

**MINUTES OF THE  
SENATE COMMITTEE ON JUDICIARY**

**Eightieth Session  
March 12, 2019**

The Senate Committee on Judiciary was called to order by Chair Nicole J. Cannizzaro at 8:00 a.m. on Tuesday, March 12, 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 Julia Ratti, Senatorial District No. 13  
Assemblywoman Lesley E. Cohen, Assembly District No. 29

**STAFF MEMBERS PRESENT:**

Patrick Guinan, Policy Analyst  
Andrea Franko, Committee Secretary

**OTHERS PRESENT:**

Lonnie Feemster, President, National Association for the Advancement of  
Colored People, Reno/Sparks Branch #1112  
Kent Ervin  
Alex Goff  
Christine Saunders, Progressive Leadership Alliance of Nevada

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Kevin Sigstad, Nevada Realtors  
Jen Chapman, Records Association of Nevada  
Aubrey Rowlatt, Clerk-Recorder, Carson City  
Kalie Work, Recorder, Washoe County  
Debbie Conway, Recorder, Clark County  
Jennifer Jeans, Washoe Legal Services; Southern Nevada Senior Law Program;  
Volunteer Attorneys for Rural Nevadans; Legal Aid Center of Southern  
Nevada  
Lauren Pena, Legal Aid Center of Southern Nevada  
Jordan Ross, Constable, Laughlin Township  
Ashley Cummins, Nevada Legal Services  
Nancy Brune, Guinn Center  
Liz Ortenburger, SafeNest  
Bailey Bortolin, Washoe Legal Services; Legal Aid Center of Southern Nevada;  
Southern Nevada Senior Law Program; Volunteer Attorneys for Rural  
Nevadans  
Anthony Giron, Make the Road Nevada  
Yunus Schersei, Make the Road Nevada  
Emily Montan  
Catana Barnes, Acting in Community Together in Organizing Northern Nevada  
Izzy Youngs, Nevada Women's Lobby  
Alan H. Jordan  
Reverend Karen Foster, Unitarian Universalist Fellowship of Northern Nevada  
Shane Piccinini, Food Bank of Northern Nevada  
Mackenzie Baysinger, Human Services Network  
Paul Lenart  
Kirk Johnson  
Erica Arthur, Senior Vice President, Ovation Property Management  
Michael Brennan, SGG Management LLC  
Kerrie Kramer, NAIOP  
Tiffany Banks, Nevada Realtors  
Susan Fisher, Nevada State Apartment Association  
Keith Rowley, Professor, William S. Boyd School of Law, University of Nevada,  
Las Vegas  
Keyla Terrones, Hosho Group; Filament  
Elliot Malin, Nevada Technology Association, Inc.  
Mathew Digesti, Blockchains, LLC  
Tyson Falk, Figure Technologies Inc.  
Sara Priola, Figure Technologies Inc.

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Elisa Cafferata, Nevada Technology Association, Inc.  
Brian Reeder, Nevada Credit Union League  
Gabriel Allred, Tokes Platform  
George Burns, Commissioner, Division of Financial Institutions, Department of  
Business and Industry

CHAIR CANNIZZARO:

I will open the hearing of the Senate Committee on Judiciary with  
Senate Bill (S.B.) 117.

**SENATE BILL 117**: Revises certain provisions relating to real property.  
(BDR 10-642)

SENATOR JULIA RATTI (Senatorial District No. 13):

One of my constituents came to me with a problem he had during the process of closing his new home. While reviewing the paperwork, he found the covenants, conditions and restrictions (CC&Rs) on the property. These CC&Rs are different. They are not associated with the homeowners' association, rather they are CC&Rs attached to the deed and move with the property. These CC&Rs contained racially prohibitive language, and the language followed the deed for decades. While he found the language objectionable, legally he had no choice but to sign the paperwork stating he had read and agreed to the CC&Rs.

My district includes older residential neighborhoods developed during a time in the last century where law and institutional practice openly prohibited African-American homebuyers from moving into certain neighborhoods. While the practice was made illegal by the 1968 Fair Housing Act, the CC&Rs remained attached to the property and continued to move forward with each transaction and each recording of documents.

While I was on the Sparks City Council, I had people approach me multiple times with the same issue. In doing research, we discovered many states have tackled the issue; there is a way to balance ensuring we are not perpetuating racially discriminatory language while protecting history. We must make sure we are not burying information that is important for us to understand about our past to ensure we make good decisions moving forward.

I chose to bring S.B. 117 forward. We have worked diligently to find a solution to balance all interests.

SENATOR HARRIS:

Senate Bill 117 addresses discriminatory restrictions relating to recorded CC&Rs for residential properties by providing a process in which the version of the deed containing the offensive language need not be used in legal transactions. In its place a modified version would be created and recorded for use in future transactions. The conceptual amendment outlines the process we are proposing for those who are similarly offended by the language.

LONNIE FEEMSTER (President, National Association for the Advancement of Colored People, Reno/Sparks Branch #1112):

As a real estate broker, I have encouraged people to invest in real estate as a way to acquire money in order to send their kids to college, start a business, retire and contribute to candidates who support their political issues. This has bothered me. Many people have called me and were shocked to see racially discriminating language in CC&Rs. It is civil rights history, but is it relevant now? It is not enforceable. As you study the issue, it becomes interesting when you find out what happened.

There is an exclusive subdivision in Charlotte, North Carolina, called Myers Park. My father is from Charlotte. The Myers Park directors decided they would publish the CC&Rs in 2009. They have racially restrictive covenants. The National Association for the Advancement of Colored People (NAACP) was shocked because the CC&Rs said no black people in the neighborhood. The NAACP settled out of court for \$17,500 in 2009. The point is you have a chilling effect when you publish CC&Rs that say we do not want any black people, no Indians, no Chinese. The racial category of who is white and who is not white was not worded perfectly. One person said you cannot sell this house to anyone born north of the Mason-Dixon Line. These put home sellers, homeowners and possibly other people at risk because it has a chilling effect on people of color or anyone else who is excluded.

The damage was done to income, equality and the opportunity to reach the American Dream because of racial discrimination in the past. This one step may need to be carried further because it is challenging when you look at all these states removing racially restrictive CC&Rs. In Washington alone, officials found 250 different ways of wording the covenants.

KENT ERVIN:

When we bought our home in old southwest Reno a few years ago, I read the fine print. The CC&Rs from 1927 started out sounding quaint: we cannot run a saloon, we cannot have a funeral parlor on our property and we cannot sell moonshine. When I read other CC&Rs, we found the language outrageous and offensive as shown in our presentation ([Exhibit C](#)). We learned such restrictions are illegal and unenforceable. Nevertheless, our sales agreement said we agreed to the CC&Rs, and a copy was in our closing document. We had to initial that we had read and accepted the language.

Last year, the topic came up as a neighborhood discussion on nextdoor.com. Most residents in our neighborhood are horrified at these restrictions. I now know they run with the land and are hard to change. Our CC&Rs require a new agreement of 50 percent or more of the lot owners, of which we have nearly 200. Senate Bill 117 removes these provisions from future property transactions.

States have taken various approaches. Ohio requires the county recorders to redact, California has an administrative process, Washington homeowners can file a restrictive covenant modification document with reference to the original and a petition is filed in circuit court in Oregon. *Nevada Revised Statutes* (NRS) 111.237 enacted in 1965 makes the provisions voidable by filing an affidavit. It cost \$41 to record and \$150 for the lawyer. It also included the offensive language because the lawyer did not know how else to reference it, so we are signing another document with this language.

Section 1, subsections 1 and 2 in the conceptual amendment are retained, which accomplishes two things. It adds disability, familial status and sex to the list of protective characteristics. This is to be consistent with the antidiscrimination statute NRS 118.020. Secondly, it changes these provisions from being voidable to void and unenforceable under State law.

We will go over the conceptual amendment ([Exhibit D](#)) offered by Senator Ratti. To summarize, it formally voids discriminatory deed restrictions in State law and provides a form to strike those provisions for future property transactions. Existing historical documents are not altered. Under the conceptual amendment, the action is triggered by the individual homeowner, which would be the seller or buyer, and no review documents by the county recorder or county attorney are required.

SENATOR PICKARD:

I am concerned about the operational part of the bill. How does the bill affect age-restricted communities? More importantly, by requiring the county recorder to make legal conclusions, that is primarily why we do not let recorders make changes to contracts that run with the land. Can you tell me how the amendment affects this principle?

SENATOR RATTI:

The language you are referencing is in the original bill. The conceptual amendment is intended as a redact and replace amendment. We have had multiple meetings with the recorders offices to have a better understanding of their process. Included in those meetings were representation from some of our county district attorneys. We are trying to strike a balance between excessive workload for each recorder's office and accomplishing a good that addresses this history of discrimination. The form states anything in CC&Rs in violation of State and federal statute is void and unenforceable. The homeowner strikes out offensive language and it becomes the new document. The form states if the homeowner takes out anything that is not in violation, it is invalid. It makes a blanket statement on the form for the legal viability. If it is challenged in the future, then a court can get involved, but we are looking for the lean Nevada level of investment in resources that gets the job done and keeps everyone covered from a liability standpoint.

SENATOR HARRIS:

A note on your comment about age-restricted communities: it is my understanding it is done through the homeowners' association (HOA). This bill does not address HOA agreements. It would not void anything in the HOA, only the CC&Rs.

SENATOR PICKARD:

The CC&Rs authorize the HOAs authority. The HOA cannot go beyond the authority granted it under the CC&Rs. I did look at the amendment, and I am concerned we are making the county clerk make determinations as to content of a contract. Why are we making it void instead of voidable? A person may not care about making changes, it is still unenforceable under law. I am concerned about allowing county clerks to start making redactions on their own, and it voids the provision. What happens when the county clerk goes beyond?

SENATOR RATTI:

The county recorder does not touch the document. The county recorder's role is to record the document. The recorders have made it clear that any changes to the form are outside their duties. We created this form, and it is delineated in NRS. The recorders' function is limited to handing out the form and recording the document when it is returned.

SENATOR PICKARD:

We are letting the homeowners decide what to strike from the CC&Rs. It remains unenforceable until it goes to court. Who makes the determination what the homeowner is striking is legal?

SENATOR RATTI:

The offensive language in these documents is obvious. There are not many gray areas in historic CC&Rs, and they are limited to striking that language. Should they choose to strike 15 other sections of the CC&Rs, the document recorded is a packet of the 2 forms. The packet consists of the form with language saying the only pieces voidable are those contrary to the civil rights law. If someone wants to challenge it, the court will say it must be covered under the Civil Rights Act. If something is challenged, we are not asking that it be done now, but down the road as it would be prohibitive to do with the filing of the form.

SENATOR PICKARD:

I was thinking you went two, three, four conveyances down the road. Now you have a good-faith purchaser who believes it has been stricken, and he has legal defense and we have created a legal quagmire potentially resulting in litigation.

CHAIR CANNIZZARO:

That sounds like a job for a lawyer.

SENATOR RATTI:

That is not our interpretation of how it will go forward.

ALEX GOFF:

Today, I am asking you to support a measure that allows homeowners not to pass on administrative language that is not enforceable but nonetheless has no place in society.

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CHRISTINE SAUNDERS (Progressive Leadership Alliance of Nevada):  
We support this bill.

KEVIN SIGSTAD (Nevada Realtors):  
Nevada Realtors are here to support S.B. 117 as presented and amended.

CHAIR CANNIZZARO:  
Would the form, as presented in the conceptual amendment, be limited to these type of covenants?

MR. SIGSTAD:  
That is our understanding.

CHAIR CANNIZZARO:  
Are there other types of forms pertaining to covenants that you have dealt with in other contexts within a real estate transaction?

MR. SIGSTAD:  
I am not aware of any that amend CC&Rs.

CHAIR CANNIZZARO:  
Is this limited enough to the specific item that you feel comfortable being part of covenants in the real estate transaction?

MR. SIGSTAD:  
I share the concerns of Senator Pickard. We feel the way it is drafted ensures it was feasible for the recorder's office. We believe it is a balance to effect a solution. It seems to have the counterbalances and if someone tries to overreach, it can be corrected. It meets all our requirements.

CHAIR CANNIZZARO:  
It appears this is a more uniform way to deal with these types of covenants.

MR. SIGSTAD:  
Yes, it is a reasonable way of dealing with these covenants.

SENATOR HANSEN:  
A person living with a child under the age of 18 is the definition of familial status. We cannot discriminate on the basis of familial status. Would that



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eliminate the ability of 55 and older communities to exclude anyone under 55 if the 55 and up has a child of 17 or is in the process of adopting a child?

MR. SIGSTAD:  
I am not qualified to answer.

CHAIR CANNIZZARO:  
We will make note of that for Nicolas Anthony.

SENATOR HANSEN:  
Do we allow age discrimination?

MR. SIGSTAD:  
In a 55 and older community, recognized in statutes, then yes, we do allow discrimination.

CHAIR CANNIZZARO:  
Pursuant to an HOA agreement, typically, and it is restricted to a particular community.

MR. SIGSTAD:  
The CC&Rs are recorded on the subdivision or project, limiting the group to an age. They are recorded on the property and have the effect of restricting the use of the property. Homeowners' association documents are a form of CC&Rs.

SENATOR PICKARD:  
We heard during the presentation it takes a majority of the residents to sign off. Have you been involved in a revision to CC&Rs, particularly discriminatory provisions? Has there been an effort that failed?

MR. SIGSTAD:  
The ability to amend or change CC&Rs is difficult. Some require greater than a 50 percent majority. Typically, they do not succeed. I have had transactions that have had these kind of restrictions on them. It has been pointed out by the title companies that they are not enforceable, so the effect of the restrictions is no longer there.

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SENATOR PICKARD:

Has there been a case where offensive language has failed to reach an agreement of the homeowners?

MR. SIGSTAD:

No.

JEN CHAPMAN (Recorders Association of Nevada):

We support the intent of the bill but are neutral as in my written testimony ([Exhibit E](#)).

CHAIR CANNIZZARO:

Have you had a chance to look at the conceptual amendment as part of your testimony?

MS. CHAPMAN:

Yes, we have looked through the conceptual amendment, and we submitted our comments.

AUBREY ROWLATT (Clerk-Recorder, Carson City):

We support the intent of S.B. 117 and are testifying neutral.

KALIE WORK (Recorder, Washoe County):

We are neutral on the bill and are sensitive to the collective concerns of the Recorders Association of Nevada.

DEBBIE CONWAY (Recorder, Clark County):

The district attorney recommended amendments to the bill. With the recommended amendments, we are happy with the bill and going on record as being neutral.

SENATOR PICKARD:

Does the conceptual amendment reflect the amendments you have proposed?

MS. CONWAY:

Yes, the agreement contains our proposed changes.

SENATOR RATTI:

New homeowners will be comforted that the homeowners ahead of them were concerned enough to recognize institutional racism. We will look at how the addition of familial status and the standard discriminatory language throughout NRS interacts with the HOA chapters allowing age-restrictive communities.

I would like to amend the bill by adding Senator Dallas Harris as a primary sponsor.

CHAIR CANNIZZARO:

I will close the hearing on S.B. 117 and open the hearing on S.B. 151.

**SENATE BILL 151**: Revises provisions related to certain proceedings concerning property. (BDR 3-516)

SENATOR JULIA RATTI (Senatorial District No. 13):

Affordable housing in our community is particularly challenging. We have a scarcity of affordable rental properties to the median buyer. Because of the housing situation, the issue of eviction reform has become critical. We have reviewed the issue multiple times. The stories in our community have reached a level of crisis that compels us to act.

Homeownership is out of reach for more than half of Nevadans, and renters are priced out of the market. Over 200,000 Nevada families are rent-burdened. This means they pay more than one-third of their annual income toward rent. They are one emergency away from missing a rent payment. As Jennifer Jeans will explain, Nevada has the fastest eviction process in the West. In other Western States, a tenant failure to comply with a notice to pay rent or quit requires the landlord to file and serve a complaint. In Nevada, after rent is one day late, a landlord can give notice for the tenant to pay, move out or file an affidavit with justice court within four-and-a-half judicial days. If the tenant fails to comply, the landlord gets an order removing the tenant within 24 hours. In some counties, the tenant gets a choice prior to lockout and must pack and leave within ten minutes once the sheriff arrives. The bill increases the length of four-and-a-half judicial days following a court order to seven judicial days. An amendment says ten calendar days because it is the equivalent to seven judicial days. Four-and-a-half judicial days basically equals roughly one week. This is not enough time for cost-burdened renters to raise back rent or to move out and find housing in this market. We essentially make people homeless.

By comparison, in Nevada we give 30 days after a payment is late before your car can be repossessed, 12 days before your utilities can be shut off and a month before foreclosure on your home. If you are late on your rent, we will act more expediently than if you miss a car payment. We are talking about places where people live and the destabilizing effect on seniors, families and veterans—the same populations we have been trying to stabilize. I understand landlords rely on rental payments. I am a landlord. I have property that I lease, and I need the rent to pay my mortgage. But I want to be clear this bill does not allow tenants to stay in a property rent-free. In accordance with law, tenants will be responsible to pay rent for every day spent in the property. Landlords will still be able to recoup costs through each security deposit, small claims court or other appropriate means.

You will hear about the nexus between the fundamental need and education, health care, domestic violence and many challenging areas we seek to improve. If we treat people with more dignity and humanity when they no longer can afford their housing, we can improve outcomes in all of these areas.

The bill also addresses three other areas in the eviction process. First, it tightens the rules regarding service of the notice to leave. Under the proposed amendment, service must be made by a sheriff, constable or licensed process server. Existing law leaves too much room for abuse, and as Lauren Pena will explain, there have been cases where landlords have falsified service of eviction notices. Second, it gives additional rights to tenants when properties are sold. Under current law, the tenant is provided a three-day notice. By contrast, if the landlord lost property due to a foreclosure, the tenant would have 90 days or to the end of his or her lease by federal law. A friendly amendment from the Nevada Realtors Association will ensure tenants will be honored by their new landlords. Finally, it removes the ability of housing authorities to utilize the summary eviction process. These cases involve the application of more complex federal laws. In addition to possession, tenants would lose the ability to have their rent limited to 30 percent of their incomes. The loss frequently results in homelessness. Proposed changes are a modest attempt to bring balance to our eviction laws.

JENNIFER JEANS (Washoe Legal Services; Southern Nevada Senior Law Program; Volunteer Attorneys for Rural Nevadans; Legal Aid Center of Southern Nevada)

It was not the intention of the bill to affect commercial evictions. We would agree to a conceptual amendment in this regard with language to be fashioned by the Legislative Counsel Bureau (LCB).

As indicated by the Senator, Nevada's eviction procedure is among the fastest in the West. It is indicated in my testimony ([Exhibit F](#)) in a chart on pages 5 to 7 prepared by LCB. In all states prior to any court action, there is a notice that must be given to a tenant to pay rent or leave. Nevada's time frame of four and a half days is in line with other states. In the next stage, Nevada is unique. In other states as indicated by this chart, after the notice expires, the landlord initiates a lawsuit by filing a summons and a complaint. Upon receiving the summons and complaint, a tenant can either file an answer within a certain period of time or the summons and complaint will contain a court date, usually seven or more days. In Nevada, no summons, complaint, lawsuit or hearing is required to evict.

We have an amendment and a friendly amendment in a conceptual form at this time from the Realtors Association. As I go through the bill, I will address where we are in terms of that friendly amendment and the negotiations. I will walk you through the bill and our amendment ([Exhibit G](#)).

LAUREN PENA (Legal Aid Center of Southern Nevada):

I am here in support of S.B. 151 as an attorney who assists low-income Nevadans with landlord tenant issues on a daily basis. I have written testimony ([Exhibit H](#)).

JORDAN ROSS (Constable, Laughlin Township):

We are obligated to represent the State as impartial officers of the court to ensure both landlords and tenants fulfill their responsibilities under the law. We see the detritus of people's lives broken apart.

I want to focus on what we refer to in civil enforcement as strong-arm evictions. The great majority of property management community is law-abiding. We have bad actors. I am not referring to the small property owner who is perhaps inexperienced and not knowledgeable of the law. Major multibillion-dollar corporations which have been doing business in Nevada for

decades know the law and break it anyway. We have seen illegal backdating on notices and notices posted that make no mention of the tenant's rights to a hearing. We support S.B. 151.

ASHLEY CUMMINS (Nevada Legal Services):

Senate Bill 151 would benefit the tenants of Nevada by providing them with enough time to avoid homelessness, exacerbation of medical conditions, and the additional problems and cost that go into losing your home.

The majority of our practice assists tenants and evictions in housing matters. Extending the time on notices for nonpayment of rent would allow tenants the time to get the funds together to pay their landlord, which as a result would save the court system time and money. The extension of the notice would not prohibit landlords from collecting late fees during the time it takes the tenant to acquire the money or vacate the unit. Late fees are another way a landlord can protect loss when a tenant does not pay on time.

Constables and sheriffs can remove a tenant from a unit within 24 hours, not after 24 hours. More time to vacate after the landlord has obtained an eviction order in order to remove property prior to being locked out would save landlords money.

Removing low-rent housing programs operated by public housing authorities from the summary eviction process will give participants in such programs the due process necessary to protect their tenancy and housing assistance.

NANCY BRUNE (Guinn Center):

I would like to present data on eviction rates that could provide some context to frame and support my conversation ([Exhibit I](#)).

It is through the lens of education that we started examining housing policy and specifically eviction policy reform.

Former Governor Brian Sandoval and the Legislature invested over \$800 million over the last two biennia in education. However, we continue to remain ranked at around forty-eighth or forty-ninth in the national rankings that appear annually. Frequently, political leaders and policymakers hear that student transiency, especially in the Clark County School District, is one of the primary reasons we cannot improve rankings. Clark County's 350 schools' average

transiency rate is about 24 percent. Our policy brief looks at between 20 and 25 schools having a transiency rate of above 50 percent. The eviction rates in the census tracts where the school is located or in surrounding census tracts where those children would go to school are significantly higher than the national average and significantly higher than the Nevada average. Our preliminary analysis shows a relationship between neighborhoods with higher eviction rates and higher transiency rates in our schools and subsequently poor academic outcomes.

By stabilizing families, S.B. 151 will help students in our classrooms.

LIZ ORTENBURGER (SafeNest):

Homelessness and disproportionately female homelessness is linked to domestic violence. In fact, 50 percent of homeless women report domestic violence is the root cause for homelessness. The National Law Center on Homelessness and Poverty estimates 11 percent of all evictions are related to domestic violence. In Clark County last year, there were 3,520 evictions. When domestic violence occurs, oftentimes the victim does not have access to a bank account, documents or phone. Adding time to the eviction process gives victims more time to connect with agencies like mine for assistance, advocacy and help in time of crisis. We support S.B. 151.

SENATOR PICKARD:

Does the chart on evictions include states that do not have summary eviction processes?

Ms. BRUNE:

I will get back to you with the answer.

SENATOR PICKARD:

Ms. Cummins referenced cost of storing items. This bill does not seek to shorten or eliminate the storage requirement. Since the bill extends time, would it increase the cost because landlords must add five or six days to the process?

Ms. CUMMINS:

Additional time up-front would allow tenants to retrieve their belongings. No one wants to leave their belongings in their home.

SENATOR PICKARD:

It does, as I interpret the bill, if we are not shortening the 30-day time frame. Adding time to the front end requires landlords to keep those belongings longer.

MS. JEANS:

I do not see it increasing because the requirement to hold the property for 30 days occurs after the lockout. It would benefit the landlords because there would be more time for tenants to get their property out before the obligation is imposed on them.

SENATOR PICKARD:

*Nevada Revised Statutes* 40.251 allows a 30-day extension of time for disabled and elderly. How does the bill affect the statute?

MS. JEANS:

No impact on the provision under the law.

SENATOR PICKARD:

I was concerned as they are already protected.

MS. JEANS:

An additional 30 days is only available to elderly and disabled tenants for a no-cause eviction. It is a different procedure. With this bill, we are seeking to extend time frames for tenants who are experiencing unexpected issues keeping them from paying rent.

SENATOR PICKARD:

Nevada Rules of Civil Procedure and Ethical Canons prohibit attorneys from testifying in our cases. Would we require a separate counsel, or is this an exception to the rule, allowing a landlord's attorney to testify the service was effectuated as opposed to having a licensed process server or a constable effect the service?

BAILEY BORTOLIN (Washoe Legal Services; Legal Aid Center of Southern Nevada; Southern Nevada Senior Law Program; Volunteer Attorneys for Rural Nevadans):

It is a conceptual amendment at this time, and I hear your concern. We will work with Legal Counsel, and you will also hear from the Nevada State Apartment Association.



SENATOR HANSEN:

In the past, I have had tenants who fell several months behind in their rent. It has taken me quite some time and effort to get them caught up. I have had to raise the rent on future tenants to compensate for the losses I incurred.

MS. JEANS:

There are good and bad landlords and good and bad tenants. We are trying to strike an appropriate balance.

SENATOR HANSEN:

How often, when you extend the time frames, are the people able to make the payments? There are bad guys like Mr. Ross was referring to. The vast majority of the landlords do not fall in that category. Do you have any statistics that show how many of these people are successful in making their rent payments?

MS. JEANS:

I do not have statistics. I can speak to my experience. Tenants are highly motivated to maintain their tenancy. There are few affordable housing units, and having a bad landlord reference or an eviction on your record makes it difficult to find a place to live. For those tenants, we want to be sure they have more than four-and-a-half days to remedy the deficiency. We believe it will be beneficial to all parties.

SENATOR OHRENSCHALL:

Do you see single mothers and heads of households facing evictions, where a whole family is looking for a shelter?

MS. PENA:

Yes, we see this often.

SENATOR HAMMOND:

What is the typical length of time it takes for tenants to know they will be evicted and when they leave the property?

MS. BORTOLIN:

If we can give people a little more time, in many instances we will be reducing litigation. This will actually speed up those cases because we will not have cases going to court for the sake of an appeal that buys time.

MS. JEANS:

A chart prepared by LCB does address other Western States but specifically addresses Nevada. Unlike other states, Nevada's time frames are judicial days. I do not know if LCB does not specify if these are calendar days or judicial days, so the process may be skewed against Nevada. The chart shows six to eight judicial days if it is not contested. If it is contested, it depends on the jurisdiction and how fast court hearings are scheduled. On the chart, Las Vegas looks like 13 to 15 days, and I interpret that as calendar days because otherwise the chart specifies judicial days.

SENATOR HAMMOND:

Is that because it is being contested?

MS. JEANS:

That is correct.

MS. CUMMINS:

My experience is with the Reno Justice Court. A tenant will file a tenant affidavit, which essentially freezes the eviction process. The landlord files an affidavit. In our experience, after the landlord has filed his or her affidavit, we have a court date the next day or two after the filing.

ANTHONY GIRON (Make the Road Nevada):

I support S.B. 151. I offer my testimony ([Exhibit J](#)).

YUNUS SCHERSEI (Make the Road Nevada):

I am in favor of S.B. 151 as noted in my testimony ([Exhibit K](#)).

EMILY MONTAN:

I support S.B. 151.

CATANA BARNES (Acting in Community Together in Organizing Northern Nevada):

I support S.B. 151.

IZZY YOUNGS (Nevada Women's Lobby):

We support S.B. 151.

ALAN H. JORDAN:

I support S.B.151 in my written testimony ([Exhibit L](#)).

MS. SAUNDERS:

We ask you to vote yes on S.B. 151. When a family loses their home, they must come up with thousands of dollars to move, finding an available vacant home on short notice, moving away from school, day care, support systems and place of employment. Senate Bill 151 makes moderate extensions to the eviction time frame that will make a huge difference in lives of those struggling to make ends meet and make a plan on how to move forward rather than pushing them into homelessness and sending them into a spiral of poverty.

KAREN FOSTER (Reverend, Unitarian Universalist Fellowship of Northern Nevada):  
We are concerned about the homelessness in Nevada. We support S.B. 151.

SHANE PICCININI (Food Bank of Northern Nevada):  
We ask you to support S.B. 151.

MACKENZIE BAYSINGER (Human Services Network):  
We ask for your support of S.B. 151.

PAUL LENART:  
I support S.B. 151.

KIRK JOHNSON:  
I oppose S.B. 151. My concern relates to timing and cost of service.

ERICA ARTHUR (Senior Vice President, Ovation Property Management):  
We oppose S.B. 151. We are concerned with the process service.

MICHAEL BRENNAN (SGG Management LLC):  
We are opposed to S.B. 151. We manage 1,300 apartments and 500 homes. The heart of the proposal is to help stop homelessness. Increasing the cost of eviction does not help this.

KERRIE KRAMER (NAIOP):  
We are neutral on this bill.

MR. SIGSTAD:  
Nevada Realtors is testifying neutral.

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TIFFANY BANKS (Nevada Realtors):

The Nevada Realtors propose an amendment to S.B. 151 ([Exhibit M](#)).

SUSAN FISHER (Nevada State Apartment Association):

We were originally opposed to S.B. 151 as shown in concerns from Picerne ([Exhibit N](#)) and opposition from FPI Management ([Exhibit O](#)). We have moved to neutral. We support the amendments presented by the Nevada Realtors in ([Exhibit M](#)).

CHAIR CANNIZZARO:

We will open the hearing on S.B. 195.

**SENATE BILL 195**: Enacts the Uniform Regulation of Virtual-Currency Businesses Act and the Uniform Supplemental Commercial Law for the Uniform Regulation of Virtual-Currency Businesses Act. (BDR 59-594)

ASSEMBLYWOMAN LESLEY E. COHEN (Assembly District No. 29):

The Uniform Law Commission (ULC) was established in 1892 and provides states with nonpartisan, well-conceived and well-drafted legislation that brings clarity and stability to critical areas of state statutory law. Members of the ULC must be lawyers qualified to practice law. They are practicing lawyers, judges, legislative staff and law professors who have been appointed by state governments as well as the District of Columbia, Puerto Rico and the U.S. Virgin Islands to research, draft and promote the enactment of uniform state laws in areas of state law where uniformity is desirable and practical.

The ULC strengthens the federal system by providing rules and procedures that are consistent from state to state but also reflect the diverse experience of the states. Statutes written by the ULC are representative of state experience because the organization is made up of representatives from each state. State law is kept up to date by addressing important and timely legal issues. The ULC's efforts reduce the needs for individuals and businesses to deal with different laws as they do business in different states. The ULC's work facilitates economic development and provides a legal platform for foreign entities to deal with U.S. citizens and businesses. Commissioners of the ULC donate thousands of hours in legal and drafting expertise and receive no compensation. The deliberate and uniquely open drafting process draws on the experience of commissioners but also utilizes input from legal experts, advisors and observers

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representing the views of other legal organizations or interests subject to the proposed laws.

SENATOR JAMES OHRENSCHALL (Senatorial District No. 21):

For our constituents, we have found uniformity across state lines is beneficial. One of the most famous Acts that the ULC promulgates is the Uniform Commercial Code. As Assemblywoman Cohen stated, she served on a drafting committee. I am privileged to serve on the Drafting Committee on Alternatives to Bail, and Professor Keith Rowley served on the committee that drafted the two acts contained in S.B. 195.

KEITH ROWLEY (Professor, William S. Boyd School of Law, University of Nevada, Las Vegas):

I served on the drafting committee for the Uniform Regulation of Virtual-Currency Businesses Act (URVCBA) ([Exhibit P](#)).

The URVCA is not about regulating virtual currency, it is about regulating virtual currency business activity. Virtual currency definition tells you what we consider to be virtual currency, but the Act is about regulating storing virtual currency, which means storing their credentials because you cannot store bit coin since it does not physically exist. If I want to transfer credentials I would instruct the holder of my credentials to make the transfer. Exchanges are for changing bit coin for dollars, euros or pounds ([Exhibit Q](#)).

SENATOR PICKARD:

How many states have adopted the URVCBA?

SENATOR OHRENSCHALL:

None. Nevada, Hawaii, Rhode Island, Oklahoma and California have bills pending.

MR. ROWLEY:

I believe there was also an attempt in Colorado.

SENATOR PICKARD:

Does the federal government have a regulation? Can you tell us what the status of the federal law is and how S.B. 195 goes beyond?

MR. ROWLEY:

The U.S. Securities and Exchange Commission has, in the area of initial coin offerings, deemed tokens that are offered through an initial coin offering to be secured, subject to the 1933 Securities Act. There has been no effort by the Office of the Comptroller of the Currency, Federal Reserve, U.S. Department of the Treasury and, more broadly, by the Federal Trade Commission.

KEYLA TERRONES (Hosho Group; Filament):

We oppose S.B. 195. I have letters of opposition ([Exhibit R](#) and [Exhibit S](#)).

ELLIOT MALIN (Nevada Technology Association, Inc.):

Having heard the concerns of our membership and industry leaders, we oppose this bill ([Exhibit T](#)).

MATTHEW DIGESTI (Blockchains, LLC):

We are in opposition of this bill because it is premature, shows lack of Nevada stakeholder involvement and would regulate any digital token, whether it is currency, security, utility or consumption token. It would do so in three ways regulating payments, exchanges and custody.

Senator Pickard, the federal government has a robust compliance and regulatory framework.

Payments are an issue; money transmission laws are not uniform across states, and uniform law makes sense when it is appropriate.

TYSON FALK (Figure Technologies Inc.):

We are opposed to this bill. With an amendment, we would move to neutral.

SARA PRIOLA (Figure Technologies Inc.):

We are advocating for an amendment to the bill that exempts digital securities from coverage under the virtual currencies.

ELISA CAFFERATA (Nevada Technology Association, Inc.):

We oppose S.B. 195. We understand the need for uniformity in the area of money transmission; however, we think the definitions of the virtual currency exchange, transfer and storage are going to include some of the most successful blockchain companies in Nevada even though they are not operating virtual currency businesses. They would be subject to the requirements of these

regulations that do not have anything to do with virtual currency, and we need to significantly fine-tune those definitions or perhaps wait to see what else is going to happen to blockchain technology.

BRIAN REEDER (Nevada Credit Union League):

We are neutral on the bill because section 29 identifies regulated entities that would not fall under this Act. We are working with Mr. Rowley and the bill sponsor to clarify that credit unions do fall under the already regulated category.

GABRIEL ALLRED (Tokes Platform):

We are neutral on this bill. There is not sufficient background in the document or base level of knowledge of decentralized forms of virtual currency to provide a framework ([Exhibit U](#)).

GEORGE BURNS (Commissioner, Division of Financial Institutions, Department of Business and Industry)

We have reviewed S.B. 195 and are working with Senator Ohrenschall on modifications to tailor it specifically to Nevada without losing the uniformity amongst states that is intended. Virtual currency is licensed under *Nevada Revised Statutes* (NRS) 671, the money transmission statute that is limited in its applicability. We are encouraged this bill will bring more specificity to licensing and regulating virtual currency.

MR. ROWLEY:

As for the importance of relative uniformity, it is clear businesses would rather have a small number of state schemes to track rather than 51 different schemes because the federal government is virtually certain not to enact comprehensive legislation or comprehensive regulation. It is up to the states.

In respect to Mr. Allred's point about decentralized versus centralized, that is the reason there is an "or" in the "exchange, store or transfer." We do not expect every virtual currency business will store virtual currency; we cover them whether they exchange or transfer.

I would like to echo Mr. Burn's comment. The money transmission laws we view—as not only Nevada's but more generally—are not tailored for these types of businesses. I also reemphasize this is not a blockchain regulation statute. It focuses on certain activities conducted on blockchain.

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CHAIR CANNIZZARO:

Having no further business on the agenda, I adjourn the Committee meeting at 11:18 a.m.

RESPECTFULLY SUBMITTED:

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Andrea Franko,  
Committee Secretary

APPROVED BY:

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Senator Nicole J. Cannizzaro, Chair

DATE: \_\_\_\_\_



<b>EXHIBIT SUMMARY</b>				
<b>Bill</b>	<b>Exhibit / # of pages</b>		<b>Witness / Entity</b>	<b>Description</b>
	A	1		Agenda
	B	11		Attendance Roster
S.B. 117	C	3	Kent Ervin	Presentation
S.B. 117	D	1	Senator Julia Ratti	Proposed Amendment
S.B. 117	E	1	Jen Chapman / Recorders Association of Nevada	Written Testimony
S.B. 151	F	8	Jennifer Jeans / Washoe Legal Services	Written Testimony
S.B. 151	G	20	Jennifer Jeans / Washoe Legal Services	Proposed Amendment
S.B. 151	H	3	Lauren Pena / Legal Aid Center of Southern Nevada	Written Testimony
S.B. 151	I	2	Nancy Brune / Guinn Center	Presentation
S.B. 151	J	1	Anthony Giron / Make the Road Nevada	Written Testimony
S.B. 151	K	1	Yunus Schersei / Make the Road Nevada	Written Testimony
S.B. 151	L	2	Alan H. Jordan	Written Testimony
S.B. 151	M	2	Tiffany Banks / Nevada Realtors	Proposed Amendment
S.B. 151	N	1	Susan Fisher / Nevada State Apartment Association	Written Concerns from Picerne
S.B. 151	O	2	Susan Fisher / Nevada State Apartment Association	Letter in Opposition from FPI Management
S.B. 195	P	1	Keith Rowley / Uniform Law Commission	Presentation
S.B. 195	Q	3	Keith Rowley / Uniform Law Commission	FAQ, Distributed Ledger Technology
S.B. 195	R	1	Keyla Terrones / Hosho Group	Letter in Opposition, Yo Sub Kwon

S.B. 195	S	1	Keyla Terrones / Filament	Letter in Opposition, Wendy Stolyarov
S.B. 195	T	7	Elliot Malin / Nevada Technology Association, Inc.	Letter in Opposition
S.B. 195	U	1	Gabriel Allred / Tokes Platform	Written Testimony