

**MINUTES OF THE
SENATE COMMITTEE ON JUDICIARY**

**Eightieth Session
February 27, 2019**

The Senate Committee on Judiciary was called to order by Chair Nicole J. Cannizzaro at 8:03 a.m. on Wednesday, February 27, 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 Nicole J. Cannizzaro, Chair
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

GUEST LEGISLATORS PRESENT:

Senator Ben Kieckhefer, Senatorial District No. 16

STAFF MEMBERS PRESENT:

Patrick Guinan, Policy Analyst
Nicolas Anthony, Committee Counsel
Jeanne Mortimer, Committee Secretary

OTHERS PRESENT:

Chris Hicks, District Attorney, Washoe County; Nevada District Attorneys Association
Chuck Callaway, Las Vegas Metropolitan Police Department
Eric Spratley, Nevada Sheriffs' and Chiefs' Association
Tim Fattig, Office of the District Attorney, Clark County

Randi Thompson, Nevada Firearms Coalition
John J. Piro, Office of the Public Defender, Clark County
Kendra Bertschy, Office of the Public Defender, Washoe County
Holly Welborn, American Civil Liberties Union of Nevada
Lisa Rasmussen, Nevada Attorneys for Criminal Justice
Robson Hauser, Office of the Public Defender, Clark County
Matthew Digesti, Blockchains, LLC
Wendy Stolyarov, Filament
Doug Erwin, Economic Development Authority of Western Nevada
Elisa Cafferata, Nevada Technology Association
Shani Coleman, City of Las Vegas
Scott W. Anderson, Chief Deputy, Office of the Secretary of State
Kalie Work, Recorder, Washoe County; Recorder's Association of Nevada
Jen Chapman, Recorder, Storey County; Recorder's Association of Nevada
Courtney Hill, Office of the Recorder, Clark County

CHAIR CANNIZZARO:

The meeting will begin with a presentation of Senate Bill (S.B.) 144.

SENATE BILL 144: Revises provisions relating to crimes committed with the use of a deadly weapon or tear gas. (BDR 15-261)

SENATOR BEN KIECKHEFER (Senatorial District No. 16):

The goal of S.B. 144 is to reinstate consecutive and equal enhancement sentencing structure for when a defendant has committed a crime with the use of a deadly weapon. Senate Bill 144 originated during the Interim Session of 2018. Efforts have been made to reduce gun violence in our State. This bill enhances how we punish defendants who commit violent crimes using deadly weapons.

The bill reinstates language adopted prior to 2007, when A.B. No. 510 of the 74th Session was passed. Assembly Bill No. 510 of the 74th Session was amended to incorporate the provision originally of A.B. No. 63 of the 74th Session. This changed the mandatory consecutive and equal enhancement to a discretionary rule for judges when they impose sentencing.

CHRIS HICKS (District Attorney, Washoe County; Nevada District Attorneys Association):

My office and the Nevada District Attorneys Association support S.B. 144. During the Interim Session of 2018, I served on the Sentencing Commission. The prison population was a topic of discussion. The Sentencing Commission tried to figure out which type of offenders needed to be imprisoned. Defendants who use a deadly weapon during the commission of crimes are for whom imprisonment is most necessary. This promotes community safety. Using a deadly weapon during the commission of a crime increases the chances that a victim, a bystander or even the perpetrator will be seriously injured or killed.

From 1995-2007, the deadly weapon enhancement statute reflected an increase in danger to the community. Prior to 2007, *Nevada Revised Statutes* (NRS) 193.165 ensured that when a defendant used a deadly weapon to commit dangerous offenses, the sentence for use of a deadly weapon would match the sentence for the underlying crime. In 2007, the Legislature changed the statute to the current form to remove the provision for equal and consecutive sentence enhancement. The change allows a defendant to be sentenced for less time than for the underlying crime itself. What kind of message does that send?

For example, a defendant convicted of robbery can be sentenced for up to 180 months in prison with mandatory parole eligibility after 72 months. Using a deadly weapon in that robbery facilitates the crime and increases the chances that someone can be hurt or killed. The sentence could be increased by as little as 30 months with parole eligibility after 12 months. The result is often a sentence that does not reflect the gravity of a defendant's dangerous and potentially deadly decision to use a deadly weapon while committing a crime.

There are examples in Washoe County where the use of a weapon does not match the sentence that was given. The law reads that judges must announce a list of sentencing factors on the record. In 2009, the Nevada Supreme Court found that this provision was an unconstitutional infringement on the judiciary authority regarding sentencing. Senate Bill 144 will remove unconstitutional language. Since the change to the statute in 2007, there is no question that the use of deadly weapons are on the rise in Nevada. In Washoe County, crimes involving the use of weapons have more than doubled. Senate Bill 144 amends the deadly weapon enhancement back to equal and consecutive time; this appropriately reflects the increased risk to the community.

SENATOR HARRIS:

Can you explain how the amendment would function in reality? How could a defendant end up with a sentence less than he or she would have if he or she did not use a deadly weapon? How does application of this statute work in practice?

MR. HICKS:

A robbery conviction has a sentencing range and a judge will determine an appropriate sentence. There is a minimum parole eligibility set by the judge. The deadly weapon enhancement sentence ranges from 1 to 20 years. Sentencing a defendant with a deadly weapon enhancement would be weighed by the judge; certain factors are used to determine the sentence. There have been situations in murder cases where the defendant received a 20-years-to-life sentence and received a 12- to 30-month deadly weapon enhancement sentence to run consecutively. When the judge orders the sentence, the deadly weapon enhancement is to be consecutive to the time served on the underlying crime.

SENATOR HARRIS:

Do the defendants only serve the weapon enhancement sentence or do they serve the original underlying sentence?

MR. HICKS:

The defendant would serve the underlying sentence first. For example, a robbery conviction would have a 15-year sentence with a parole eligibility after 6 years; the deadly weapon enhancement would be 2.5 years with parole eligibility after 1 year. The defendant would have to first serve the 6 years on the robbery conviction; if the parole board deemed the defendant to be released on the underlying robbery charge, the defendant would then serve the 2.5-year sentence with parole eligibility after 1 year. This secondary enhancement does not apply until the defendant has been paroled on the first underlying crime.

SENATOR KIECKHEFER:

The defendant would not serve a lesser sentence. The enhancement is less than the underlying sentence.

SENATOR HARRIS:

Why is this a problem? Why does enhancement need to be equal to the sentence of the underlying crime?

SENATOR KIECKHEFER:

The use of a deadly weapon in the commission of a crime makes the offender significantly more dangerous and more threatening to our communities. These crimes warrant a punishment that doubles the sentence.

SENATOR HARRIS:

I am not completely convinced that every time there is a conviction of a crime with use of a deadly weapon that the sentence should be automatically doubled. For example, a defendant was sentenced to 15 years for a crime and used a deadly weapon—the defendant would automatically serve 30 years. I need more information on why this is better than allowing a judge to use his or her discretion for sentencing.

MR. HICKS:

Not every situation warrants a 15-year sentence. The underlying sentence could be two to five years. Senate Bill 144 allows the equal sentence to be a 2- to 5-year sentence enhancement. Prosecutors use their discretion. Prosecutors do not always charge a deadly weapon enhancement. If it is not a serious weapon, or it does not warrant an equal consecutive sentence, prosecutors regularly use discretion to make sure that justice is being served. Not every defendant convicted of a crime will be exposed to a deadly weapon enhancement.

SENATOR SCHEIBLE:

Is it correct that the previous statute for the deadly weapon enhancement automatically doubled the underlying sentence?

SENATOR KIECKHEFER:

Yes, that is correct.

SENATOR SCHEIBLE:

Why not make that the maximum sentence instead of the deadly weapon enhancement option? I am a prosecutor, and if I am working with the defense attorney to negotiate a fair deal, the challenge with an equal and consecutive term is that whatever I offer the defendant, the sentence will be automatically doubled. If I want to stipulate to a 2- to 5-year sentence on a robbery, the defendant would automatically serve 4 to 10 years. Would it seem more logical to make 2 to 5 years as a minimum for the underlying sentence, and have the deadly weapon enhancement be as much as 4 to 10 years on top? This would

leave the prosecutor the discretion 2 to 5 years for the underlying robbery and 12 to 30 years for the deadly weapon enhancement.

MR. HICKS:

This is the way S.B. 144 is written. In your question, would the prosecutor rely on the judge adhering to the stipulation? The equal and consecutive language is not an issue.

SENATOR SCHIEBLE:

Is the reason for S.B. 144 to force the judge's hand to be consistent?

MR. HICKS:

Yes.

SENATOR SCHEIBLE:

Is judge consistency and reliability an issue in the Second Judicial District?

MR. HICKS:

Yes. The Second Judicial District has quality judges. Every judge has a different philosophy. There have been examples of undersentencing for crimes that involve deadly weapons; this sends the wrong message to the community and to offenders.

SENATOR PICKARD:

I want to confirm that this bill is responding to a Nevada Supreme Court decision. Is the bill being restored to the previous law?

SENATOR KIECKHEFER:

Senate Bill 144 restores previous language and addresses the constitutional question. The constitutional question does not necessarily simulate the bill. The bill is a component of the Nevada Supreme Court decision.

SENATOR PICKARD:

Are we going beyond the prior language? What was your experience under the prior paradigm? Did we come up with the new language because it was struck down due to an illegality? Or are we recreating a problem?

MR. HICKS:

We are going back to how the statute was before 2007. There was not a constitutional problem before. That language is a result of the change of the law. The change in the law was done based on an effort to reduce the prison population.

SENATOR PICKARD:

The Legislature made a modification to the law presumably because there was a perceived prison population problem. It sounds like it may be just a prison population issue. The language in the current law has been struck down and now we are going back to what we had before. Is there a middle ground instead of restoring prior problems? Is there another option? As lawmakers, we try to avoid the unintended consequences.

MR. HICKS:

I served on the Sentencing Commission. We had many discussions about the prison population. You will hear that the prison population has not gone down. There is an opinion that certain offenders are not the type of offenders we want to see in custody. The offenders that use a deadly weapon need to be in prison. Senate Bill 144 helps to ensure that. We need to regain the balance of our prison population.

SENATOR HAMMOND:

Please elaborate about the judicial determination since it is now removed in section 1. If we remove this provision, how is the appeal process impacted? Does the removal of the language prevent an appeal of the sentence?

MR. HICKS:

The provision does not waive any appellate rights. If the defendant went to trial and was convicted by a jury of the underlying crime and the deadly weapon enhancement, there is always the right to appeal. The defendant retains appeal rights. Senate Bill 144 does not create less appellate remedies. The current law has been deemed unconstitutional as a violation of the separation of powers.

SENATOR OHRENSCHALL:

I served as an Assemblyman during the Seventy-fourth Session. Assembly Bill No. 510 of the Seventy-fourth Session originated out of the Assembly Select Committee on Corrections, Parole and Probation. The Legislature was attempting to correct the sentencing structure where the deadly weapon

enhancement would be equal to the underlying sentence. Has there been an issue in the Second Judicial District with judges not imposing sentencing that prosecutors expect? The issue with Senate Bill 144 is judicial discretion. Is there data on the judges in the Second Judicial District regarding the deadly weapon enhancement? What is the problem we are trying to fix?

SENATOR KIECKHEFER:

Assembly Bill No. 510 of the 74th Session originated from the Interim Session and was primarily related to good-time credits that were accumulated during prison time. This language was included in A.B. No. 63 of the 74th Session.

MR. HICKS:

I do not have data on judges in the Second Judicial District. There are times when prosecutors are content with judicial decisions. The use of deadly weapons with firearms has increased in Washoe County. Between the years 2013 to 2017, the Sparks Police Department saw an increase of 57 percent in violent crimes involving firearms; the Washoe County Sheriff's Office saw a 30 percent increase, and the Reno Police Department saw an 87 percent increase. More weapons are being used, which creates a public safety issue. This bill will send a message of deterrence in our community.

SENATOR OHRENSCHALL:

I agree there is a rise in crime involving the use of deadly weapons. Does taking away the judicial discretion actually deter the crime and solve the problem?

CHAIR CANNIZZARO:

Can we clarify the purpose of A.B. No. 510 of the 74th Session and subsequent judicial decision? The Nevada Supreme Court held that while the court can make a pronouncement pertaining to the Legislators' directive in that language, it was not meant to be read that the Legislature was dictating what the judiciary was doing because that created a separation of powers issue. Can you please clarify the bill and the judicial decision?

MR. HICKS:

The case is *Mendoza-Lobos v. State*, 125 Nev. 634 P.3d 501 (2009). The conclusion made by the court was that the current statute requires district court judges to state that the court has considered the factors enumerated in the statute, which violates the separation of powers doctrine.

CHAIR CANNIZZARO:

The confusion was whether the equal and consecutive language was found unconstitutional or if it was the factors that were indicated in S.B. 144.

SENATOR KIECKHEFER:

The current sentencing structure is not unconstitutional. It is the dictation to the judiciary on the process the court must go through to impose a sentence.

CHAIR CANNIZZARO:

Thank you for clarifying that the sentencing structure is not unconstitutional, but instead it is the process that was determined unconstitutional. I sat on the Sentencing Commission, and with judicial discretion, there is inconsistency with sentencing. This is an example of where a court may have a wide range of discretion with respect to the deadly weapon enhancement. This bill provides consistency.

SENATOR KIECKHEFER:

In the Sentencing Commission, we had discussions on community norms, different judges and different counties, different judicial districts and different expectations. As elected members of the judiciary, judges may feel different obligations to the community to sentence in different ways. The goal would be to create uniformity.

CHAIR CANNIZZARO:

Is there anything about this bill that will impede a decision between a defense attorney and prosecutor from negotiating a case to maybe something that does not include a deadly weapon enhancement or to another type of felony?

MR. HICKS:

Senate Bill 144 does not alter the ability of a prosecutor and a defense attorney to discuss a case and come to a plea agreement.

SENATOR SCHIEBLE:

Going back to the rise of violent crimes and the change of sentencing statute, correlation is not causation. So what is it that is making us think that it is our deadly weapon enhancement structure that is causing a rise in violent crime?

SENATOR KIECKHEFER:

Senate Bill 144 recognizes that a rise in violent crime is a problem. We cannot go back to 2007 and say the change made by lawmakers resulted in violent crime. Violent crime and the use of weapons continues to increase. When individuals make the decision to commit a crime with a deadly weapon, the sentence warrants a greater enhancement.

SENATOR SCHIEBLE:

I am newly elected and during my campaign, we had many discussions about criminal justice. We are concerned about crime in our neighborhoods. We are trying to move away from the lengthy sentences to prevent crime. Senate Bill 144 seems to move us backward. We need to be innovative and thoughtful when we address crime. Why are we returning to an old-fashioned attempt at reducing crime? I do not think those attempts will work.

SENATOR KIECKHEFER:

When you look at the purpose of criminal sentences, they are varied. I do not believe that lengthy sentences deter crime. Philosophically, I do not believe in deterrence. I do believe in punishment for people who have violated the social contract that we all give up certain rights in order to live in a safe society. These people have stepped far beyond the line of what society deems acceptable and along with that, deserve punishment. As you make society less safe, punishment should increase. It may sound draconian to the Committee; however, this is the paradigm of criminal sentencing. Punishment is a component of criminal sentencing.

MR. HICKS:

I am a prosecutor. We agree there is a strong analysis of the criminal justice system in our society. We have an obligation to do what is right and what is best for the community. There is an issue on having firm and mandatory sentencing for certain crimes committed by individuals who have drug or mental health problems. When an individual uses a deadly weapon to commit a crime, that heightens the bar. That is a situation that represents our worst offenders. They need to be removed from society. This is a stark reality. We need to send the message to the community that if you commit a crime with a deadly weapon, you will go to prison.

SENATOR HARRIS:

Can you describe what your office has been doing and what other options your office tried to utilize? Metaphorically speaking, what tools do you have in your toolbox? For instance, has your office been working in conjunction with the sheriff's office? What other things has your office been doing to try and prevent crimes? The best way to keep people safe is to stop the crime from happening in the first place. Once that fails, then I believe in incarceration. I believe in preventative measures. Has your office tried to address the underlying issues?

MR. HICKS:

My office works with other departments. Recently we partnered with the City of Reno Police Department in a firearm initiative to be proactive regarding crime. This is where the data comes from. My office regularly reaches out to the community. My office attempts to educate and figure out why these problems exist. If we can prevent crimes, that is a success.

CHAIR CANNIZZARO:

I will open the hearing on Senate Bill 144.

CHUCK CALLAWAY (Las Vegas Metropolitan Police Department):

We support S.B. 144. The top priority of Las Vegas Metropolitan Police Department is to reduce violent crime. I am a member of the Sentencing Commission and the Advisory Commission on the Administration of Justice. During the Interim Session, we had many recommendations. Some recommendations were to reduce the penalty of certain crimes. During discussions, it was said that our prisons should be reserved for the worst offenders. I cannot think of any defendant who is worse than one who commits a violent crime with a deadly weapon. In many cases, these offenders have previous convictions.

In Las Vegas in 2018, 77 murders were committed with a firearm by the offender; 1,244 robberies were committed with a firearm; 2,039 aggravated assaults were committed with a firearm; and 272 people were victims of shootings. There was a recent study from Department of Justice Bureau of Justice Statistics from November 2018 that said 75 percent of violent offenders in 2016 served less than 1 year in prison. Many officer-involved shootings involved people who had previous convictions and were in possession of a firearm at the time of the shooting. We double the penalty for crimes that occur within a school-zone to send a message to offenders that the safety of our

children is a top priority. We need to send a message that violent offenders who are victimizing people in our communities with deadly weapons will not be accepted.

ERIC SPRATLEY (Nevada Sheriffs' and Chiefs' Association):
We support S.B. 144.

TIM FATTIG (Office of the District Attorney, Clark County):
We support S.B. 144. What is the best way to assign our resources? I am a prosecutor, and violent crime is a major problem. Since 2007, sentencing for violent crimes has gone down. There is inconsistency in sentencing. Prosecutors have the discretion to negotiate the deadly weapon enhancement. The previous law allowed prosecutors to seek a just sentence. The sentencing enhancement applies only to certain crimes. These are serious crimes that use deadly weapons. These types of offenders deserve a sentence that is appropriate.

RANDI THOMPSON (Nevada Firearms Coalition):
We support S.B. 144. We have requested a friendly amendment and have provided written testimony ([Exhibit C](#)).

CHAIR CANNIZZARO:
Senate Bill 144 applies to only certain violent felonies and not crimes related to hunting and fishing.

JOHN J. PIRO (Office of the Public Defender, Clark County):
We oppose S.B. 144. Notably absent is research supporting the ideology that increased sentences will deter crime. I have submitted to the Committee the Nevada Attorneys for Criminal Justice testimony in opposition ([Exhibit D](#)). A statistic from the Department of Justice shows longer sentences do not deter crime. The certainty of being caught does deter crime. The sentences in place for robbery with a deadly weapon starts at 2 to 15 years with a consecutive 1 to 15 years for a deadly weapon enhancement. Under the current statute, the defendant is already looking at a minimum of 3 to 30 years. If a robbery occurs in a building, prosecutors add burglary to the charges; this adds 2 to 15 years to the sentence. In this instance, the defendant would be facing 5 to 45 years for that crime with a deadly weapon. Sentencing laws are already lengthy in that regard. Senate Bill 144 would make Nevada the most draconian jurisdiction in the country, as we have provided for in [Exhibit D](#).

Nevada's deadly weapon enhancement statutes are harsher than most states. Most states cap the weapon enhancement at ten years or less. Thirteen states make the deadly weapon enhancement discretionary. The law is that when a sentence is going to be consecutive, it will be up to the judge to take into account factors that Mr. Hicks wants to take away from the judge's discretion. Our judges are elected and responsible to our community. Senate Bill 144 seeks to take away judicial discretion. When we removed power in the federal system, we ended up with draconian sentences.

Nevada leads the Country in prison population. There has not been a measurable impact on public safety. Even though we imprison people for longer sentences, Nevada has not had a return on public safety. The supporters of this bill do not bring forth any data to support their claim that increased sentences would increase public safety.

The Advisory Commission on the Administration of Justice reported, "While increasing lengths have been a steady driver of Nevada's prison population, recidivism rates have not declined." There is not data that supports increasing penalties and going back to the 2007 framework would make us a safer community. Nevada has a 15 percent higher prison population than other states. Either Nevada is more immoral than everyone else in the world, or maybe our policies are not good. We need to come up with innovative ways to work on these problems. We urge the Committee to not pass this bill.

The crimes we are discussing are Category B crimes; there are no good-time credits taken off a sentence. If a defendant is sentenced to 5 to 45 years or 6 to 15 years on a maximum sentence with a consecutive 1- to 15-year sentence, the defendant is serving day-for-day for that initial 6 years before being considered eligible for the parole board. The penalties for the most violent crimes are already high. Senate Bill 144 will not do anything to deter crime. I wish criminals in the communities would watch these hearings and decide not to commit violent crimes. This does not happen. Higher penalties do not deter crime. Numerous objects have been determined to be deadly weapons. We prosecute these crimes. Senate Bill 144 is a solution in search of a problem. We urge the Committee to reject this bill.

KENDRA BERTSCHY (Office of the Public Defender, Washoe County):

The court stated that the statute violated the separation of powers. The order in *Mendoza-Lobos* reads:

We elect to abide by the legislative mandate contained in NRS 193.165(1) because it serves the laudable goal of ensuring that there is a considered relationship between the circumstances in which the weapon was used—including the defendant's history—the length of the enhancement sentence as opposed to automatically doubling the sentence for the underlying offense, and facilitates appellate review of the enhancement.

As we discussed in the Seventy-ninth Session, the Legislature, district judges and district attorneys fought to get away from the automatic doubling of the sentence based on a deadly weapon enhancement. We feel that this corrected the error that was set forth in this statute that had a draconian result. The bill presented today does not establish the need to take us back to 2007. This was affirmed in *Mendoza-Lobos*.

What is a deadly weapon? A firearm is considered a deadly weapon. The meeting minutes of A.B. No. 63 of the 74th Session reflect the other items that have been considered to be deadly weapons in Nevada. Shoelaces, a pillow, window cleaner, a clothes hanger and a cigarette have all been prosecuted as being deadly weapons. The judge should be able to make that determination and exercise discretion. A goal of sentencing is to have individualized sentencing to ensure that the facts and circumstances are considered in determining sentence.

For instance, in a felony-murder case where there are codefendants, it is important for the judge to have discretion to have a sentencing range. The judge should be able to exercise discretion on who is more culpable to receive a harsher penalty than a lesser culpable codefendant. We urge the Committee to vote against S.B. 144.

HOLLY WELBORN (American Civil Liberties Union of Nevada)

I sit on the Sentencing Commission, and there have been discussions about how lengthy prison sentences do nothing to increase public safety. If the goal of punishment is for people to learn from their mistakes, there is also the goal for them to reenter the community and not reoffend. However, this has not happened. There are many innovative solutions that are going to come before the Legislature this Session addressing crime and punishment. The Assembly has heard legislation that would establish a sentencing branch underneath the Executive Branch.

When we are talking about sentence enhancements, we encourage this Committee to look at the way we are approaching criminal justice. We do not support S.B. 144 and encourage the Committee to vote no on S.B. 144.

LISA RASMUSSEN (Nevada Attorneys for Criminal Justice):

I testified during the Seventy-fourth Session in support of discretion exercised by judges and discretion by prosecutors. Senate Bill 144 is a step backward. Assembly Bill No. 63 of the 74th Session, A.B. No. 300 of the 74th Session and A.B. No. 416 of the 74th Session ultimately accomplished the goal of A.B. No. 10 of the 74th Session. We do not want a draconian system where the judiciary does not have discretion.

There are many cases that can be resolved if there was not an equal and consecutive sentencing scheme. If we go back to that, we will go back to the same problem as before. This is about money. The Department of Corrections has already presented that it is running out of space at the prisons. We are paying prison guards extreme amounts of overtime. Is this where we want to focus our resources?

Prosecutors must be able to exercise discretion. Prosecutors may not be able to exercise discretion in a murder charge where a deadly weapon is used—in almost every murder charge there is an allegation of the use of a deadly weapon. A deadly weapon can be anything. Senate Bill 144 does nothing to discern crimes committed with a firearm. We have a firearm problem—not a sentencing problem. We are a society that values firearms.

There are other ways to address violent crimes with use of firearms other than S.B. 144. This bill will do nothing to deter crime. The proponents of this bill say this is all about punishment. This is a practical matter. If there is a defendant facing a murder charge, the defendant is already facing 20 years. If we double the sentence, it will be difficult to resolve cases. Senate Bill 144 will take away the discretion in terms of prosecutorial and judicial discretion. We had a bad law and we should not be stepping back to it. There are other ways to reduce crime. This is a draconian sentencing law that takes our State back to being an outlier in the Country. There have been efforts in Congress to address draconian federal sentencing laws regarding firearms. All entities realize that lengthy sentences do not deter crime.

If passed, Senate Bill 144 would be disastrous. Passage of this bill would have us walk backward and put us in a position where we were in 2007. We urge the Committee to vote no on Senate Bill 144.

ROBSON HAUSER (Office of the Public Defender, Clark County):

We oppose S.B. 144. There is a financial cost to the passage of this bill. There are limited spaces and resources in our prisons. Our prison budget already comprises a substantial portion of our State budget. Our State has a lot of problems that need fixing. We could spend this money in a different department. The problem will not be solved with the proposed bill.

Discretion is important. Senate Bill 144 eliminates a judge's decision to use discretion on sentencing. Some weapons may not be as serious as others. Prosecutors agree that sometimes there is a need for a harsh sentence. Under current law, that is still available. The defendant can still be sentenced the maximum consecutive sentence. We do not need to make an equal and consecutive sentence mandatory when it is already available.

In my experience, I have never had a client say he or she had watched the legislative hearings; not one of them has ever been arrested with a copy of the *Nevada Revised Statutes* on his or her person so that he or she could argue for a lesser sentence based on a reading of the law. That is not how it works in the real world. In the real world, these are often desperate people who commit desperate actions. The judge should be able to take into account what those actions were and what the circumstances were that led to those actions. Given the overall cost, the fact that this bill does not address the problem of violent crime and that judicial discretion is important, we are strongly opposed to the passage of S.B. 144.

CHAIR CANNIZZARO:

The hearing on Senate Bill 144 is closed. There will now be a presentation of Senate Bill 162 by Senator Kieckhefer.

SENATE BILL 162: Revises provisions relating to electronic transactions.
(BDR 59-876)

SENATOR BEN KIECKHEFER (Senatorial District No. 16):

Senate Bill No. 398 of the 79th Session was passed. It was a leap forward in our State to attract leaders of technology to expand their business to our State.

Blockchains are an emerging technology. When I presented S.B. No. 398 of the 79th Session, it was a new term. Technology is emerging and changing. In the Seventy-ninth Session, we sought to support that type of entrepreneurial technology development. We had many people supporting the legislation.

Since S.B. No. 398 of the 79th Session passed, there have been many successes in economic development. The bill put Nevada on the map regarding innovative technology. The effort of S.B. 162 is to continue to move our public policy forward to ensure that Nevada remains at the front.

MATTHEW DIGESTI (Blockchains, LLC):

Blockchain is a different way to architect databases that store information in ledger form. It is a buzzword that is not understood. Blockchain is a revolutionary technology that builds on what is already in place and how the internet is architected. Blockchain is a distributive ledger technology.

For example, banks have their own internal ledgers that are maintained and stored on their own servers. This is a centralized system. A bank uses a centralized system because it is secure, centralized and the bank controls that information. The bank controls customer information when a customer signs up for an account and transacts with a checking account. That information is stored on the bank's ledger in a centralized database. The bank controls what customers can access and silo information so that it is safe and secure. This is an example of a centralized ledger. Blockchain takes the ledger concept and shares that ledger among different computers. "Distributive ledger technology" is the umbrella term. Blockchain is a subset of distributive ledger technology, one way to use this technology, which employs cryptography to use and store information.

The governance rules for a blockchain network is set out in the software code. Bitcoin is an example. Bitcoin is software, and people can join the Bitcoin network. The rules of the game are agreed upon. When a person joins that network and downloads it to his or her phone, that person becomes a computer in that network. That allows the person to access the network and play by the rules of the software code. Transaction data is not communicated to various computers by essential authority. With distributive ledger technology, the ledger is spread out among various computers. People who have joined Bitcoin have a full copy of that ledger on their computers, which contrasts with how a bank operates its ledger. Bitcoin participants have a full ledger on their computers.

Each ledger is identical to every other ledger in the network and is agreed upon through a consensus mechanism on what the current state of that ledger is.

If a person joins Bitcoin, that person can look at a copy of the ledger and see every transaction that has happened on the Bitcoin network. The architecture is different and distributed among all computers in the network as opposed to being centralized. If there is a new transaction on the Bitcoin network, that transaction would broadcast to the network and go through a process that ensures that the transaction is valid and becomes a transaction that is listed in a particular block that is being produced and built. That transaction goes through a function called a "hash" function, which sends data through an algorithm.

The result is a 64-character string of random letters—this is called a hash value. The transaction data with the hash value is prepared into a block, and that block contains several other transactions. Each transaction separately goes through this algorithm to produce a hash value. Once that block is finalized, the entire block with all the hash values goes through a second hash function, which creates a second hash value. That hash value is put in as the header of the block. That block is validated by the computers on the network through a consensus mechanism and goes through a process where each computer validates the information to ensure accuracy. This is a single block that is now part of the ledger.

There then is a block that is finalized and the next block is where transactions are gathered. The subsequent blocks go through the same hash function and put into that block. The header of the next block has the hash value of the previous block. This creates the chain. All the data that goes through the cryptography function for the first block is represented with the same hash value in the second block. The second block goes through the same function and creates a second hash value for the second block. This is what connects the two blocks together.

For example, what if the Encyclopedia Britannica was put on a blockchain and went through the aforementioned process? If one character was changed, after this action goes through the hashing function described, the characters in the hash value would be different. When each computer on the network is checking that block to make sure it matches up with their historical record, the computer will notice right away that the hash values do not match. That is how the integrity of the blockchain is kept—through this cryptography and hashing

function. This function is so powerful that the network can detect one character change. That would not be part of the ledger because it would not be validated by the group.

In 2018, over 3.2 trillion transactions were run through the Bitcoin network. There has not been a single security breach of Bitcoin since its inception over ten years ago. The numbers and millions of transactions and value that have been transacted on this public chain shows that cryptography works very well. We can provide subject matter experts to the Committee.

CHAIR CANNIZZARO:

The hearing on Senate Bill 162 is open.

SENATOR BEN KIECKHEFER (Senatorial District No. 16):

I am here to present S.B. 162, which is a follow-up from S.B. No. 398 of the 79th Session. The goal of S.B. 162 is to continue updating our statutes and continue to keep Nevada at the forefront of public policy regarding blockchain technology. Senate Bill 162 accomplishes multiple goals. The bill updates the definition of blockchain that was created in 2017 by adding the definition of a public blockchain.

In the banking example, there can be a single entity that holds a blockchain within the bank's closed system. This language change is designed to recognize the fact that there are public and private blockchains. Section 2 is an update of the definition of blockchain to recognize the two different types of blockchains. In section 4, any information or data that a person owns and has put on to a public blockchain allows for that person to retain ownership of that information.

My goal is to use the government to foster the adoption of technology. There are examples of success. Section 5 requires government agencies to accept electronic records of certified copies of other government agencies. This is a strong mandate that some agencies have issues with. I have had different government agencies approach me and say that the law would require them to replace their entire technology system.

In section 5, the implementation stance has some issues that need to be worked through for an easy transition. We are open to reasonable amendments made by government agencies. Having the government lead the way in adoption serves multiple purposes. It demonstrates our commitment to these technologies as a

part of everyday business transactions. Also, the bill will streamline government and make it more effective and efficient.

MR. DIGESTI:

I have provided written testimony by Blockchains, LLC, in support of passage of S.B. 162 ([Exhibit E](#)). Previous legislation does not address the definition of blockchain technology. The way the ecosystem and technology has moved forward, there are two ways a blockchain can be architected. There is a public blockchain and a private blockchain. A bank could have its own internal blockchain architecture and benefit from the legislation. That is an internal centralized blockchain architecture system.

There are public blockchains where there are millions of transactions. Anyone can participate in a public blockchain. Public blockchain technology allows an entity to remove the middleman from transactions. For example, banks can be removed from payments as can any middleman who is a rent-seeker and causes a transaction price to increase and the consumer has to pay for. A public blockchain has the potential to remove the middleman and create a true peer-to-peer network. This is the power of public blockchain technology.

It is important to have legislation that differentiates between public and private blockchains. There are different policy implications for public blockchains versus private blockchains. Consumer protection is important. With S.B. 162, Nevada will welcome blockchain ecosystems of both public and private blockchains. Nevada will be a safe place for investors to invest money. We support S.B. 162.

CHAIR CANNIZZARO:

Can you talk about other states that have implemented the definition of public blockchain?

MR. DIGESTI:

Other states do not differentiate between public and private blockchains through definitions. Some states have defined blockchain. Nevada has approached it with the fact that technology changes rapidly and it is best to have a broad definition. Nevada would be a leader in this area. Subject matter experts have assisted in providing a definition proposed in S.B. 162.

SENATOR PICKARD:

Are there any government agencies that do not allow for electronic form or is this a way of opening up to different types of electronic forms? I do not understand the impetus for this. Can you explain the policy implications for the regulations differentiating between public and private blockchains and why this is necessary?

SENATOR KIECKHEFER:

There are governments within the State that are advanced in electronic record transactions and others that are not. There are still government agencies that are paper-intensive. The effort is to have a more efficient government by requiring electronic documents.

SENATOR PICKARD:

Is there something inherently different about a document certified by a blockchain? I agree that we should be pushing the paper-intensive agencies to move away from paper. I support the idea. What are the implications?

SENATOR KIECKHEFER:

Section 5 regards all electronic records. There are electronic record statutes in place, and S.B. 162 recognizes that blockchain records are included in that definition. Section 5 will mandate that governments accept electronic records. This may be heavy-handed at the moment, but we are open to amendments.

MR. DIGESTI:

There are several reasons to define public blockchain. Regarding economic development, S.B. No. 398 of the 79th Session impacted Nevada because it was foundational legislation. Several companies moved to the State because of friendly technology legislation. This technology is an evolutionary technology. With public blockchain architecture, nobody owns the blockchain. There is a foundation in place made up of core developers that actually have a way of developing this technology. There are thousands of developers across the world that work on the blockchain; there is a lot of money from the investment that goes into it.

Public blockchains have proven to be the most successful and have the most economic impact across the world. From an economic development perspective, by having a definition of public blockchain, we are signaling to the ecosystem and to companies that want to invest in public blockchain technology that

Nevada understands this technology. People who work in this field understand which states are being thoughtful regarding blockchain technology. It is important from an economic development standpoint.

Policy implications and potential regulations might emerge from a public blockchain and a private blockchain. Consumer protection comes to mind. The CEO of Blockchains, LLC, is a former consumer class action attorney. With public blockchain technology, anyone can join that network and become a computer on that network. Hospitals can set up their own private blockchain because there are different regulations regarding health records. Consumer protection regulations are important. Having a definition sets the foundation to go a different direction if regulators feel the need to do so.

Clarifying the definition signals to government agencies that Nevada understands and embraces public blockchain technology and that government agencies can use public blockchain technology. There is a lack of education and lack of awareness. If the Legislature embraces this technology, it sends a signal to government agencies. The Washoe County Office of the Recorder uses public blockchain to certify marriage certificates electronically. The office was the first in the Country to use it.

SENATOR OHRENSCHALL:

This bill complements our Uniform Electronic Transmission Act and does not cause any problem with uniformity.

WENDY STOLYAROV (Filament):

I represent a local blockchain technology company as I have explained in my letter of support ([Exhibit F](#)). We support S.B. 162.

DOUG ERWIN (Economic Development Authority of Western Nevada):

We support S.B. 162. Senate Bill No. 398 of the 79th Session has had a dramatic effect on the start-up ecosystem in Nevada. Passage of the bill led to the growth of blockchain in Reno. Legislation has attracted many businesses to the State. These companies employ over 100 people with an average wage above the national average. These companies are growing rapidly and provide opportunities for wealth creation for their employees.

Having clear operating rules reduces the risk for start-ups. This gives companies the freedom to operate and grow in our State. We are competing globally. The

passage of A.B. No. 413 of the 79th Session enabled the usage and acceptance of an electronic notary. As of 2018, Nevada was one of only three states that allowed electronic notary. This law directly resulted in the expansion of figure.com and has caused many other companies to look favorably on Nevada. These laws have a favorable impact on economic development. Blockchain is an innovative technology similar to the internet. Passage of S.B. 162 will send a message that Nevada is an innovator and is committed to supporting the jobs of the future. We support S.B. 162.

ELISA CAFFERATA (Nevada Technology Association):

We support S.B. 162. Passage of this bill sends the message that Nevada understands the technology of the future. We have worked with the bill sponsor to propose amendments. We agree that it makes sense to have a definition for public and private blockchains. We are working to clarify that the description of the technology is consistent in both definitions.

SHANI COLEMAN (City of Las Vegas):

We support S.B. 162. We have been leading the charge with smart city technology, and this bill furthers this initiative. We already use electronic records, and adding blockchain creates additional security in use of electronic records.

SCOTT W. ANDERSON (Chief Deputy, Office of the Secretary of State):

We have concerns about S.B. 162 and the government mandate. We are neutral on S.B. 162. This bill gives additional tasks to the Secretary of State. We do have electronic records, and it is different than what we are accustomed to. We need to determine the definition of electronic records. Understanding the technology is necessary for us. We were deliberate in developing electronic notary laws. We want to take the same approach here and ensure that we have the best regulations regarding blockchain technology. Timing of implementation is an issue. We request additional time. We are willing to work with the bill sponsor to address any amendments.

SENATOR PICKARD:

There is no fiscal note on S.B. 162 from the Secretary of State. Is it safe to say that a fiscal note may be attached for your office to attend training on the subject matter?

MR. ANDERSON:

We are in the process of developing that and addressing current resources.

SENATOR PICKARD:

Do you think implementation of S.B. 162 will add cost to your office?

MR. ANDERSON:

There will be cost to implement S.B. 162. Gaining subject matter expertise will cost. We have not developed our own systems. We are going through a major overhaul of our Securities Division. These do not include blockchain technology. Our vendor has no idea what it will cost for us to utilize this new technology.

SENATOR OHRENSCHALL:

Nevada Delegation of Uniform Law Commission has no opposition to the content of S.B. 162.

KALIE WORK (Recorder, Washoe County; Recorder's Association of Nevada):

Earlier, we asked how blockchain technology is being used in local governments. We have a pilot program running out of the Recorder's Office, Washoe County. Nevada is a top wedding destination, and the Recorder's Office has an important role in issuing proof of marriage. Following a marriage ceremony, a marriage certificate is provided out of our office. In many states, it is not uncommon to take several weeks to receive a marriage certificate. In our office, a proof of marriage can take 7 to 10 days for a customer to receive.

Some customer concerns on those delays led our office to review new, secure and innovative ways to provide services to the customers. New technologies were explored in 2018 that led us to blockchain technology. Using a blockchain to securely store data, our office can now certify that electronic documents have not been changed after they have left our office. This feature is not available with traditional paper records. Blockchains allow us to instantly issue a certified proof of marriage through email. This made a difference for a customer who needed proof of marriage in a timely manner. We are now able to verify that over email.

We started the pilot program in October 2018. Since then, we have issued approximately 400 marriage certificates digitally, and we have an acceptance user rate of approximately 20 percent. We are seeing that 20 percent of agencies will accept the electronic marriage certificate. Some employers accept

the electronic certification; however, some local government agencies will not. Electronic proof of marriage will not be accepted by the DMV. The Seventy-ninth Session Legislature made the pilot program possible. There are problems because the program cannot be expanded with a 20 percent adoption use rate. We would like to see more agencies allow the electronic records to be certified. We are looking forward to the passage of this bill. We have friendly clarifications needed on the bill, and we are moving toward supporting the bill.

JEN CHAPMAN (Recorder, Storey County; Recorder's Association of Nevada):
The Recorder's Office and Public Land Records are one of the areas where blockchain technology can be utilized. Working with the bill sponsor, we do have some friendly amendments that focus on being able to apply this to local governments. We would like to see local governments use digital verification of records. As it stands, this is a new technology, and we are at the forefront to push this through. We need to proceed with caution.

We would like a definition of a "hybrid blockchain" to meet concerns over record confidentiality, network security and ownership of public information. Most of the time, confidentiality of a record is a simple redaction of the image. Sometimes the confidentiality extends to the index and creation of a document. When we deal with public information, we need to proceed with caution. Even if it is a verification event, on a digital ledger, it will become public. Focusing on the public sector, section 4 should include a condition that recognizes the current and established public record ownership policies, laws and fees for services provided as they apply to information submitted to and provided by governmental agencies. We support the Secretary of State in the adoption of regulations. The need for electronic records is here, and we support S.B. 162.

COURTNEY HILL (Office of the Recorder, Clark County):
We support S.B. 162. Our concern is that no standards have been set. There were standards in place before the passage of the Uniform Electronic Transaction Act. There was a standard of what an electronic record should look like. This bill is asking government agencies to accept a blockchain transaction as valid, and there have been no standards set. This will cause confusion as to whether a document is valid.

There are many public blockchain companies, and we have not established any qualifications or attributes to be considered a valid transaction. This is our concern. We record approximately 3,000 documents per day, and 60 percent of

those recordings are electronic. We are interested in working with the bill sponsor; however, we feel that this might be rushing the bill. The governmental section is too fast, and we feel that it might be putting the cart before the horse.

On our website, you can purchase a plain copy of a document or a certified copy of a document. As of February 2019, we went live with this process. When a person purchases a document from our website, we run it through the blockchain process to verify that the document has not been changed. We developed a bar code for our department to make an electronic stamp. This meets the requirements of the statute that certifies documents with the recorder seal. We are starting to get resistance from other agencies; this is the same thing we went through when we created the marriage certificate kiosk. The electronic transfers are going very well.

SENATOR KIECKHEFER:

I will continue to work with everyone who has expressed concerns on the bill and hopefully come to a consensus.

CHAIR CANNIZZARO:

The hearing for S.B. 162 is closed. The hearing on Senate Bill 163 is now open.

SENATE BILL 163: Revises provisions relating to technology used by certain business entities. (BDR 7-877)

SENATOR BEN KIECKHEFER (Senatorial District No. 16):

Senate Bill 163 incorporates by reference S.B. 162 in an effort to demonstrate recognition of blockchain technology and the bills that were passed during the Seventy-ninth Session. This bill accomplishes the recognition that private entities can use the blockchain to record their internal corporate documents in conformance with Nevada statutes. This is clarifying language, and there is not statute prohibiting private corporations from doing this now. This bill will demonstrate Nevada's recognition of blockchains as an emerging process that businesses can use to maintain their internal documents and recognizes that Nevada encourages them to be in the State of Nevada. Section 2 incorporates the same definition of blockchain that was mentioned in S.B. 162 for consistency.

The following sections all incorporate language in NRS 78. Section 7 and section 8 relate to private corporations. Section 9 is dedicated to closed corporations. Section 10 is for foreign corporations; section 11 is for miscellaneous organizations; section 12 is nonprofits; section 13 is sole corporations; section 14 and section 15 are dedicated to limited liability companies (LLC); section 16 is for partnerships; sections 17, 18, 19 and 20 are limited partnerships; sections 21 and section 22 are business trusts; and section 23 is professional entities and associations.

Everything that is being incorporated adds consistency to the statute. For example, sections 14 and 15 are related to LLCs; section 14, subsection 1; section 14, subsection 2 and section 14 subsection 3 mirror language that is in section 7 and is related to private corporations. In section 15, the addition of "blockchains" is added to the end of the Secretary of State's regulatory authority as related to LLCs. There are some sections that have both of those provisions where new language is added. Section 16 does not include new language but does add the term blockchain to the definition. This bill will bring consistency throughout all the business structures. There are minimal statutory changes.

MR. DIGESTI:

Blockchains are economic development. Blockchains, LLC, recognizes that in order for new technology to thrive, an ecosystem needs to be created around an industry for it to succeed. We are in the business of creating an ecosystem in Nevada. These efforts are working well. Legislation is a signal to the ecosystem that Nevada understands that companies can use this technology for internal corporate records. From an economic development perspective, if this bill passes, many software companies will invest in Nevada for this purpose. There will be blockchain companies that license their software to companies that keep records on blockchain technology.

Delaware is a top place to incorporate for corporation in this Country. More than half of all new businesses file to incorporate in Delaware; filings increase revenue for Delaware. Nevada had the second-highest number of companies incorporating. This is a probusiness state. Wyoming is the third-highest state and is a leader in state legislation when it comes to blockchain technology. Wyoming has experienced significant revenue increases from allowing blockchain technology. Delaware allows corporate records to be stored, maintained and transmitted on blockchain technology. Delaware maintains

efforts to stay business-friendly and to maintain revenue. Nevada should move in a direction to remain the second-friendliest state to file in.

Differentiating between public versus private blockchain is important. The policy implications and regulations in a public blockchain are different than permission changes. There are policy implications and potential regulations. Two people who come up with a permission chain in Nevada under S.B. 163 control the computers that create the permission chain; these two people have the ability to go back and rewrite entries on that ledger without other participant's knowledge. With blockchain technology, a majority of the nodes on the public blockchain technology must agree to go back and make changes. It is difficult to defraud a customer or to cause any security concerns.

Thousands of nodes run on the theorem blockchain and are mostly unaffiliated and controlled independently. It is safer when strangers operate the program and more difficult to get a majority of them to agree to do something fraudulent. The policy implications and regulations are different when it comes to public chain technology versus permission chain technology.

CHAIR CANNIZZARO:

I see the same definition for the public blockchain that is in S.B. 162. There may be some of the same concerns.

SENATOR KIECKHEFER:

The definition will be by reference. We want to ensure consistency in the statute.

SENATOR SCHIEBLE:

Would this allow companies to use either public or permission blockchain? Or are we moving toward all public blockchains?

SENATOR KIECKHEFER:

The company could use either public or permission blockchain. The company would need to be able to translate those into upon-demand hardcopy for people who have right to access those documents.

SENATOR SCHEIBLE:

I do not see in the bill where permission blockchains are referenced.

SENATOR KIECKHEFER:

We do not use the term permission blockchain within the bill. In S.B. 162, section 7 defines blockchain. Permission is not a term that needs to be changed or incorporated. Senate Bill 163 clarifies doubt a private corporation may have regarding use of blockchains.

SENATOR PICKARD:

Once we get into private organizations—I do not like regulations of private businesses. Why do we need this? Why do we need to give permission to a private corporation to do what a private corporation wants to do?

SENATOR KIECKHEFER:

I agree that private businesses should not be regulated. Senate Bill 163 clarifies doubt a private corporation may have regarding use of blockchains. This bill signals to companies Nevada is secure and is a good place to do business.

SENATOR PICKARD:

I think we have moved successfully into blockchain technology. Nevada is the leader in blockchains. This may open the door of the Secretary of State to regulate private organizations. I do not necessarily agree with that approach. Why are we opening the door to regulation?

SENATOR KIECKHEFER:

This does not expand the Secretary of State regulatory authority over these business structures. This bill incorporates and recognizes in statute existing regulatory authority. If there is a trade-off, the scale is on the side of benefit to the State for the economic development opportunity.

MR. DIGESTI:

We need S.B. 163 because the bill will increase economic development. Companies could move and operate here when new technology arrives, for businesses need certainty to invest; having legislation signals Nevada understands and embraces technology. My employer came to Nevada because of legislation passed by Nevada in the Seventy-ninth Session. This bill is not an extension of regulations into what private businesses can do; instead, it shows that Nevada embraces technology.

Last fall, the Secretary of State sent out a request for proposal for private companies to propose a new way using blockchain to create digital operating

agreements for LLCs. It was a small pilot program to see if anyone responded to provide this software service. I do not know what the result of that was; however, the Secretary of State stated that nobody responded to the request for proposal. Legislation like S.B. 163 signals that the State embraces use of blockchain technology to store corporate records and that Nevada welcomes blockchain businesses.

We are probusiness and share your concern about overregulation of private companies. Everyone needs to be educated on this technology to become comfortable. This legislation allows the Secretary of State to decide what the output looks like. We support S.B. 163.

MS. CAFFERATA:

We support S.B. 163. There is a competitive nature in this legislation. Wyoming has a website that says "do not incorporate in Nevada, incorporate in Wyoming." Let us be positive about our own State. The bill signals a permissive policy encouraging companies to come to Nevada. We are working with the bill sponsor to ensure consistency.

MS. STOLYAROV:

We are a blockchain technology company, and bills like S.B. 163 encourage investors to be confident in start-ups based in Nevada. This will help bring investments here. We support S.B. 163.

MR. ERWIN:

We support S.B. 163. Having clear operating guidelines creates new investment. Having a clear operating framework allowing records on a blockchain is helpful. This bill spurs innovation.

MR. ANDERSON:

We do not see this bill as expanding regulations in Nevada. The addition of electronic means by a corporation to keep its internal documents was meant to alleviate issues about paper records. This bill allows for another electronic method to maintain corporate and government records. We will not regulate private businesses. The request for proposal did not specify that a blockchain technology be used and was an option. The Secretary of State received three responses. We do not oppose this; additional amendments may be needed.

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CHAIR CANNIZZARO:

I encourage those who want amendments to the bill to work with the bill sponsor to make any changes. The hearing on S.B. 163 is now closed. The meeting is adjourned.

RESPECTFULLY SUBMITTED:

Jeanne Mortimer,
Committee Secretary

APPROVED BY:

Senator Nicole J. Cannizzaro, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit / # of pages		Witness / Entity	Description
	A	1		Agenda
	B	5		Attendance Roster
S.B. 144	C	1	Randi Thompson / Nevada Firearms Coalition	Written Testimony
S.B. 144	D	14	John J. Piro / Nevada Attorneys for Criminal Justice	Written Testimony
S.B. 162, S.B. 163	E	1	Matthew Digesti /Blockchains, LLC	Written Testimony
S.B. 162, S.B. 163	F	1	Wendy Stolyarov	Letter of Support