MINUTES OF THE MEETING OF THE ASSEMBLY COMMITTEE ON JUDICIARY

Eightieth Session March 26, 2019

The Committee on Judiciary was called to order by Vice Chairwoman Lesley E. Cohen at 8:05 a.m. on Tuesday, March 26, 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:

Assemblyman Jason Frierson, Assembly District No. 8



STAFF MEMBERS PRESENT:

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

OTHERS PRESENT:

Alan D. Freer, Co-Chair, Legislative Committee of the Probate and Trust Section, State Bar of Nevada

Mark W. Knobel, Partner, McDonald Carano; Co-Chair, Legislative Committee of the Probate and Trust Section, State Bar of Nevada

Michaelle D. Rafferty, Chair, Probate and Trust Section, State Bar of Nevada

Katherine L. Provost, representing Nevada Justice Association

Shelly Booth Cooley, Family Law Attorney, The Cooley Law Firm

Josef Karacsonyi, Family Law Attorney, Dickerson Karacsonyi Law Group; and Member, Nevada Justice Association

Marshal S. Willick, Family Law Attorney, Willick Law Group

Holly Welborn, Policy Director, American Civil Liberties Union of Nevada

Eric Spratley, Executive Director, Nevada Sheriffs' and Chiefs' Association

Chuck Callaway, Police Director, Office of Intergovernmental Services, Las Vegas Metropolitan Police Department

John T. Jones, Jr., representing Nevada District Attorneys Association

Mary Sarah Kinner, Government Affairs Liaison, Washoe County Sheriff's Office

Serena Evans, Policy Specialist, Nevada Coalition to End Domestic and Sexual Violence

Michael Ramirez, Director of Governmental Affairs, Las Vegas Police Protective Association Metro, Inc.

Linda Ward-Smith, President, American Federation of Government Employees Local 1224

Susan L. Fisher, representing Nevada State Apartment Association

Rusty McAllister, Executive Secretary-Treasurer, Nevada State American Federation of Labor and Congress of Industrial Organizations

Connor Cain, representing Nevada Bankers Association

Vice Chairwoman Cohen:

[Roll was called. Committee protocol and rules were explained.] I am going to open the hearing on <u>Assembly Bill 286</u> and welcome Assemblywoman Backus.

Assembly Bill 286: Makes various changes relating to trusts and estates. (BDR 2-1028)

Assemblywoman Shea Backus, Assembly District No. 37:

While I am a licensed attorney, we rely on the experts in the field of trusts and estates for the presentation of this bill. First, we will go down to Las Vegas to hear from Alan Freer, a member of the law firm of Solomon Dwiggins & Freer. Mr. Freer focuses his practice primarily on trust and estate litigation. He is and has been a co-chair of the Legislative Committee of the Probate and Trust Section of the State Bar of Nevada since 2016. He will provide a brief overview of the bill and a synopsis of sections 1 through 31. Hopefully—and I hate to put him on the spot—I am also going to have him explain to my colleagues the rule against perpetuities.

Next, we will hear from Mark Knobel, a partner with McDonald Carano. Mr. Knobel primarily practices in estate planning, wealth transfer, business and corporate law, federal and state tax, and charitable planning. Mr. Knobel is also a co-chair with the Legislative Committee of the Probate and Trust Section of the State Bar of Nevada. He is here in Carson City and will provide a synopsis of sections 32 through 47.

We also have the pleasure to have Michaelle Rafferty, a shareholder with the law firm Maupin, Cox & LeGoy. Ms. Rafferty practices in the area of estate, trust, and taxation. Ms. Rafferty is the current chair of the Probate and Trust Section and has been an executive officer for the past eight years. She will provide an overview and synopsis of the proposed amendment (Exhibit C).

We apologize for the tardiness of the submission of the amendment; however, we have printed copies for you. We are going to make additional adjustments to the amendment. Specifically, we will withdraw sections 43 and 44. We also know that some of the stakeholders had concerns about language under section 8, and we agree. After this hearing, we are going to work on that language so that it does not interfere with other statutory provisions of *Nevada Revised Statutes* (NRS). There will probably be further discussion regarding section 45 of the bill.

Last but not least, I understand that attorney Dara Goldsmith has an amendment regarding decanting due to a United States Supreme Court opinion that came down yesterday. We will not touch on that today, but we may provide a proposed amendment to consider. I will turn this over to Mr. Freer to address the Committee.

Alan D. Freer, Co-Chair, Legislative Committee of the Probate and Trust Section, State Bar of Nevada:

This bill has been drafted and sponsored by the Probate and Trust Section of the Nevada State Bar. Nevada is one of the top five states in the nation with respect to the rapidly evolving area of laws governing trusts and estates. It has become a focal point for high-wealth individuals to move their assets and have them managed in the state of Nevada. Assembly Bill 286 was drafted with the primary intent to keep pace with the evolution of these laws and to clarify the law, streamline the administration process, and to ensure

a person's wishes set forth in the estate plan are honored to the greatest extent permitted by Nevada law. The Probate and Trust Section has worked on the concept and language of A.B. 286 for the past 18 months, which was submitted to the State Bar last July. After receiving no objection by any other State Bar section, the bill received unanimous approval by the Board of Governors of the State Bar to be endorsed and advanced by the Probate and Trust Section.

As Assemblywoman Backus noted, I will be presenting the first portion of the bill. I will be presenting and discussing sections 1 through 31. My co-chair, Mark Knobel, will present highlights of sections 32 through 47, and Michaelle Rafferty will present highlights of the amendment (Exhibit C).

With respect to the first portion of the bill, the first highlight for sections 1, 2, 3, and 7 is a clarification that homestead rights for the amount protected on the homestead exemption should also extend to the proceeds of a sale of that homestead property. This would enable families' continued protection in the event it becomes necessary to sell an otherwise protected homestead property, such as in the instance of purchasing a new residence, or situations where it becomes necessary to sell the residence, such as in a divorce proceeding. It makes no sense that the house itself is homesteaded in the amount up to \$500,000 when the proceeds are not likewise protected for reinvestment.

Sections 4 and 5 of the bill harmonize Nevada's constitutional 365-year rule against perpetuities. The rule against perpetuities is occasionally used by trust and estate lawyers. This section harmonizes the old 21-year "life in being" provision by deleting that requirement in those sections and going forward on a consistent basis with Nevada's constitutional 365-year rule against perpetuities.

With respect to section 8, that does two things. With the interplay between community and separate property in trusts, first it codifies the common law presumption that a transfer of community property or separate property into trust does not transmute such property, except as established by clear and convincing evidence. It also permits spouses with separate trusts to each own half of the community property in their respective trusts.

Section 9 clarifies the extent of the power granted to a family court in divorce proceedings to make equal distributions of community property that has been transferred into all trusts.

Section 13 reverses the current presumption that a formally executed and witnessed will that has been lost is presumed destroyed. Now, based on the rebuttable presumption, it is no longer presumed destroyed. We found that over the last 20 years, with the advent of computers and copies of wills, people who have taken the time to formally execute a will and have it witnessed—or go through creating an estate plan—should not have a presumption that such a will or estate plan is not valid just because the original document cannot be found, but copies exist.

Sections 15, 22, 25, and 27 through 31 make corresponding amendments for ex parte temporary restraining orders and preliminary injunction procedures that are vital for a probate court to protect the assets of an estate or trust when initiating an estate or trust proceeding.

Sections 17 through 21 make technical and clarification corrections to Nevada's Uniform Powers of Appointment Act that was passed last session and make it compatible with Nevada's existing law with respect to those powers.

Section 26 is another highlight. It incorporates the Uniform Trust Code Section 706 to codify a standard for the removal of a trustee, and to provide some protection for that trustee against vexatious beneficiaries who bring unwarranted petitions before the court.

Mark W. Knobel, Partner, McDonald Carano; Co-Chair, Legislative Committee of the Probate and Trust Section, State Bar of Nevada:

I will testify on the remaining balance of the bill from sections 32 through 47. Section 32 is a provision that deletes the obsolete provisions and provides that you can have retirement trusts that still qualify as decanted trusts.

Section 33 amends NRS 163.590 and allows a settlor of a trust to designate property with a document outside of the trust instead of having the trust amended.

Sections 34 and 35 amend NRS Chapter 164. Section 34 provides for the payment of expenses and compensation of a trustee. Section 35 provides a method where you can give more notice to creditors when a settlor of a trust, or a creator of a trust, dies.

Section 36 amends NRS 164.038 to broaden Nevada's virtual representation statute. That is the statute that provides for the person who holds a similar interest as someone else in a trust. You can hold the person who is the successor responsible.

Section 37 provides that NRS 164.045 permits a trust to be moved to Nevada under, and benefit for, a more favorable rule of perpetuities.

Section 38 amends NRS 164.930, enforceable arbitrations in trust instruments. Current law provides for arbitration with trust; however, the creator of the trust and the settlor are not bound, and this provides that the settlor is bound.

Sections 39 through 42 amend NRS Chapter 166 to provide for definitions.

Sections 43 and 44 have been removed.

Section 45 provides that the trust statutes dealing with arbitration are binding on the parties. In controversy is NRS 597.995, which is a consumer protection arbitration provision that conflicts with trust provisions.

Section 46 redefines "fiduciary" to provide for directed trustees, and section 47 repeals two unnecessary provisions of the statute.

Vice Chairwoman Cohen:

I feel like we have not gotten our rules against perpetuity. Can we please get an explanation of perpetuity?

Mark Knobel:

I will try, and then I will yield to Alan Freer and Michaelle Rafferty who may have a great definition. The rule of perpetuities came from common law, England, that says you cannot have unreasonable restraints against alienation. In other words, you could not tie up a property forever. The thought was that you should have property in commercial application. Trust law provides that you can have trusts that last many, many years. In Nevada, it is 365 years. Under the old rule of perpetuities, that would have been a violation because the common law was that you could not be unreasonable. Unreasonable under common law was a person who was alive plus 21 years.

Michaelle D. Rafferty, Chair, Probate and Trust Section, State Bar of Nevada:

I can add on to that to assist you in understanding. In other words, when a property is placed into a trust, it can go on for 365 years in the state of Nevada. Some states have repealed that altogether and do not have any restriction on how long a trust can continue. But that is our rule in Nevada. We still have some old common law provisions that exist and some case law. It still follows the 21 years of a life in being. The way to think about that is that the common law would require a trust to terminate even if the trust said it could go on forever. It would require termination. After we looked at the time the document became irrevocable, we were to consider everyone in the trust deceased and everyone who was alive at the time the trust became irrevocable, and then we would add 21 years to that.

What we are trying to do is—a lot of these laws have changed over time in order to allow trusts to continue quite a bit longer—make sure all of the rules are consistent. The provisions amending that make it consistent to ensure we are following our statutory provisions of 365 years in Nevada and not the 21 years of a life in being.

Assemblywoman Nguyen:

In looking over this, I appreciate all of the work you have put into it. How do these changes comport with other jurisdictions in making this more understandable and more workable?

Assemblywoman Backus:

While I assisted in sponsoring this bill, it is the Trust and Estate Section of our State Bar who has been working diligently on it for probably a year now, so I will turn this over to them.

Mark Knobel:

Nevada is one of the top four or five jurisdictions for trust law. For example, going back to the rule of perpetuities, some states have absolutely abolished it. Nevada, because of certain state requirements, allows for 365 years. Our trust laws are very good, and people move

their trusts to Nevada because our laws are consistent and good laws for the public and everyone else.

Michaelle Rafferty:

I just returned from a national conference that was for Fellows of The American College of Trust and Estate Counsel. Nevada is one of the top four jurisdictions. We have had a very active legislative committee within our Probate and Trust Section, which is a wonderful balance of both litigators and planners trying to take into account all of the various concerns that we would have, making sure that our laws are not just directed toward one side of the aisle, but cover the entire state. Because of that, we have had a very favorable result. It is very important for our business community and our public to have clear statutes. That is what we have accomplished. What we are bringing forward today cleans up some of the prior provisions that we did, making sure that we are consistent with some of the uniform acts that we have adopted statewide, and making sure our language and anything that we have found to create a problem or an inconsistency are being cleaned up today.

Alan Freer:

Just a couple of points with respect to adopting other state laws and looking at what they have done. That was the whole focus of the committee. That does appear in the provisions of the bill. For example, sections 14 and 23—which deal with the no-contest clause—incorporate some provisions of New Hampshire Revised Statute 551, subsection 22. Additional references to other state laws are also set forth in our executive summary, such as section 19 where we look at adopting it with respect to instances similar to those of the states of Colorado, Virginia, and Illinois. Likewise, section 26 incorporates some provisions of the Uniform Trust Code 706. As we are going through substantive analyses of this, we are cognizant of and adopting those provisions advanced by other states.

Conversely, with respect to administrative issues that deal with the administration of trusts and estates, those are primarily organic and germane to our state because our administrative provisions are highly unique with respect to what other states are doing. Because of that, we have the advantage of being able to efficiently and quickly administer estates that are almost unheard of in jurisdictions such as California and Florida.

With respect to the courts' inherent power to tie up trust assets or state assets and protect them through temporary restraining orders and preliminary injunctions, those statutes are largely our own creation dealing with those statutes day in and day out over the last 20 to 30 years. We talked to the commissioners and probate judges about what works and what does not with respect to protecting those assets that they are entrusted with overseeing.

Assemblywoman Peters:

Can you bring this down a notch for me and give me an idea of what this means? If I were to have a trust, what do these changes that you are presenting today mean for me and my family?

Michaelle Rafferty:

What this means is that your family's trust and estate are going to be administered in a state that has very current laws that allow for an efficient and timely administration through our courts. People elsewhere are shocked at how quickly we can get things done. It also means that, when there is a dispute and there are issues at hand that create problems, we have a way to resolve those in a very efficient and quick administration. What we are doing in this particular bill is making sure our laws stay at that cutting forefront of being able to ensure our citizens have the ability to move those administrations forward. When people lose a loved one, it is a very devastating time in their life, and the last thing they need is to be tied up in long-term conflicts and trust administrations that occur because there is not an easy and efficient way to resolve them. As a whole, that would be one of the primary things that is being promulgated in this bill.

In addition, over the course of time, there have been—and we will talk about that more in the amendment (Exhibit C) of the bill—things happening nationally with uniform acts because other states and the Uniform Law Commission often look to what we have done in Nevada and establish uniform laws. Sometimes, when they come out with those uniform laws, there are bits and pieces that we actually find would help us as well. We also make sure we use those to our advantage here as well by bringing those good procedures forward and clarifying them to make them work with the laws we have in place.

Assemblywoman Backus:

One good example that I actually like with this law is in sections 1, 2, 3, and 7 regarding the homestead exemption. Right now, if you were involved with litigation, your home would be protected up to \$550,000. That is the homestead law. The good thing with this is, if you have a transfer and put your house up for sale while you are in litigation and you become subject to a judgment, under current law someone could go after that money once it was in an escrow account. This law protects that and would allow you to take that \$550,000 and put it into another home. That money would be protected. There are a lot of little areas because the law is so massive.

Assemblywoman Torres:

In your answer, you mentioned that you were clarifying the language. Could you be more specific? What does it do that is better than the current law? You stated that trusts are popular here in Nevada because our laws are so clean. What does this bill do to make it even cleaner?

Alan Freer:

I will give you two examples of what we are attempting to do. Going back to sections 14 and 23, it is very common in a trust to have what is called a "no-contest clause." When people spend the time and effort to draft a trust, they want to ensure that the directions they have created are followed. We have had instances—courts are very reluctant to enforce those types of no-contest clauses—where we made changes to it. Likewise, with respect to lost wills, if you take the time and effort to draft an estate plan, the law will, to the greatest extent

possible, honor those decisions and allow you to direct the wealth that you have accumulated during your life in a manner in which you see fit and have directed in your estate plan.

Vice Chairwoman Cohen:

In section 11, page 33, I feel like it is trying to prevent a race to the courthouse, but it might cause the race to the courthouse. Am I misunderstanding what the intent is as far as the court having the ability to determine which jurisdiction the hearing should be held in?

Alan Freer:

You are absolutely right. The intent of section 11 is to prevent the race to the courthouse by having the uniform procedure. The dichotomy that existed before this was that statutes allowed for certain venues for resident decedents, but a different venue for nonresident decedents. Whether you are a resident of Nevada or if you have property subject to administration, you would still need to open a Nevada probate. There was a dichotomy between those statutes. This section is designed to unify that provision and to prevent the race to the courthouse by allowing the district court to orderly oversee where the proper venue should be by taking into consideration various factors, as opposed to who is the first one to file in a particular county.

Vice Chairwoman Cohen:

Does the court have a hearing to determine if it is the right venue? How does that happen?

Alan Freer:

Procedurally, what happens when you are in a probate proceeding is that you initiate the probate proceeding with a petition. The petition is to establish the jurisdiction of that proceeding in a particular county. It will also approve the will if there is one or an administrator. At the initial proceeding, you have these jurisdictional issues done at the outset of the hearing. It is just done under a normal petition process as opposed to any type of normal complaint or an answer in a civil lawsuit. These are usually done on an expedited basis, on ten-day judicial day notices and initial hearings of the probate court.

Michaelle Rafferty:

What we also want to address is the proposed amendment (Exhibit C) to A.B. 286. There were a number of things that occurred when we submitted the proposed language for the bill draft request that were slightly altered in the ultimate issuance of the bill draft. When we came forward, we noticed that sections 1, 2, and 3 of the amendment—that deal with sections 17, 20, and 21 of the bill—address the conflict that occurred when we, in 2017, adopted the Uniform Powers of Attorney Act. There were a couple of provisions in there that conflicted with the language that we had in other sections of our statutes that specifically deal with the ability to file actions with regard to NRS 111.779, which deals with nonprobate transfers and the ability for creditors to recover assets from nonprobate transfers if there is a creditor claim. We have cleaned up that language to make sure it is consistent, and that is what the amendment does.

In addition, section 24 is proposed as amendment section 4. That deals with the difference in the language that came out in the final bill. It was a bit unclear, and we wanted to be very clear when we are trying to define when a trust is irrevocable. That language is designed to make sure that is clear.

Section 41 adds some clarity to the language concerning the definition of a "settlor" in a spendthrift trust statutory provision. Section 6 has been removed by the amendment in section 43. I am going to pass on that.

Section 7 of the amendment, which amends section 44 of the bill, deals with some minor changes to the two-year statute of limitations period. The amendment in section 8 is section 48 of the bill and is simply added to deal with the change that occurred—a cleanup in the summary administration statutes. We changed that in 2015 to a \$300,000 cutoff before we hit a full administration and probate. Yet some of the fees that we had for our clerks were not consistent with that. That language is cleanup language.

Vice Chairwoman Cohen:

Unless you have anything else to provide and seeing no other questions, we will move on to support. Is there anyone down south wanting to provide support? If there is anyone in Carson City to add to the support, please do so. I see no one, so we will move on to opposition. Do we have anyone in opposition in Las Vegas or Carson City?

Katherine L. Provost, representing Nevada Justice Association:

I am here in opposition because, prior to the discussion this morning, with the removal of certain sections of the trust and the agreement to work on the language in section 8, we would have been taking a stronger opposition position. We appreciate the willingness to work on the language in section 8 and the removal of sections 43 and 44 of the bill. With that, we will continue those discussions and, if we can resolve those, we will probably not have any opposition to the bill.

[Assemblyman Yeager entered the room at 8:40 a.m. but did not assume the Chair.]

Shelly Booth Cooley, Family Law Attorney, The Cooley Law Firm:

I am a private family law attorney in Clark County. I am a former chair of the Family Law Section of the State Bar of Nevada. I am testifying in opposition to <u>A.B. 286</u>. We greatly appreciate the removal of sections 43 and 44 from the bill. With regard to section 8, we are in support of the revision to that part of the bill. The language in section 8, subsection 1 currently states, "Except as otherwise provided in subsection 3 or in a trust instrument or other instrument that is in writing and signed by both spouses." We would like that language to be changed to indicate that it should be a written contract, and both parties should have independent representation.

The reason we would like this change is, typically when you have parties who are preparing or creating a trust agreement, they are not in the middle of a divorce. Things are going well in the marriage. This is a document that is going to protect assets, but you usually have

one party who is legally sophisticated and the other is not. You have a common attorney who prepares these documents. The legally unsophisticated party is signing documents that are presented to him or her without actually understanding what he or she is signing. If we are going to take property and make it so that it cannot be touched at a later date, we need to make sure all parties understand what they are doing. That is why we would like that language to be revised to have a contract and both parties to be legally represented by independent counsel. As this language currently is, a document signed by both parties could be on a cocktail napkin. We feel we need to have protections in place. If parties voluntarily and knowingly transfer assets into the trust to make sure these assets cannot be touched, then we are comfortable with those protections. We need to make sure that both parties understand what they are doing at the time that they are doing it.

Josef Karacsonyi, Family Law Attorney, Dickerson Karacsonyi Law Group; and Member, Nevada Justice Association:

I want to reiterate what Shelly Cooley said about section 8. Our concern was the language that says, "Except as otherwise provided in subsection 3 or in a trust instrument or other instrument that is in writing and signed by both spouses." The parties can change the character of property in a trust. It is far too common in marriages for one spouse to be responsible for making decisions on finances, trusts and estate planning, and tax returns, but with this language, if a spouse signs a tax return or the trust document without actually reading it, he or she could be waiving valuable rights in his or her community property. For that reason, we think the language is problematic and would want the statute to require a written contract between the spouses to assure those additional protections. That would severely limit the opportunity for a spouse to be tricked or to unknowingly waive his or her rights to community property.

We are pleased that section 44 has been taken out. That was very problematic for us. It provided that a party could fail to meet the requirements for a creation of a trust, establish a trust for an improper purpose, or fail to follow the requirements of the trust, and after two years there is nothing anyone could do to challenge the validity of that trust. It was our belief that if you were going to provide parties protection from creditors by creating a self-settled spendthrift trust, you should be required to follow the requirements provided by law.

Marshal S. Willick, Family Law Attorney, Willick Law Group:

I am a family law attorney in Las Vegas, a former chair of the Family Law Section of the State Bar of Nevada, and a former president of the Nevada chapter of the American Academy of Matrimonial Lawyers. Given the preliminary commentary by Assemblywoman Backus as to sections 8, 43, and 44, my remarks will be very brief. The only thing that I would add when you go back to look at section 8 is that you should preserve subsections 2 and 3. They are a codification of existing California law, fully compatible with existing Nevada law, and would be a welcome guidance to family court and other judges who are trying to determine the character of property placed in a trust where someone is attempting to argue that there has been a transmutation. As one of the cases stated, you should not be allowed to slip into a transmutation of property from separate to community or community to separate.

There should be clear and convincing evidence required in order to transmute property from one form to another.

Vice Chairwoman Cohen:

Is there anyone else in opposition in Las Vegas? I do not see any questions, so if there is anyone else for opposition testimony, please come forward. Seeing no other opposition, we will move to neutral. Is there anyone who is in the neutral position in Las Vegas or Carson City? Seeing no one neutral, I will invite the presenters back up for closing remarks.

Alan Freer:

With respect to section 8, we are happy to work with those who have voiced concerns. The primary intent, as stated by Mr. Willick, is to be able to preserve the community and separate property nature of assets. Just because it is transferred into a trust, it should not be inadvertently transmuted.

Mark Knobel:

I concur with Mr. Freer. We will definitely work with all parties on section 8. There are various amendments to different parts of the trust bill. All of them are to streamline trust practice and to give some flexibility to the creators of the trusts to make more efficient trust instruments.

Michaelle Rafferty:

This moves Nevada forward and updates our statutory provisions, addresses various decisions that have been made both nationally and locally, and makes us continue as a very active and progressive state in the trust and estate areas. Thank you for the consideration. We will work closely with the family law lawyers.

From a practical standpoint, we have lots of people who come here to do joint trusts as husbands and wives where this is not an issue. Then we have many people who come here from states that have separate property trusts or separate trusts into which they want to place their community property. This will enable us to work with the Nevada State Bar Family Law Section on section 8 and, hopefully, streamline that process so the people moving into the state of Nevada have the ability to use their trust and estate plans despite the fact that they may have separate trusts.

Vice Chairwoman Cohen:

With that I will close the hearing on <u>Assembly Bill 286</u>. Assemblyman Yeager will reassume the Chair [at 8:52 a.m.].

Chairman Yeager:

At this time I will open the hearing on Assembly Bill 349.

Assembly Bill 349: Prohibits sexual conduct between a law enforcement officer and a person whom the law enforcement officer has detained or arrested. (BDR 15-1003)

Assemblywoman Rochelle T. Nguyen, Assembly District No. 10:

For a little background on this bill, about a year ago some constituents got in touch with Assemblyman Frierson—whose bill this is that I am presenting—about an article and a case in New York where two police officers were accused of raping a teenager. They were able to evade the charges of sexual assault by claiming that the sexual acts were consensual. I know this also arises out of a 2002 Attorney General opinion [Attorney General Opinion 2002-44] that concluded that *Nevada Revised Statutes* (NRS) 212.187 only applied to those confined in correctional centers and jail facilities. This bill's intent is to close the loophole.

In recent years, some states have closed this loophole by applying law enforcement officers to the same rules already in place nationwide for probation officers, prison guards, and jail guards through the Prison Rape Elimination Act (PREA) of 2003. So far this loophole has been closed in places like Alaska, Arizona, New Hampshire, Oregon, and Washington, to name a few. To give you background on PREA, it is a federal law that seeks to eliminate sexual abuse and harassment and applies to all federal and state prisons, jails, police lockups, private facilities, juvenile facilities, and community correctional settings. It essentially makes it against the law for a staff member, contractor, volunteer, or visitor to engage in any type of sexual activity with an inmate. By law, the incarcerated person is unable to legally consent to sexual activity. For example, if you are an inmate in a prison facility, you cannot consensually engage in sexual activity with a correctional officer. However, only a handful of states have actually extended this prohibition to law enforcement officers in positions of power while a detainee is in custody.

This bill mirrors PREA statutes that are already codified in state law, including NRS 212.187 and NRS 212.188 as it applies to law enforcement officers. We are just cleaning up existing federal statute and state statute to include the group of individuals who were not included previously.

Section 1, subsection 1 states that "a law enforcement officer who voluntarily engages in sexual conduct with a person whom the law enforcement officer has detained or arrested is guilty of a category D felony." In subsection 2, it specifically states, "The consent of a person who was detained or arrested by a law enforcement officer to any sexual conduct with a law enforcement officer is not a defense to a prosecution" for any of those acts.

Subsection 3 defines "sexual conduct" as mirroring the definition already existing in NRS 212.187. The only additions are subsections 1 and 2.

The bill states that sexual conduct does not include acts of law enforcement officers that are performed to carry out necessary duties. In a previous bill, <u>Assembly Bill 189</u>, we discussed obtaining search warrants for body cavity searches, and there was some discussion by one of our members about other things, like brushing and touching inappropriately as long as that

was done within the course of the duties. Those would not be included and captured in this statute. I urge your support of A.B. 349.

Assemblywoman Peters:

For clarification of the intent of section 1, subsection 2, in a situation where an 18-year-old was arrested by an officer who is in his early twenties, then a couple of years later they meet again and start having a relationship. Is there a time limitation on this? Do they have to be actively arrested? Once that is cleared, does this pertain to those relationships?

Assemblywoman Nguyen:

I should have mentioned this before. I met with some of the stakeholders and one of the proposed conceptual amendments (Exhibit D) that we discussed was in section 1, subsection 1, where it refers to "a law enforcement officer who voluntarily engages in sexual conduct with a person whom the law enforcement officer has detained." Our proposed conceptual amendment was to change the language to "engages in sexual conduct with a person whom the law enforcement officer has currently detained or arrested." It is our intent that, if someone is arrested and months later enters into a consensual relationship with that same officer, they would not be included in this. We do have that proposed language conceptually. That is our intent.

Assemblyman Watts:

I think it is important to clean up this language and recognize those power dynamics that are at play. How would it apply to someone who is a confidential informant?

Assemblywoman Nguyen:

I do not think this law would specifically include them. That is something that I am willing to work on to see if this is something we should incorporate in the bill.

Assemblyman Fumo:

I was looking at the amendment (<u>Exhibit D</u>) from the Nevada Attorneys for Criminal Justice (NACJ). Do you consider that a friendly amendment? Is it just the one particular officer who detains the detainee, or is it that officer and any other officers who come up to them?

Assemblywoman Nguyen:

I have not seen the friendly amendment; I am not sure when it was submitted. I do not think I would have a problem with that if it just indicates law enforcement officer. I would be happy to address that and meet with them to go over it.

Chairman Yeager:

There is a proposed amendment from NACJ (<u>Exhibit D</u>) on the Nevada Electronic Legislative Information System. It looks as if they are generally supportive of the bill but want a one-word change. I will give you a chance to look at it and, if other interested parties testify, let us know what you think of the amendment.

Assemblyman Roberts:

Assemblyman Fumo had the same question I did about the friendly amendment. I would support it if it is friendly.

Assemblywoman Miller:

Section 1, subsection 3, paragraph (a) explains—to be clear so there are no loopholes—all of the acts that would be considered illegal according to the bill. Then section 1, subsection 3, paragraph (b) says that it, "Does not include acts of a law enforcement officer that are performed to carry out the necessary duties of the law enforcement officer." Can you provide some scenarios regarding what those acts would be? Are we referring to acts that could be misconstrued as sexual? If so, what would be legitimate acts of a law enforcement officer that would need to be placed under that section?

Assemblywoman Nguyen:

In talking with law enforcement, it is my understanding that acts necessary to perform the duties of an officer might include pat-downs and other things in which there could be incidental or nonintentional touching. Law enforcement is here, so they may be able to answer any questions or give other examples.

As for paragraph (a), that is already in the existing statute. For the record, we just became aware that there is a corresponding bill being heard in the Senate Committee on Judiciary tomorrow, <u>Senate Bill 383</u>. I know we are going to reach out and see what we can do. They are very similar in nature. Theirs extends to some civil conduct, but there is some mirrored language.

Chairman Yeager:

Seeing no further questions, I will open it up for additional testimony in support of <u>A.B. 349</u>. Please come forward if you want to testify in support, both in Carson City and Las Vegas.

Holly Welborn, Policy Director, American Civil Liberties Union of Nevada:

The American Civil Liberties Union of Nevada (ACLU) is here in strong support of this bill. There is a lot of data coming out of New York that I want to share with you. I looked for similar data here in Nevada, but this will illustrate the scope of the problem. In New York, 26 out of at least 158 law enforcement officers were acquitted based on utilizing this defense. *The Buffalo News* analysis found that an officer is accused of sexual misconduct every five days. In New York City, they discovered that 40 percent of young women reported being sexually harassed by police. This is data that we intend to look into, and we think this bill is critically important.

This defense completely ignores the incredible power police officers have over civilians in general and particularly those in their custody. That power makes consent impossible in this circumstance. Anyone in police custody implicitly understands this and knows that not going along with an officer's wishes could have adverse consequences. We strongly encourage your support of this bill.

Eric Spratley, Executive Director, Nevada Sheriffs' and Chiefs' Association:

We are in support of <u>Assembly Bill 349</u> with the intent of the conceptual amendment by Assemblywoman Nguyen. We are also in favor of the NACJ amendment and its intent.

Chuck Callaway, Police Director, Office of Intergovernmental Services, Las Vegas Metropolitan Police Department:

I spoke with Assemblyman Frierson about this bill before the session even started and indicated to him that this is a no-brainer. We are here in full support, even with the amendments as submitted.

John T. Jones, Jr., representing Nevada District Attorneys Association:

We are here in support of <u>Assembly Bill 349</u>.

Mary Sarah Kinner, Government Affairs Liaison, Washoe County Sheriff's Office:

I echo the comments made by the Nevada Sheriffs' and Chiefs' Association, as well as Metro. We are here in support of Assembly Bill 349.

Serena Evans, Policy Specialist, Nevada Coalition to End Domestic and Sexual Violence:

I want to echo what Ms. Welborn said on behalf of the ACLU. When a law enforcement officer detains or arrests an individual, there is no longer an equal power dynamic, and it is impossible to have willful consent under these circumstances. We support Assembly Bill 349.

Michael Ramirez, Director of Governmental Affairs, Las Vegas Police Protective Association Metro, Inc.:

We are in support of this bill.

Chairman Yeager:

Is there anyone else in support of <u>Assembly Bill 349</u>, either here or in Las Vegas? I do not see anyone. Is there anyone opposed to the bill, either here or in Las Vegas? I do not see any opposition testimony. Would anyone like to testify in neutral? I do not see any neutral testimony, so we invite Assemblywoman Nguyen back to the table.

Assemblyman Fumo:

Would you consider another amendment, or does this bill pertain to witnesses as well? I am thinking about a case of domestic battery where the defendant is taken away, but the witness and accuser, who was sexually assaulted by the officer, are still there. Would you consider an amendment that says "any witness or participant to a case" rather than it just being the detainee? Does this apply to everyone?

Assemblywoman Nguyen:

I will look into that. Assemblyman Watts is also concerned about confidential informants. I will talk to the stakeholders about a possible amendment.

I had an opportunity to review the NACJ amendment (<u>Exhibit D</u>), and I do not have any objections to that amendment. As far as other people being incorporated, I will look into that.

Chairman Yeager:

I will now close the hearing on <u>Assembly Bill 349</u>. At this time, I will open the hearing on the final bill on the agenda, <u>Assembly Bill 393</u>.

Assembly Bill 393: Providing protections to certain governmental employees and certain other persons during a government shutdown. (BDR 3-1015)

Assemblyman Jason Frierson, Assembly District No. 8:

I present to you <u>Assembly Bill 393</u>, and I have some introductory remarks. We know what a government shutdown is. What we have seen in the federal government is their inability to resolve budgets and to frequently get sidetracked with politics, so they shut down the government. This has happened before. We recently saw the impact. As a matter of fact, as policymakers are traveling back and forth from Las Vegas to our capital, we all appreciate the Transportation Security Administration workers who were not getting paid but still came to work. We were trying to figure out ways to make sure they could feed their families. By the way, it is incredibly difficult to give money to federal employees. We struggled with ways to provide relief for federal employees.

For some background, there are 11,500 civilian, federal employees in Nevada alone. During the most recent shutdown, 3,500 federal employees were left without paychecks. It dawned on me that, for these folks who go to work every day to make sure we are safe in airports, that we get our mail, and that we receive all the safety services that our government provides, the least we can do is to make sure our citizens are protected when our national capital cannot get its act together.

I believe, given the past couple of cycles and the most recent shutdown, we saw the impact that it can have. In my background in child welfare, we see what happens when folks do not get paid. We see folks get evicted when they lose their jobs and their ability to pay for their families. They frequently lose their homes and have issues with child custody and Child Protective Services. It is a domino effect. Ultimately, the cost ends up coming back to us anyway. We are one of the first states proposing to provide some relief to those federal and state employees in the event of a future shutdown.

I will not read the bill to you, but I will go through it and the provisions. The bill applies to rentals—both homes and manufactured homes—and foreclosures. It makes these employees eligible for public assistance. It is generally for the period of the shutdown, plus 30 days afterward. For example, a landlord is not able to initiate eviction proceedings or foreclosure proceedings if the renters can provide verification that they are impacted by a government shutdown. There are a couple of provisions that are particularly unique to Nevada that I think are very good. I am looking at section 6, subsection 1, "a person shall not initiate or direct or authorize another person to initiate a foreclosure sale during the period commencing

on the date on which a shutdown begins and ending on the date that is 90 days after the date on which the shutdown ends." That is the only provision that specifies 90 days. Most of the others are 30 days. This impacts federal employees, state employees, spouses, and household members. The legislation sets forth that it is a misdemeanor for someone to violate this provision, and that any person who violates this provision will also be liable for actual damages and attorney's fees and costs incurred by the injured party.

If you look at section 6, subsection 8, it does allow for the consideration of due diligence to make sure we are not just going after folks. We want to make sure folks are acting in good faith, exercising due diligence, and protecting the workers.

Section 7, subsection 3 on page 6 says the tenant is allowed to request, in anticipation—this is not an effort to catch anyone off guard—to be allowed to remain in their home during a shutdown, and if they make that request in writing and provide verification that they are subject to a shutdown, the landlord will allow them to continue in possession for that set period.

Section 8 deals with evictions, and several of these pages are just conforming language. Section 12, pages 11 and 12, applies to foreclosures. If there is a foreclosure proceeding, federal or state workers or household members of said workers are required to be notified that they may be eligible for these protections. That is just a standard notice that these folks are to be informed that they might have some protections, just like members of the military.

Section 13 addresses homeowners' associations (HOAs) and liens that come out of them. That section makes sure they are subject to these provisions, and that folks are also protected from the actions of HOAs and the liens coming out of HOAs if they are subject to a government shutdown.

Section 20, subsection 2 deals with rentals and making sure the folks who are in rentals are given the same protections during a period of shutdown, plus 30 days thereafter.

Section 26 deals with manufactured homes because it is a different section in statute. Throughout that section, it deals with landlords not being able to charge late fees for folks who are caught under these circumstances.

Subsection 3 of section 28 addresses rental agreements. They cannot be terminated. It cannot be the basis to terminate a rental agreement if that person is subject to a government shutdown.

Section 30 deals with repossession of vehicles. The same protections apply to the repossession of vehicles.

On page 28, section 31, subsection 4 is what makes these folks eligible for public assistance.

That is the meat of the bill. I think we owe it to our federal and state employees—if they are subject to a government shutdown due to forces beyond their control—to take care of them and their families. We need to give them some protections to make sure they can get through the storm.

Assemblywoman Backus:

What happened to our federal workers at the end of December 2018 was shocking, especially having to work without any compensation, and having to go to work every day. I want to clarify section 30, which deals with repossession of vehicles. A lender can repossess without a court proceeding. I want to make sure, for the record, that subsection 3 of section 30 is clear that the creditor cannot claim ignorance and go out to repossess a vehicle. In consideration of penalties, when a vehicle is being repossessed, there is a consideration of due diligence that puts the onus back on the lender to check on the status of their debtor. That is probably done through telephone calls or some sort of outreach before the repossession occurs. I just want to make sure that is clear.

Assemblyman Frierson:

The intention is to recognize that they have an obligation to exercise due diligence to the extent that it needs to be. If it needs to be clarified, I am open to it. It is also in one of the previous sections that I mentioned. It is incumbent upon the individuals to ensure they make it known that they are subject to the shutdown and that they will have difficulty paying their bills.

Assemblywoman Cohen:

Throughout the bill there is reference to not just the federal worker but their household members. Does that include ex-spouses who may be dependent on alimony or child support that they are not receiving because of the shutdown?

Assemblyman Frierson:

No. That is not the intent of the bill. I am open to making this better. I recognize that there are extensions of individuals who go through this. We are trying to do a service to ensure folks are protected. How far out and where that stops is a difficult point to draw. The intention was for that particular household.

Assemblywoman Cohen:

Regarding definitions, the definition of a federal worker in section 3 references "contractors." We know all of the work some contractors do is for the federal government. Are there any delineations for a company that has multiple contracts? Even if they are losing one contract with the federal government, they still have 20 contracts with private businesses or local governments. They are not getting hit as much as we are worried about.

Assemblyman Frierson:

I am looking for that section because there is a provision that allows a court to make a determination whether that employee is actually impacted by the shutdown. It gives the

court the discretion to make a determination. If the individual is not significantly impacted by the shutdown, the court may not apply the provisions.

Assemblywoman Peters:

What about the extension of this to employees of tribal governments? Tribal governments are primarily funded through federal grants or have branches that are funded primarily through federal grants. We saw this in tribes that were shut down because of funding. I do not know if it is possible to extend this to employees of tribal governments that are primarily funded through federal funds. Is that something that tribal governments have to take on?

Assemblyman Frierson:

That is an excellent question and one that I had not thought about. My intention was for folks who are relying on the federal government operating in order to have their livelihood protected from a government shutdown. To the extent that it is not expressly included, I would recommend treating them like contractors to the federal government.

Assemblywoman Hansen:

Do federal workers get their back pay when the shutdown is over? They do not get paid while there is a shutdown, but they do get back pay. Correct?

In section 20, subsection 2, it states, "30 days after the end of the shutdown," so I assume when the employees get their back pay, they make the payments to the landlord, not to exceed 30 days for a rental.

Assemblyman Frierson:

I do not want to speak out of turn about the practices of the federal government and the shutdown, but it is my understanding that federal employees typically do get back pay. It is also my understanding that it is not automatic. My bill is not intended to address financial status. This legislation is not intended to relieve a tenant of any financial obligation; it is simply designed to prevent them from being evicted or foreclosed upon or having a vehicle repossessed. I would welcome an opinion from legal if they have a different opinion. This bill does not address relieving them of their financial obligations under a contract or any agreement.

Assemblywoman Miller:

For clarification of legislative intent if we ever need it in the future, section 5 defines a "state worker," and I am glad to see that state workers would be covered in this bill. Are we referring to state workers because their job is funded through federal funds or grants? Or is it in case there may be a problem at the state level? We do not want to operate the same way Congress does, but the state might have trouble with the budget, or if there was a state government shutdown. Those are two different scenarios.

Assemblyman Frierson:

I will refer you to section 4 that defines "shutdown" as being "any period in which there is a lapse in appropriations for a federal or state agency." It is by definition intended to cover either a federal or state agency shutdown.

Assemblywoman Tolles:

I had the same line of questioning when I read this. Have we ever had a state shutdown in Nevada? What would the circumstances be for one?

Assemblyman Frierson:

We call them furloughs. There are a lot of different scenarios where we do not pay state employees due to a financial crisis for the state. This bill is not intended to relieve them of their financial obligations, but to provide some relief on the consequences that are out of their control. This is to stop an even more catastrophic result on that employee.

Assemblywoman Tolles:

I wish we could pass a law against shutdowns. It is sad that we are having this conversation. Section 6, subsection 6 says that "any person who knowingly initiates or directs or authorizes another person to initiate a foreclosure sale in violation of this section: (a) Is guilty of a misdemeanor; and (b) May be liable for actual damages." This is a way to hold the landlord accountable to this law, and I appreciate that. But jumping back to subsection 3: "The provisions of subsection 2 do not apply if the court determines that the ability of the federal worker, state worker or household member of such a worker to comply with the terms of the obligation secured by the residential mortgage loan is not materially affected by the shutdown." I think there may be another provision for paying their rent in the same way. I am curious, from a practical standpoint, what that process looks like. For example, you have someone who is not paying their bills, and they blame it on the shutdown when, in fact, the court finds it was not a reasonable defense for not paying them. Is there a recourse for At that point, it may have been several months, and the landlord has obligations to financial institutions too. This may have put them into default or had some other consequences. On the other side of this equation, is there any recourse for landlords in this?

Assemblyman Frierson:

The short answer is yes. The existing law has recourse for landlords if the court determines that an individual was not eligible for protection under this bill. The bill does not propose to change any of the tenants' obligations, including late fees or collection costs or any other civil liabilities if they were not legitimately reliant on the federal or state government. The court is able to make that determination. As long as the landlord is acting in good faith and not acting with disregard of the reality that this person may be going through challenges because of a shutdown, the existing laws give landlords protections and civil recourse. This does not change that.

Realtors have an interest in ensuring that landlords who might be impacted when they are paying the mortgages on rental property—but their tenants cannot pay their rent—will not be

subjected to consequences. I will welcome, at least in concept, addressing that concern in an amendment. I think there may be some testimony in that regard. There are folks who are dependent on collecting rent in order to pay their bills as well. Our intention is to protect folks who are impacted by government shutdowns.

Assemblywoman Tolles:

I would also support looking into that further for landlord protections in case of shutdowns.

Assemblyman Roberts:

I know a lot of Federal Bureau of Investigation agents and folks who were impacted by the last shutdown. You brought up the point about furloughs. I know the federal government engaged in furloughs for some time, as did the state. My understanding is when you defined "shutdown" in the bill, it means that they missed a paycheck. They do not have a reduced paycheck based on a furlough day or anything like that. Am I correct on that?

Assemblyman Frierson:

Yes. There are lots of reliefs that I would like to provide, but I think we have to be measured and not create another layer of hardship. The definition of shutdown specifically addresses that in narrow circumstances. I mentioned furloughs in the context of there being state struggles as well. I do not want to change the definition of shutdown for the purposes of the bill, but we have had periods where state employees did not get paid. This should apply to them as well.

Assemblyman Edwards:

Should we add the requirement that health care protections be continued? If there is an accident and someone has to go to the hospital, we would not want him to go into bankruptcy because he cannot pay the bill. Their health care should not be terminated, and they should be able to get their medications. Should we add that the insurance companies have to continue providing services until the shutdown is over?

Assemblyman Frierson:

I would question whether that is germane to this bill. Adding an entirely new component to the bill would put a cost factor on it that is not intended by the bill. During government shutdowns, you are still employed, so your health insurance is not terminated. We do have several pieces of legislation regarding health care protections to make sure we do the best we can to lower costs. That would take the bill outside of the confines of the intentions of the bill, which is the ability to pay rent and buy your children food.

Chairman Yeager:

Are there any additional questions? I do not see any, so I will open it up for testimony in support of <u>Assembly Bill 393</u>. If there is anyone who wants to testify in support, please come forward, either in Carson City or Las Vegas.

Linda Ward-Smith, President, American Federation of Government Employees Local 1224:

I serve over 2,200 federal workers here in Las Vegas, but nationally we support over 600,000 employees. Although we know the financial burdens that come along with shutdowns, as a registered nurse, I think it is important for us to talk about the mental anguish it causes our workers.

The Washington Post ran an article that spoke about the mental pressures employees felt during the shutdown when not receiving their paychecks. What we sometimes forget is that they continue to have obligations. They still have to pay child support, court obligations, and things of that nature that we do not think about. I am in full support of this bill because it takes some of the pressure away.

Regarding mental anguish, we have members who are still suffering, even after the shutdown is over. We are worried about another shutdown. We had a member who actually committed suicide, so this is a very emotional time for them. I am glad we have members here who are in support of this bill.

Susan L. Fisher, representing Nevada State Apartment Association:

We are in support of this bill. We had a question about clarifying that the exemption of summary eviction would not go on indefinitely, but Assemblyman Frierson made it very clear this morning. When the shutdown occurred, we reached out to our National Apartment Association for recommendations and guidelines. We then pushed the information out to all of our member properties advising them to work with the tenants and to notify those whom they knew were federal employees. This included tenants who came in and identified themselves as federal employees who were subject to the shutdown. The landlords are to work with them by waiving late fees and giving them time to pay.

We support this bill. It is sad that we have to put this type of thing into statute. You would hope that people would just help them out as needed.

Rusty McAllister, Executive Secretary-Treasurer, Nevada State American Federation of Labor and Congress of Industrial Organizations:

When taking over the lead of the Nevada State American Federation of Labor and Congress of Industrial Organizations, I found out that I also became the chairman of the board of directors for an organization called United Labor Agency of Nevada. It is a nonprofit charitable organization that provides assistance to members of the community, both from the labor organizations and from the general public. It provides aid in the form of rent assistance, utility assistance, a food bank, diapers, gas cards—you name it and we have assistance for it. One thing we found during the course of this last shutdown was—and it appears these shutdowns are going to become more prevalent—in just the one month they were shut down, we had over 90 people come in from federal employee groups asking for or filling out applications for assistance. Not all of them received assistance right away, but some of those over 30 did receive assistance in the form of gas cards, food, diapers, and things like that. At times, we all lose sight that there is a segment of the population that lives

paycheck to paycheck. Anytime they miss a paycheck, it has a detrimental effect on their livelihood. This bill would help relieve some of that stress. We endorse and support this bill.

Chairman Yeager:

Is there anyone else who would like to testify in support of the bill, either in Carson City or Las Vegas? Seeing no additional testimony, I will open it up for opposition. Is there anyone who is opposed to <u>Assembly Bill 393</u>? I do not see anyone. Is there any neutral testimony?

Connor Cain, representing Nevada Bankers Association:

The Nevada Bankers Association (NBA) is very much in support of providing relief to employees impacted by government shutdowns. During the most recent government shutdown, NBA member banks wanted policies and procedures to assist those negatively affected. We are testifying in neutral because we are still soliciting feedback and reviewing whether we can offer some useful advice to the bill's sponsor to ensure this legislation is as effective as possible based on our recent experiences. We think it is a very important piece of legislation, and we are very supportive of <u>Assembly Bill 393</u> conceptually.

Assemblywoman Miller:

While I appreciate the Association coming in neutral, is there not already a federally mandated Community Reinvestment Act (CRA) regarding investing in the community and protecting the community in certain ways? This bill seems as though it would fit nicely when it comes to the CRA requirements and the other federal guidelines. Can you respond to that?

Connor Cain:

I would agree with that, and I think it does dovetail nicely.

Chairman Yeager:

Are there any other questions? I do not see any. Is there anyone else in the neutral position? Seeing no additional neutral testimony, I will invite the sponsor back up for concluding remarks.

Assemblyman Frierson:

I want to point out—and I appreciate the perspective of the Apartment Association—that this is not to be perceived as a reflection of bad practices in Nevada. We come together in Nevada to take care of our own. This is not meant to reflect anything else. We did well in our state, but we had federal employees going to work without getting paid. I thought this was a thoughtful piece of legislation to give them some comfort in knowing that we have their backs.

Chairman Yeager:

I will now close the hearing on <u>Assembly Bill 393</u>. I will open public comment. Would anyone like to give public comment of a general nature? I do not see anyone, so I will close public comment. Is there anything else from the Committee? I do not see anything.

To go over the schedule, as you know, we still have a number of bills to be heard in the Committee, so we will be starting at 8 a.m. the rest of this week. So far we have three bills on the agenda each day, and we are working on the agendas moving forward. I will let Committee members know that, in the next few weeks, there are likely to be some days when floor is cancelled. When that happens, we will be able to go a bit longer, perhaps to 11:30 a.m. or noon. I mention that because it is completely appropriate to bring snacks with you. Feel free to do that, and I will try to give everyone a heads-up. I am trying hard to ensure we do not have to meet on weekends or at night. You will see bills added to the agendas at a rapid pace going forward. With all of that said, the meeting is adjourned [at 9:46 a.m.].

	RESPECTFULLY SUBMITTED:
	Karyn Werner Committee Secretary
APPROVED BY:	
Assemblyman Steve Yeager, Chairman	
DATE:	

EXHIBITS

Exhibit A is the Agenda.

Exhibit B is the Attendance Roster.

<u>Exhibit C</u> is a proposed amendment to <u>Assembly Bill 286</u> proposed by the Legislative Committee of the Probate and Trust Section, State Bar of Nevada, and presented by Michaelle D. Rafferty, Chair.

Exhibit D is a proposed amendment to <u>Assembly Bill 349</u> from Jim Hoffman, Legislative Committee, Nevada Attorneys for Criminal Justice, presented by Assemblywoman Rochelle T. Nguyen, Assembly District No. 10.