the ticket sales, licensing, and then, of course, some of the fines that followed. That fight alone, based on Applied Analysis, brought an \$86.4 million total economic output for our state when you looked at salaries, revenues, taxes paid, et cetera. That is the impact of a major fight happening in Las Vegas.

I provided a section-by-section outline this morning, and with your permission, Chairman Yeager, we are prepared to use this outline as our main point of reference for our testimony ([Exhibit D](#)).

Section 1 requests the rules applicable to the various forms of unarmed combat be adopted at the Commission level without going through the rulemaking procedures set forth under *Nevada Revised Statutes* (NRS) Chapter 233B, similar to the Nevada Gaming Control Board and the Nevada Gaming Commission. This is necessary to allow the Commission to make necessary changes to the rules of unarmed combat in a timely manner. Often, there are changes to the universal rules that the Commission needs to adopt quickly. Further, this requested change applies only to rules and not to the administration of the agency or licensing requirements, which would still require the more formal process through the Legislative Counsel Bureau. Our proposed language allows for public notice, comments, and hearings to ensure any recommended changes would hold the current intent. Our number one priority is the health and safety of the combatants, yet it is also important, in my mind, to maintain Nevada's gold standard as the fight capital of the world similar to Nevada Gaming Control Board's gold standard. Today, there are more venues outside of Nevada than years before when we earned that gold standard status, and we do not want to lose fights to other states because we cannot adapt to universal changes quickly or address the needs of the licensees.

Section 2 is a housekeeping item changing "United States Amateur" to "USA Boxing, Inc.," and identifying a combatant as a collegiate boxer.

Section 3, subsection 2 summarizes the exceptions as provided in NRS 467.080 for funds deposited to the State General Fund. We are prepared to go into detail for the additional subsections requested at this time or on an individual basis as we move through the outline, specifically sections 8, 11, 13, and 14.

Section 4, subsection 1 is requesting the deletion of the language "where an admission fee is received" based on the addition of shows that do not require ticket sales. These events are becoming more popular and are still of interest to our Commission and must be regulated and monitored to protect the health and safety of the fighters. Secondly, more as clean-up language, we are requesting the removal of the option to accept money in lieu of a bond for a promotor's license. The Legislative Counsel Bureau Audit Division does not allow the Commission to accept money or cash, so we would like this removed as well.

Subsection 3 has been added to section 5 to allow the Chair of the Commission or the designee of the Chair to review and grant a temporary license when there is not sufficient time for the formal process at the next scheduled Commission meeting. The license granted would be temporary and placed on the agenda of the next scheduled Commission meeting to be heard in compliance with the provisions of NRS Chapter 241 for the remainder of the calendar year. If the applicant is denied a temporary license, the applicant may appeal the denial to the full Commission. The requirements with the application would not change; only the authority to grant a temporary license outside the monthly Commission meeting by

the Chair or designee. We feel this is important because oftentimes the undercards of a fight could change as late as a weigh-in.

Section 6, subsection 2, paragraph (b) formalizes the Commission's authority to withhold renewal of an applicant license fee if a debt is owed to the Commission or if a payment plan has not been agreed to and/or approved by the Chair and Executive Director of the Commission.

Section 7 clarifies that any information submitted to the Commission be deemed confidential. The purpose and intent of this requested change is similar to the intent and language under NRS 463.120 for the Nevada Gaming Control Board. The examples based on our current language, in order to receive qualified drug testing, tax credit organizations need to submit proprietary drug testing reports. There would be no public benefit for this information but competitive disadvantages and data integrity. This is a roadblock for us to adopt the new regulation. In addition, bout agreements are not provided to the Commission currently due to the lack of protection of confidentiality. This agreement often contains information that we need to be knowledgeable of for our officiating staff at major events similar to the Mayweather versus McGregor fight—which included language regarding penalties for Mixed Martial Arts (MMA) action—and yet would be public under our current regulations. I view a bout agreement similar to a casino sales agreement for the Nevada Gaming Commission, which would be a competitive disadvantage if made public.

Section 8, as referenced in section 3, requests changes under subsection 6, paragraphs (a) and (b) to allow the Commission to seek reimbursement of expenses for drug testing, investigations, and legal fees. Amounts paid would be deposited to the agency account to offset those expenses. This is reimbursement of expenses only, thus net-neutral to the budget. The second change under section 8, subsection 8, paragraphs (a) and (b), is more of a clean-up item and clarifies the definition of "seats in the house" to be limited to the seats or tickets available for sale. An example would be at the MGM Grand Garden Arena which has 10,000 seats, and if the fight is not going to be a sellout, they will curtain the seats. We want our calculation to be based on the seats that are available and not the total number of seats.

Section 8, subsection 9 recognizes the need to add language for a license fee equal to the cost of the services provided by the Commission in relation to professional contests or exhibitions with no admission fees imposed. This fee is equal to the reimbursement of services received such as staffing expense, and thus requested to be directed to the agency account to offset expenses. Lately, there are more events that are without an admission fee similar to a UFC Tuesday night fight to bring awareness to new, up and coming fighters, and thus our current regulations based on a license fee do not apply, but we still have to staff that event and we are seeking reimbursement for our costs.

Section 9 contains the addition of a person associated with unarmed combat in our state in subsections 1 and 2, and identifies fighters that are intended to fight in an upcoming announced fight although not yet licensed for the calendar year. In the event an adverse drug test is reported greater than ten days prior to the next Commission meeting, the modified

language includes addition of "next scheduled meeting" and may continue after a hearing when further investigation is needed.

Section 10 is a housekeeping item to change the word "member" to "representative."

As referenced in section 3 and demonstrated under section 8, the addition of subsection 4 in section 11 is to direct the reimbursement of expenses identified in subsection 3, paragraphs (a) and (b) to the state agency fund [Athletic Commission's Agency Account] to offset expenses incurred.

Section 12 is another housekeeping item to change "12 m." to "noon."

As referenced in section 3 and an example demonstrated under sections 8 and 11, the modification of section 13, subsection 6, is to direct the reimbursement of expenses incurred during the investigation of the disciplinary action—again, reimbursement only.

Section 14 is the same as section 13; we would like to modify the language to be consistent with those earlier sections to direct the reimbursement expenses incurred during an investigation of a revoked license and for consideration of renewal to the state agency account.

Section 15 formally exempts the Nevada Athletic Commission from the *Nevada Administrative Code* (NAC) formal rulemaking procedures. Section 16 is the effective date of the bill.

Chairman Yeager:

Thank you for the presentation. Mr. Bennett, did you want to add anything before we take questions from the Committee?

Robert Bennett, Executive Director, Nevada Athletic Commission:

No, I thought that was a very comprehensive and succinct summation of our request.

Chairman Yeager:

I will take questions from Committee members.

Assemblyman Daly:

I will try to be nice. My objection or question is going to be about sections 1 and 15. I am not trying to be combative, however, we have heard three bills in three days and they are all trying to get out of the rulemaking procedures. We heard the reasoning—I will shy away from saying excuse—for the other two on that topic, so I am curious to hear what your reasoning is. I understand the Nevada Gaming Control Board was done years ago and for a specific reason. There are similar concerns on the cannabis commission, but I am not seeing the same concerns with your request. I would like to hear that. I look at your language and I find it a little bit more offensive because in section 1, subsection 4, you want to have all of the benefits of NRS Chapter 233B: you want it to have the force of law; you want to be able

to enforce it as if it was a regulation you adopted; but you do not want to actually have the full process and have oversight from the Legislature. That is my first question and then I have one on section 7, if you will allow Mr. Chairman.

Staci Alonso:

We feel that our request is unique and completely dependent on the market. Recent changes have been made to the Association of Boxing Commissions (ABC), which are unified rules for all of the states to follow—such as grounding rules for MMA and instant replay—and we are just seeking the opportunity to be responsive and in sync with the unified rules for other states with this request. It is limited only to rules, not the administration of the agency or licensing requirements to allow us to be responsive to the sport as it continues to evolve.

Assemblyman Daly:

Thank you, and maybe you can come to my office to talk to me a little bit, maybe you could convince me, but it is going to be a steep hill. I appreciate that. I still believe that we have the rulemaking process for a purpose and I stated this yesterday in Committee. It is there to protect the public in various things and make sure that these rules adopted, which have the force of law, are properly vetted and have as many eyes on them as possible. If they are being applicable outside of your agency, they meet the definition of a regulation and they should be under NRS Chapter 233B. Maybe we should consider a bill next session just to eliminate NRS Chapter 233B and we can have it be wide open and eliminate that. Maybe I will put that in; probably not though.

I heard you give the explanation on section 7, and again I will try not to be combative, but you say that everything that you receive under this entire chapter is now going to be confidential. Previously the way it was written, is if you are receiving information regarding an applicant or the application and those processes, and if I heard you correctly during your testimony, sometimes there are contracts and various things that you also receive that need to be confidential, so why are we not trying to pick out the things that really need to be confidential? I understand there are legitimate reasons for some of those things, and just instead make it a blanket statement. I think it casts a shadow that the Commission is not transparent. You already have engaged in an industry that does not have a great history; you cannot deny it, it does not have a great history, and this just makes it so that nothing that you receive under the entire chapter ever is open to the public. I do not know if that is the direction you should head. I think you should take a little more time and figure out what things really need to be confidential and list those out, rather than everything.

Staci Alonso:

I know it is a steep hill, but I would like to go back to section 1 for one additional response based on your comments that our proposed language does allow for public notice, comments, and hearings to ensure any recommended changes that we would make hold the current intent with the commitment to be fully transparent.

In response to your question and feedback regarding section 7, the language that has been requested is identical to the New York State Athletic Commission, which is home of Madison Square Garden and Barclays Center, which I feel is a major competitor to Nevada for the elite events that I described earlier which also deems all disclosures to the Commission confidential.

Assemblyman Daly:

I understand that one a little bit better, but I was just seeing if there were pieces that you could pick out so that not everything was confidential unless the justification is that there really is not enough separation to have areas that would be public. In response finally on the regulation portion, in previous hearings people have said that we need to be nimble, but I have to point out again, you still have a 30-day notice and all of the steps you have to take, the only thing you are cutting out is going to the Legislative Commission and having that review from the Legislature, and I disagree with that, sorry.

Assemblywoman Hansen:

For my own personal understanding, when was the Commission established? Do we know?

Greg Ferraro:

We can look it up quickly, but it has been in existence for several decades. We can confirm that date for you as soon as I can find someone to do that.

Assemblywoman Hansen:

That was more just to have a little bit of historical context for myself. Believe it or not, I have been a fan of boxing, and we all know there has been corruption, but I think things have gotten better since we have had the Commission for oversight. I was curious, in light of some of the concerns expressed by Assemblyman Daly regarding the rules, could you give us some examples of—I believe in rules and oversight—when does it go too far and it starts to create so much of a bureaucratic stranglehold that it is hard for us to function, or the business to function, or the Commission to have some flexibility. Could you give us some concrete examples where you are now versus this suggested language; how could that help in some real-life examples?

Staci Alonso:

I would like to allow Executive Director Bennett to respond with examples.

Robert Bennett:

In an effort to maintain the gold standards of the Nevada Athletic Commission as well as the health and safety of the fighter, I can give you three specific examples that immediately come to mind. The Association of Boxing Commissions and Combative Sports meet on an annual basis and they go over the unified rules. One of the controversial rules was a grounded opponent—I will not bore you with the details of what a grounded opponent means—but there was some dissension among the commission and thus we came to a rule that was in the best interest of the fighter and it needed to be implemented rather quickly as opposed to the

one that the ABC implemented with several commissions not agreeing with it regarding the grounded opponent.

Another example would be our regulations were somewhat outdated and we had to change the amount of tape that is allowed for a fighter to use during a bout as well as the gauze. We did a study on that, and we allowed 45 feet of tape per hand and 40 yards of gauze per hand. That might not sound significant to you, but being in this business it is extremely significant for somebody who is a featherweight to a heavyweight. It gives them the opportunity to use the right amount of tape to protect their hands, primarily the metacarpal bones.

I am delighted to use this third example as an illustration. As many of you know from the National Football League as well as the National Hockey League, there is tremendous controversy over instant replay. The chairman, commissioners, and members of my staff, to include the officials, have started an initiative with instant replay in boxing. It is a very exciting initiative, one that we have worked very hard on, that we have implemented and there is a particular rule in NAC Chapter 467 that states the referee is the sole arbiter. However, when you go to instant replay and you have a reviewing official like they do in football, they go back to New York for the results, that instant replay official would then be the sole arbiter as opposed to the referee in the ring as the sole arbiter. The referee then would no longer be the judge, jury and executioner, if you will, during an instant replay. The reviewing official would be the person to do that and that is the next step that we want to take forward with instant replay. It is an initiative, and pardon my modesty, that no other boxing commission has addressed, and I am honored to be a part of this team considering the hall of fame referees and the staff that have been involved in putting the procedures together for that. Those are three examples that come immediately to mind that we could get done in a couple of months as opposed to possibly two years, with all due respect. Once again, the questions are fair and noteworthy.

Greg Ferraro:

In response to Assemblywoman Hansen's question about the formation of the Commission; it was formed in 1941.

Chairman Yeager:

Do we have any other questions from Committee members? [There were none.] Thank you for the presentation. I will open it up to testimony in support of S.B. 29. [There was none.] I will open it up to testimony in opposition to S.B. 29. [There was none.] I will open it up for testimony in neutral to S.B. 29. [There was none.] Concluding remarks were waived.

Committee members, as you know, we suspended some rules on the floor yesterday, so we can vote this out this morning to get this one off of our plates. I will entertain a motion to do pass Senate Bill 29.

ASSEMBLYWOMAN TOLLES MOVED TO DO PASS SENATE BILL 29.

ASSEMBLYMAN ROBERTS SECONDED THE MOTION.

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

THE MOTION PASSED. (ASSEMBLYMAN DALY VOTED NO.)

I was going to assign that floor statement to Assemblyman Daly, because he is probably in the best shape to actually engage in unarmed combat. But given that he is a no, I will assign the floor statement to Assemblyman Roberts as I think he might be the next best in shape of those of us left on the Committee. If anybody wants to challenge him, we could potentially look at doing that. The hearing is closed on S.B. 29.

I will open it up for public comment either in Carson City or Las Vegas. [There was none.] Are there any questions or comments from Committee members? [There were none.] We do have an agenda for tomorrow at 10 a.m. We will consider the Cannabis Compliance Board bill on work session. At this time no other bills are left in Committee, however, we will likely be hearing a handful of bills next week assuming they come over from the Senate Committee on Finance.

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

RESPECTFULLY SUBMITTED:

Traci Dory
Committee Secretary

APPROVED BY:

Assemblyman Steve Yeager, Chairman

DATE: _____

EXHIBITS

[Exhibit A](#) is the Agenda.

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

[Exhibit C](#) is the Work Session Document on Assembly Bill 534, dated May 23, 2019, presented by Diane C. Thornton, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

[Exhibit D](#) is a document titled, "SB29 Section-by-Section Outline," submitted and presented by Staci Alonso, Commissioner, Nevada Athletic Commission.