

**MINUTES OF THE
SENATE COMMITTEE ON JUDICIARY**

**Eightieth Session
May 8, 2019**

The Senate Committee on Judiciary was called to order by Vice Chair Dallas Harris at 8:09 a.m. on Wednesday, May 8, 2019, in Room 2135 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412E of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Dallas Harris, Vice Chair
Senator James Ohrenschall
Senator Marilyn Dondero Loop
Senator Melanie Scheible
Senator Scott Hammond
Senator Ira Hansen
Senator Keith F. Pickard

COMMITTEE MEMBERS ABSENT:

Senator Nicole J. Cannizzaro, Chair (Excused)

GUEST LEGISLATORS PRESENT:

Assemblywoman Alexis Hansen, Assembly District No. 32
Assemblywoman Sandra Jauregui, Assembly District No. 41
Assemblywoman Dina Neal, Assembly District No. 7

STAFF MEMBERS PRESENT:

Patrick Guinan, Committee Policy Analyst
Nicolas Anthony, Committee Counsel
Pat Devereux, Committee Secretary

OTHERS PRESENT:

Amber Stidham, Henderson Chamber of Commerce
Rocky Finseth, Nevada Association of Realtors; Nevada Land Title Association
Kevin Sigstad, President, Nevada Association of Realtors
Steve Dover, President, Nevada Land Title Association
Steven Parker, Cameo Property Management
Matt Walker
Josh Hicks, Southern Nevada Home Builders Association; Builders Association
of Northern Nevada
Chase Whittemore, Nevada Builders Alliance
Dave Dazlich, Las Vegas Metro Chamber of Commerce
Misty Grimmer, Nevada State Contractors Board
Susan Riggs, American Society for the Prevention of Cruelty to Animals
Brian O'Callaghan, Las Vegas Metropolitan Police Department
Garrett Gordon, Community Associations Institute
Mendy Elliott, Nevada Rural Housing Authority
Miranda Hoover, Nevada Humane Society
Jeff Dixon, State Director, Humane Society of the United States
Alfredo Alonso, Black Knight Sports and Entertainment LLC; Vegas Golden
Knights
Tim Mullen, Director of Strategic Partnerships, Vegas Golden Knights
Foundation
Tamara Daniels, General Counsel, Vegas Golden Knights
Greg Ferraro, Nevada Resort Association

VICE CHAIR HARRIS:

We will open the hearing on Assembly Bill (A.B.) 347.

ASSEMBLY BILL 347 (1st Reprint): Revises provisions governing business
associations. (BDR 7-554)

ASSEMBLYWOMAN DINA NEAL (Assembly District No. 7):

Assembly Bill 347 is an effort to support small businesses in their startup phase. According to the U.S. Bureau of Labor Statistics, 75 percent of new businesses survive their first year, 69 percent survive the second year and just 50 percent make it 5 years. The startup costs to build your product and produce sales are usually a burden, with entrepreneurs losing the stability of a paycheck while trying to pursue their dreams.

The bill will give a one-time boost to small businesses formed within five years that have fallen behind in reinstatement of their business fees, which can get really expensive. One of my constituents who had fallen behind on paying the fee was charged \$1,800, including late fees, reinstatement and redoing his articles of business. He said, "I don't have it. I just finished doing a patent for my business, and I literally do not have it." There is nothing in *Nevada Revised Statutes* (NRS) that allows a payment plan.

I worked with the Office of the Secretary of State to create a one-time business fees payment plan that lasts for the 12 months after a business opens as per section 15.5, subsection 2. If you own a local emerging small business (ESB), you can file for the monthly payment plan with the Secretary of State. Section 15.5, subsection 3 provides that if the local ESB fails to comply with the payment plan, it shall be revoked and the ESB prohibited from transacting within the State.

You must register as an ESB and provide proof to the Secretary of State. You must be in arrears on your reinstatement fees before a payment plan will be set up. It will take payment of 25 percent of the delinquent fees to begin the plan. The revocation status is removed; your status will then be conditional. You have 12 months to make the payments and achieve active status.

Many businesses are in arrears keeping up with fees ([Exhibit C](#)). Rather than pay them, people just open another business. Maybe Dan LLC will close and Dan Part II LLC will open. Ultimately, the first default is still on owners' records. I want to ensure that the good ESBs have a chance to reinstate with the payment plan and get themselves back in order. People do not realize how much it costs to maintain a business in its first five years; sometimes, things just sneak up on you. You want to pay the full \$1,800, but you simply do not have it.

SENATOR PICKARD:

The ESB is either a construction company or a construction product-related manufacturer. Is the bill's intent to help any new business?

ASSEMBLYWOMAN NEAL:

The definition of local ESB in A.B. No. 294 of the 77th Session is you must be operating for profit, maintain your principal place of business in the State and comply with all applicable licensing registration procedures. The definition involves construction and the sale of goods or providing of services.

Assemblywoman Irene Bustamante Adams sponsored A.B. No. 294 of the 77th Session. It established two tiers of ESBs: Tier 1, construction services; and Tier 2, the sale of goods and providing services other than construction services. Also, ESBs must not exceed \$1.3 million in growth and revenue.

SENATOR PICKARD:

If an ESB goes into default or suspended status, all of the fees are due. If that happens after five years, that adds up to a boatload of money. Was there any discussion about lightening that burden by spreading out the cost?

ASSEMBLYWOMAN NEAL:

Our goal was for the Secretary of State to carry out A.B. 347 with the least amount of fiscal impact within the existing ESB framework without unduly impacting the General Fund. That is the reason for the 12-month deadline. If someone is still in arrears after five years, he or she is probably not doing business anymore. Typically, a new entrepreneur is paying the mortgage or rent, buying technology, obtaining marketing materials and just trying to get his or her name out there. Suddenly, the license renewal comes due.

SENATOR PICKARD:

During the economic downturn, even successful new businesses that used to make money suddenly found it impossible to pay all of their bills.

SENATOR HANSEN:

How will the Office of the Secretary of State implement this with a minimum fiscal impact?

ASSEMBLYWOMAN NEAL:

The one-time, 12-month payment is the way to implement A.B. 347. There were discussions about sunseting it, making sure it was only applicable for a certain amount of time. If you default under the plan, you are kicked out and forfeit your ability to do business here. As per [Exhibit C](#), there are already many businesses with revoked status and a lot of fees not being paid. The bill should allow the Secretary of State to gain some of that money because people will not be able to create new LLCs or let payments continue to increase.

SENATOR DONDERO LOOP:

How will people know about the payment plan program? Will there be some kind of disclaimer?

ASSEMBLYWOMAN NEAL:

When people apply for ESB status, that information will be included with the proviso that it is a one-time opportunity. The payment plan information will be on the SilverFlume Nevada's Business Portal and the Governor's Office of Economic Development and the Secretary of State's webpages for ESB owners.

SENATOR DONDERO LOOP:

When you have an LLC, you get notices that you need to renew that status. If people fall behind on paying fees, could those sites issue pop-up reminders? If someone is falling behind, he or she may be overwhelmed and miss a due date.

ASSEMBLYWOMAN NEAL:

SilverFlume has a cart with notices of fees needing to be paid. As you pay them, the notices disappear. I will talk to the Secretary of State about whether the new information could go in the cart; however, notices of default would not.

SENATOR DONDERO LOOP:

Maybe when it is time to renew a business license or LLC, an email could say, "Urgent: you are behind," so emails are not ignored, which I have done.

AMBER STIDHAM (Henderson Chamber of Commerce):

The Henderson Chamber of Commerce supports A.B. 347.

VICE CHAIR HARRIS:

We will close the hearing on A.B. 347 and open the hearing on A.B. 335.

ASSEMBLY BILL 335 (1st Reprint): Revises provisions relating to real property.
(BDR 10-287)

ASSEMBLYWOMAN SANDRA JAUREGUI (Assembly District No. 41):

Assembly Bill 335 will streamline the residential resale process for homeowners' associations (HOAs) and help protect consumers from overpaying for HOA resale packages, demands and setup fees. Section 1 will establish a \$350 cap for HOA account setup, also known as transfer fees. The fee now varies between HOAs and has been as high as \$700. Section 3 clarifies that the ten-day resale package turnaround period is ten calendar, not business, days. Section 3.5, subsection 4, paragraph (b) sets a \$185 cap on what HOAs can charge for resale packages.

The most important change is in section 5, subsection 5 to the effectiveness period of the resale package to 90 days. The industry standard is 30 days, but the majority of resale packages take an average of 44 days to close. This results in sellers having to pay resale fees twice.

ROCKY FINSETH (Nevada Association of Realtors; Nevada Land Title Association):
The Nevada Association of Realtors and Nevada Land Title Association support A.B. 335.

KEVIN SIGSTAD (President, Nevada Association of Realtors):
The Nevada Association of Realtors appreciates the bill's extension of the effectiveness period of the resale package to 90 days. Often, a property will fall out of escrow within 20 or 30 days, and we have to sell it again and order another resale package, which costs the seller a lot of money.

When you have multitiered HOAs on one parcel, each has its own setup fees. With some approaching \$700, that adds up to \$2,000 to \$3,000 just to transfer one's property.

STEVE DOVER (President, Nevada Land Title Association):
The Nevada Land Title Association represents title and land companies involved in HOA resale packages. Assembly Bill 335 will do a lot to alleviate stress in the transaction as HOA packages are processed. The 30-day time frame was inadequate for smooth transactions.

STEVEN PARKER (Cameo Property Management):
Cameo Property Management represents residential management companies. We support A.B. 335 for removing a black cloud hovering over sellers. Sometimes, transfer fees are large, which gives us a black eye. Buying a home can be stressful, exacerbated by the 30-day deadline. The 90-day change will allow us to provide the necessary information and time for transactions to be more easily completed.

SENATOR PICKARD:
Section 1, subsection 1, paragraph (o) references "reasonable fee" for resale packages based on actual costs. Does "based" mean the cost is covered by and equal to the actual cost? It goes on to say it "must not exceed \$350." Are we creating a conflict if the actual cost exceeds that amount? Is the intent simply to cap it?

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MR. PARKER:

The actual cost charged to the HOA will be \$350, which is a cap.

SENATOR PICKARD:

What happens if the actual cost exceeds \$350? An attorney could say, "Wait a minute—the actual cost is more than \$350, so this gives me the ability to reach past that." I want to be sure the language recognizes the cap.

NICOLAS ANTHONY (Committee Counsel):

Nevada Revised Statutes is based on actual cost with a hard cap of \$350.

SENATOR PICKARD:

In section 1, subsection 1, paragraph (o), subparagraph (4) talks about fees increasing as a percentage of the Consumer Price Index (CPI) up to 3 percent annually. Does the same analysis apply?

MR. ANTHONY:

Yes.

SENATOR PICKARD:

Sometimes, the CPI has exceeded 3 percent.

VICE CHAIR HARRIS:

We will close the hearing on A.B. 335 and open the hearing on A.B. 440.

ASSEMBLY BILL 440 (1st Reprint): Revises provisions relating to construction.
(BDR 54-1108)

ASSEMBLYWOMAN SANDRA JAUREGUI (Assembly District No. 41):

You have Proposed Amendment 5870 to A.B. 440 ([Exhibit D](#)). The bill requires homebuilders to provide home warranties to purchasers of new construction homes. In 2017 and 2018, there was a shortage of resale homes on the market, sometimes as few as a 3-week supply; a healthy market has a 6-month inventory. Because of that, Nevadans were being priced out of the market.

The Nevada State Contractors Board (NSCB) Residential Recovery Fund protects new homeowners. Builders provide home warranties for repair issues during the first year. Assembly Bill 440 will codify that.

MATT WALKER:

Assemblyman Jason Frierson has heard from constituents who felt contractors were dragging their feet on repairs after the one-year warranty was nearing its end. There is a need for education about nonjudicial resources for homeowners to get this problem resolved quickly and for a mechanism by which a new contractor could finish the work begun by unresponsive contractors.

The proposed amendment, [Exhibit D](#), is called the New Homebuyers Bill of Rights. Section 1, subsection 1, paragraph (a) of [Exhibit D](#) mandates a separate, one-page disclosure in sales documents describing purchasers' right to access the Residential Recovery Fund and to expect their contractors to make identified repairs within the one-year warranty period. The warranty starts once punch list items are addressed, removing the incentive for contractors to drag their feet.

Section 1.7, subsection 12 of [Exhibit D](#) stipulates that failure to provide an adequate warranty or to reasonably repair punch list items will trigger disciplinary actions under NRS 624.266, ranging from a notice of negligence to revocation of license. When imposing discipline, the NSCB will consider its performance guidelines, national codes and organization guidelines, and manufacturers' specifications.

SENATOR DONDERO LOOP:

Are we talking about a home warranty essentially owned by the builder who needs to do the repairs, or is it a third-party warranty purchased by the homeowner?

MR. WALKER:

It is a warranty supplied by the general contractor, not a third-party, insurance-like product. The bill addresses a direct guarantee in which builders tell homeowners, "We are going to step up and guarantee our work. If you find any problems, we are going to repair them." Builders are passionate about doing that.

SENATOR DONDERO LOOP:

I thought that was already in NRS. As I have bought homes over the years, that level of builder commitment is not exactly what has happened every time.

SENATOR HANSEN:

Assembly Bill 440 has to do with construction defects, on which we have been working for many years. Bringing up the Residential Recovery Fund and ensuring that builders are now subject to discipline by the NSCB for reneging on warranties will help alleviate some concerns. The bill will actually protect homebuyers and provide a mechanism, short of going to court, to ensure warranties are enforced and honored.

Once the punch list is completed, the warranty kicks in after one year. I am a contractor for whom residential construction was my company's bread and butter. Sometimes, no matter what you do, you cannot make homebuyers completely happy. If a compromise cannot be reached between the owner and builder, is there a way to rectify that? The way the bill is written, until the punch list is signed off, the one-year window does not begin. There must be reasonable expectations on both sides.

MR. WALKER:

That issue is important to get right. It is our intent in [Exhibit D](#) to have a builder send a notice to a homeowner stating, "We feel like your punch list items that you identified through your walk-through have been completed and reasonably repaired." That would start the clock. When the homeowner is not satisfied, he or she can take that notice to the NSCB with photos and other evidence of issues not adequately repaired. When the clock starts, both the builder and homeowner benefit. If the latter wants to move on to a new contractor for the repairs or access the Residential Recovery Fund under NRS 624, he or she will have evidence to take to the NSCB. Builders feel there needs to be more certainty in NRS regarding their ability to send the punch list completion notice to homebuilders.

SENATOR HANSEN:

Having gone through the punch list process, NSCB investigators are quite competent. They come down strongly on the side of the homeowners in these circumstances and are excellent arbiters about the reasonableness of claims. Once the punch list is done, the bill does not provide for a clean cut before the warranty kicks in.

SENATOR PICKARD:

Would the bill apply to anyone but builders, such as subcontractors? Let us say a pool solar heating contractor included an 11-year warranty on parts and labor

on the solar panels, which fall apart in the fifth year. The Contractors Board says it does not have jurisdiction five years after substantial completion of the home. The bill does not cover work by subcontractors.

MR. WALKER:

Assembly Bill 440 only applies to builders of new homes. The buck stops with the general contractor on warranty issues. Subcontractors also need to disclose the Residential Recovery Fund language. The bill is not a silver bullet for all solutions, especially ones that might drag on for eight or nine years.

JOSH HICKS (Southern Nevada Home Builders Association; Builders Association of Northern Nevada):

The Southern Nevada Home Builders Association and the Builders Association of Northern Nevada support A.B. 440, especially its disclosures. As Senator Hansen pointed out, the bill will let homeowners know there are alternatives to legal action, specifically appeals to the NSCB. The original bill had a certain start and end to the warranty period, an important factor for everyone involved. It is a codification of existing practices: warranties start at the earliest occupancy or title transfer and conclude when claims are reasonably resolved. The bill changes that a small amount, but we still support it.

We see a need for more clarity as to the definition of a completed written punch list. Punch lists usually consist of items that need repair, typically before escrow closes. The phrase in section 1, subsection 2, paragraph (b) in [Exhibit D](#) "completion of a written punch list" leaves questions open. Does that mean completion when the punch list is turned in or when it is physically completed? Does it mean the work addressed in the list? What happens if the homeowner is unresponsive or unreasonable about signing off on the list? These answers would be helpful for both the industry and the NSCB, which will be in the enforcement position.

CHASE WHITEMORE (Nevada Builders Alliance):

We agree with Mr. Hicks that there needs to be more clarity in the punch list completion language.

DAVE DAZLICH (Las Vegas Metro Chamber of Commerce):

We echo the builders' concerns about A.B. 440; however, the amended bill is still moving toward a good balance between rights of builders and the consumer protection aspects.

MISTY GRIMMER (Nevada State Contractors Board):

The Nevada State Contractors Board supports A.B. 440 with the proposed amendment ([Exhibit E](#)) that we requested.

SENATOR HAMMOND:

In section 1.3, subsections 4 and 5 of [Exhibit D](#), "Willful failure" has been changed to "failure." Why did you change that to a lower threshold?

MR. WALKER:

That change was proposed by the NSCB. There was concern it might conflict with NRS 40, which deals with real property, and the NSCB disciplinary process and how it would be implemented under A.B. 440. In the mind of the NSCB, whether a builder provided a warranty and made reasonable repairs should not require an enhanced burden of proof. Intent should come into play as to whether the repairs are reasonable and a warranty—pursuant to the bill—was provided.

VICE CHAIR HARRIS:

Does the bill intend that the one-year deadline kick in once the work on the punch list is completed or when the list is agreed upon and submitted?

ASSEMBLYWOMAN JAUREGUI:

The one-year countdown begins once the repairs are reasonably completed.

VICE CHAIR HARRIS:

Where section 1, subsection 2, paragraph (b) of [Exhibit D](#) says "completion of a written punch list," we might want to change that to "completion of repairs pursuant to a written punch list." That might add some clarity.

SENATOR PICKARD:

A punch list typically lists cosmetic repairs. The warranty historically starts upon completion of them and often at move-in. Some punch list items occur after move-in. Are you suggesting that we move the one-year warranty start time to completion of the punch list, regardless of how minor or cosmetic the items may be?

MR. WALKER:

The warranty starts once the initial punch list items are completed. Other minor repair items may surface within that year, which is why the one-year warranty

exists. The clock will not be restarted every time a new item surfaces. In the event the homeowner will not sign off on the punch list, the bill provides means to restart the one-year deadline.

SENATOR PICKARD:

I just do not want the bill to become a reason why move-ins are delayed. When I worked for two builders, crews would touch up move-in damage. Even if it had nothing to do with our work, if someone dinged a wall while moving in a table, we would fix it because we wanted homeowners to be satisfied.

MR. WALKER:

Every time a builder retouches something, the warranty clock has been restarted. That is what the bill is trying to correct. For the NSCB and other stakeholders to agree to extend the warranty to make sure all issues are resolved is not something that should be viewed as an insignificant concession.

VICE CHAIR HARRIS:

We will close the hearing on A.B. 440 and open the hearing on A.B. 161.

ASSEMBLY BILL 161 (1st Reprint): Revises provisions governing common-interest communities. (BDR 10-705)

ASSEMBLYWOMAN ALEXIS HANSEN (Assembly District No. 32):

Assembly Bill 161 will restrict an HOA from prohibiting a homeowner from keeping a pet within his or her residence under certain circumstances. It will be subject to the HOA's reasonable rules relating to ownership of pets in common-interest communities (CICs). The bill does not prohibit HOAs from adopting rules that reasonably restrict pet ownership because of health, safety and noise reasons or the regulation of common area usage. Pets include domesticated birds, cats, dogs or aquatic animals in aquariums or other animals agreed upon by the HOA and homeowner.

The number of Nevada HOAs has grown considerably in recent years with an estimated 3,200 CICs. Almost 25 percent of residents live in homes regulated by HOAs, and 53 percent of Nevadans own pets. Issues often raised by HOAs that lead to prohibition of pets include noise and failure to clean up pet waste in common areas. However, subject to applicable local, State and federal laws, A.B. 161 does not restrict HOAs' ability to impose reasonable rules and

regulations on pets. The bill strikes a balance between property owners' rights and those of HOAs to regulate common areas.

Section 1, subsections 1 and 2 provide that existing HOAs that allow pets cannot subsequently prohibit them, just reasonably restrict them. Section 1, subsection 4 provides that new HOAs may prohibit pets in original governing declarations given to homeowners. Section 1, subsection 5 provides that if you live in an HOA that prohibits pets, that will not change.

SUSAN RIGGS (American Society for the Prevention of Cruelty to Animals):

One of the primary policy goals of the American Society for the Prevention of Cruelty to Animals (ASPCA) is keeping people and their pets together. We work to remove barriers that force people to relinquish pets to animal shelters. A significant barrier is housing issues—including prohibitions against pets—that cause families to give up animals. Increasingly, the ASPCA sees prohibitions imposed by HOAs.

In New York City, the vast majority of HOAs have total pet prohibitions. The parallel trend among Nevada developments is troubling since one-quarter of citizens live in CICs, and the majority of residential growth is projected to be attached dwellings such as townhomes and condominiums involving HOA management. A study by the Las Vegas Metropolitan Police Department (LVMPD) found that in Las Vegas, construction of attached housing grew from 103 percent in the fourth quarter of 2018 for a yearly growth rate of 108 percent. Given that 53 percent of Nevadans own pets, an obvious conflict is developing that will affect residents in many ways.

Many benefits accrue throughout the lives of pet owners. Pets bring cognitive benefits to children, increased physical activity and emotional support. Seniors who downsize their housing really benefit from the support and companionship of pets. When pets are relinquished to shelters, taxpayers pick up the bill for their care and sometimes euthanasia.

BRIAN O'CALLAGHAN (Las Vegas Metropolitan Police Department):

I have worked with dogs throughout my law enforcement career. Not only are they great companions, they are a deterrent to unwanted intruders.

GARRETT GORDON (Community Associations Institute):

The Community Associations Institute supports A.B. 161.

MENDY ELLIOTT (Nevada Rural Housing Authority):

The Nevada Rural Housing Authority promotes pet ownership under its Home At Last (HAL) Pals Program. Home At Last can provide up to \$24,000 in down payment assistance for rural Nevadans. The HAL Pals Program will pick up adoption costs when potential homeowners adopt a pet at their local shelters or reimburse clients when they adopt pets from rescue organizations. The program helps turn houses into homes. We support A.B. 161 for its sound tenets and for being proactive for our furry friends.

MIRANDA HOOVER (Nevada Humane Society):

Assembly Bill 161 will expand the right of legal and reasonable pet ownership. Statistics show pet owners are happier, healthier and have an overall better quality of life. The bill promotes a proactive stance toward better mental health. As a no-kill shelter, Nevada Humane Society strongly urges passage of A.B. 161 as it supports the relationship between pets and people that we all know is so special.

JEFF DIXON (State Director, Humane Society of the United States):

The Humane Society of the United States, Nevada Chapter, strongly supports A.B. 161. We are mindful of helping The Animal Foundation of Las Vegas, the largest single-site shelter in the Nation, reach its goal of a 90 percent live-release rate. It needs as many homes for pets as possible in the southern Nevada area. We want to ensure that Nevada does not become like cities back East with a lot of pet housing restrictions. The new owner and the animal no longer in the shelter both gain mental health benefits.

VICE CHAIR HARRIS:

We will close the hearing on A.B. 161 and open the hearing on A.B. 117.

ASSEMBLY BILL 117 (1st Reprint): Revises provisions relating to charitable gaming. (BDR 41-715)

ALFREDO ALONSO (Black Knight Sports and Entertainment LLC; Vegas Golden Knights):

Assembly Bill 117 amends a section of gaming law dealing with charitable lotteries. In the first season of the Golden Knights ice hockey team, we found that the cap on our 51/49 charitable raffle—established many years ago for one-off church bingo-type lotteries—was significantly smaller than what we hoped to raise. The Nevada Gaming Commission and Golden Knights' Tim Mullin

helped draft the bill to streamline the charitable raffle and lotteries process statute. Each game is essentially a separate raffle, which meant Mr. Mullin had to fill out an application and pay for each one. Streamlining will alleviate that process. The Nevada Gaming Control Board will still regulate the raffles. The fees are antiquated, not even paying for the time it takes people to follow the regulations. The Board will now revamp them.

Section 14 regulates caps on prizes in raffles and lotteries. The \$500,000 cap on cash prizes for "qualified organizations" in section 14, subsection 1, paragraph (b), subparagraph (1) remains adequate; we have never seen anyone but the Golden Knights exceed it. The bill will not affect minor league sports. Section 1, subsection 2 specifies the \$2 million cap on prizes only applies to a "qualified professional sports organization" or foundations.

Section 20 provides that qualified organizations must not contract with vendors that run their raffles and lotteries and charge more than 8 percent of gross proceeds. There is no way to know in advance what vendors will charge, so it is important that Nevada caps those charges, as is happening across the Country. Every dollar that goes into overhead is a dollar lost to charities.

TIM MULLEN (Director of Strategic Partnerships, Vegas Golden Knights Foundation):

The changes to NRS 462 will allow the Vegas Golden Knights Foundation to streamline the 51/49 raffle that we host at every home game at T-Mobile Arena. It will allow us to funnel more charitable dollars into our nonprofit. The Foundation's primary mission is to provide a positive impact on our philanthropic community by supporting qualified charities and nonprofits with financial gifts, grants and event sponsorships.

We do not just get a blank check from the team so we must raise funds through sponsor partnerships or charitable events such as golf tournaments or our Knight to Remember Gala. Our primary fundraisers are the 51/49 raffles. Fans buy tickets from \$10 to \$100, with the winning number pulled in the middle of the game's third period. The winner receives 51 percent of the jackpot; the remaining 49 percent, minus expenses, goes to the Foundation and ultimately to the Nevada nonprofit community.

Even before our team stepped onto the ice for its first season, the Foundation worked closely with the Gaming Control Board to make sure we complied with

NRS 462. However, when the NRS was written, no one knew that a qualifying charity would come close to raising and awarding the amount my Foundation has done with the \$500,000 cap. In almost ten years of fundraising, we never came close to that cap until professional sports came to Las Vegas. In the last season, our average jackpots were around \$44,000 per game with just over \$22,000 going to raffle winners and \$21,000 going to the Foundation and our charitable partners.

Funds go to military veterans, first responders, education, health and wellness, homeless aid and youth development through sports organizations. The Foundation has supported 68 charities through the raffles with proceeds from \$1,500 for single games to \$250,000 for multiple games given to the LVMPD after the 1 October mass shooting. Increasing the cap to \$2 million will allow us to give even more money to the community. If more fans from the Montreal, Calgary or National Hockey League want to buy our raffle tickets, they should be able to do so.

TAMARA DANIELS (General Counsel, Vegas Golden Knights):

The Vegas Golden Knights are proud of the work we have accomplished in just two seasons as a team in donating to as many charities as possible. Our team culture is integral to our business model. A tenet of that culture to which Knights' president and owner William P. Foley is committed is that community is a contact sport just like hockey. All of us on the team are committed to community involvement through volunteering and fundraising. Raising the raffle cap to \$2 million for professional sports organizations will increase the money we give back to our community.

We work hard to understand and abide by our regulatory obligations. We have been available and transparent to the Gaming Control Board and do not believe any changes proposed in A.B. 117 will alter those obligations.

GREG FERRARO (Nevada Resort Association):

The Nevada Resort Association supports A.B. 117.

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VICE CHAIR HARRIS:

We will close the hearing on A.B. 117. Seeing no more business before the Senate Committee on Judiciary, we are adjourned at 9:31 a.m.

RESPECTFULLY SUBMITTED:

Pat Devereux,
Committee Secretary

APPROVED BY:

Senator Dallas Harris, Vice Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit / # of pages		Witness / Entity	Description
	A	1		Agenda
	B	6		Attendance Roster
A.B. 347	C	3	Assemblywoman Dina Neal	Chart: "Late Fees, Revival, and Reinstatement 2010-2018"
A.B. 440	D	4	Assemblywoman Sandra Jauregui	Proposed Amendment 5870
A.B. 440	E	4	Misty Grimmer, Nevada State Contractors Board	Proposed Amendment