

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON COMMERCE AND LABOR**

**Eighty-First Session
April 2, 2021**

The Committee on Commerce and Labor was called to order by Vice Chair Maggie Carlton at 12:18 p.m. on Friday, April 2, 2021, Online. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/App/NELIS/REL/81st2021.

COMMITTEE MEMBERS PRESENT:

Assemblywoman Maggie Carlton, Vice Chair
Assemblywoman Venicia Considine
Assemblywoman Jill Dickman
Assemblywoman Bea Duran
Assemblyman Edgar Flores
Assemblyman Jason Frierson
Assemblywoman Melissa Hardy
Assemblywoman Heidi Kasama
Assemblywoman Susie Martinez
Assemblywoman Elaine Marzola
Assemblyman P.K. O'Neill
Assemblywoman Jill Tolles

COMMITTEE MEMBERS ABSENT:

Assemblywoman Sandra Jauregui, Chair (excused)

GUEST LEGISLATORS PRESENT:

Assemblyman David Orentlicher, Assembly District No. 20

STAFF MEMBERS PRESENT:

Marjorie Paslov-Thomas, Committee Policy Analyst
Sam Quast, Committee Counsel
Terri McBride, Committee Manager
Paris Smallwood, Committee Secretary
Cheryl Williams, Committee Assistant



OTHERS PRESENT:

Andria Peterson, PharmD, Assistant Professor, College of Pharmacy, Roseman University of Health Sciences
Stephanie Woodard, Psy.D, Senior Advisor on Behavioral Health, Division of Public and Behavioral Health, Department of Health and Human Services
Joseph Heck, representing Nevada Osteopathic Medical Association
Sophia A. Romero, Attorney, Legal Aid Center of Southern Nevada
Paul Moradkhan, Senior Vice President of Government Affairs, Vegas Chamber
Amber Stidham, Vice President of Government Affairs, Henderson Chamber of Commerce
Phyllis Gurgevich, President, CEO, Nevada Bankers Association
Michael Kind, Attorney, Kind Law, Las Vegas, Nevada
Andrew MacKay, Executive Director, Nevada Franchised Auto Dealers Association

Vice Chair Carlton:

[Roll was called. Committee protocols were explained.] Good afternoon. This afternoon we will be starting with Assembly Bill 442. It has been requested by Assemblyman Orentlicher who would like to give us a brief overview and then he has another commitment in another committee, so I will be happy to excuse him afterwards. With that I will open the hearing on Assembly Bill 442 and invite Assemblyman Orentlicher forward to testify.

Assembly Bill 442: Revises requirements concerning training of certain providers of health care. (BDR 54-450)

Assemblyman David Orentlicher, Assembly District No. 20:

Good afternoon and thank you, Vice Chair Carlton and members of the Committee. I am here today to present Assembly Bill 442. The bill will require health care providers who are authorized to prescribe controlled substances to complete training to better identify patients who have or are at risk of developing a substance use disorder. The bill is sponsored by the interim Legislative Committee on Health Care. While I was not a member of the committee, its chair, Assemblywoman Lesley Cohen, invited me to carry the bill through session. I am pleased to be here to present it before you. Before we get into the presentation, I would like to direct your attention to the conceptual amendment [[Exhibit C](#)] that should be available on the Nevada Electronic Legislative Information System which we will discuss more in a few minutes. The basic point is to implement this as a requirement of continuing education rather than as a requirement of licensure.

The problem that the bill addresses is the nationwide opioid epidemic. It was a serious problem before COVID-19 hit us, and emerging data shows that it has worsened over the past year. This represents a crisis on top of a crisis. Within these crises is another extremely concerning issue: drug use during pregnancy, which impacts mother and baby in the larger community. The interim Legislative Committee on Health Care considered these issues in depth and, at the recommendation of my copresenters, decided to move forward with this piece of legislation.

At this point I would like to turn over my time to Dr. Andria Peterson, clinical pharmacy specialist in pediatric neonatology, and assistant professor of pharmacy practice at the College of Pharmacy at Roseman University of Health Sciences, and our own Dr. Stephanie Woodard at the Department of Health and Human Service (DHHS) to provide additional background on the issue and discuss the bill. I appreciate your allowing me to head over to the Assembly Committee and Health and Human Services to present my bill there. Thank you.

Vice Chair Carlton:

Thank you very much. Committee members, are there any questions for Assemblyman Orentlicher at this time? [There were none.] Thank you, Assemblyman Orentlicher, please go do your job in the Assembly Committee on Health and Human Services.

Andria Peterson, PharmD, Assistant Professor, College of Pharmacy, Roseman University of Health Sciences:

Thank you for having me [Dr. Peterson read from [Exhibit D](#)]. I am a clinical pharmacist for Dignity Health-St. Rose Dominican Hospital and cofounder of the EMPOWERED Program. EMPOWERED stands for Empowering Mothers for Positive Outcomes with Education, Recovery and Early Development. This program originated in 2017 after we discovered an increased number of infants suffering from neonatal abstinence syndrome, also known as withdrawal, and a need for improved care coordination for pregnant women experiencing substance use disorder within our community. We support these women by aligning them with services throughout their pregnancy and continue to support them and their infant for one year postpartum. It has truly been a privilege to see the extraordinary strength of these women as they change the trajectory of their lives for their child.

In November of 2019, we had the opportunity to present EMPOWERED to the interim Legislative Committee on Health Care and were originally going to seek funding to continue this work. Then the pandemic hit. We understood the financial impact this would have on the state and instead came up with a no-cost policy option that has the potential to impact many, not just pregnant, women. This policy option revolves around continuing education credits for SBIRT, which stands for Screening, Brief Intervention and Referral to Treatment, and was adopted by the interim Legislative Committee on Health Care. Many thanks to members of that committee and Dr. Stephanie Woodard from DHHS for their help in drafting this legislation.

As I mentioned, SBIRT stands for Screening, Brief Intervention and Referral to Treatment. It is an evidence-based approach that can be rapidly performed in a number of settings to identify patients with substance use disorder or patients who are at risk for substance use disorder and is a Medicaid reimbursable service. It has been found that utilization of this method by health care professionals can aid them in identifying and successfully assisting individuals not actively seeking an intervention or treatment for their problem and will set both providers and patients up for success in addressing the opioid epidemic in our state.

This practice is recommended by all major societies, SAMHSA, which stands for Substance Abuse and Mental Health Services Administration, and the United States Preventive Services Task Force as a best practice and as a standard of care.

Assembly Bill 442 will require that providers who can prescribe controlled substances complete a two-hour training on SBIRT once, and will qualify for existing continuing education requirements related to substance use and other addictive disorders and the prescribing of opioids set forth in Assembly Bill 474 of the 79th Session. Those who are newly licensed in the state of Nevada would have to complete the SBIRT training within the first two years of their licensing, and those who are already licensed in Nevada would need to complete the training prior to January 1, 2024. Thank you very much. Both Dr. Stephanie Woodard and I are available for questions.

Vice Chair Carlton:

Thank you, we appreciate that. Dr. Woodard, did you have anything to add before we go to questions?

Stephanie Woodard, Psy.D, Senior Advisor on Behavioral Health, Division of Public and Behavioral Health, Department of Health and Human Services:

I do not; I am here to address questions. Thank you.

Vice Chair Carlton:

Committee members, are there any questions?

Assemblywoman Tolles:

Thank you for bringing this legislation forward. I am absolutely supportive of how it is going to help people, honestly, at the end of the day. I was just curious. Could you give a little bit more background on what the current continuing education requirements are for our licensees. Do they typically get their continuing education every year or is it every two years? I am trying to figure out when their opportunity will be to comply with this by January 2024. I am also wondering, is this going to add to the entirety of continuing education, or is this within the existing requirements for continuing education?

Stephanie Woodard:

I can take the latter question. The goal of this legislation was not to add any additional continuing medical education (CME) requirements, but to allow the SBIRT training to take the place of current requirements which were put into statute in Assembly Bill 474 of the 79th Session, which requires two CMEs for the screening for misuse of substances. If necessary, these CMEs would actually meet those minimum requirements.

Assemblywoman Tolles:

Okay, thank you. And then that first question was background, just for our knowledge. How often do they have to complete CME requirements? Is it on an annual basis, biennial basis?

Andria Peterson:

My understanding is every two years.

Assemblywoman Tolles:

Perfect, thank you, so plenty of time to get it done before January 2024.

Assemblywoman Kasama:

It is along the same lines of Assemblywoman Tolles, but there is an exhibit here from the Nevada Osteopathic Medical Association, and it says currently they are required to complete at least two hours of training relating specifically to persons with substance abuse and other addictive disorders and the prescribing of opioids. This definition is slightly different, so they would have to take two hours of that requirement, plus two hours for this new language, but in total they do not have to take more than what is currently required for a total amount of CME, is that correct? They are not going to have four hours of opioid-type training, is that correct? I just wanted to clarify.

Stephanie Woodard:

To address the question, the intent of this legislation is to allow the two hours of CMEs required for SBIRT to count as the two hours that are already required for the screening and understanding of addiction and substance misuse that is required already in statute.

Assemblywoman Kasama:

Just two hours, then, regarding this?

Stephanie Woodard:

Correct, that was the intention of the legislation. I understand there is an amendment that is also available as an exhibit.

Assemblywoman Kasama:

If we already have that in regulation, then why are we adding this if this would also include the two hours that are already listed there?

Andria Peterson:

This would be to mandate the SBIRT training so everybody can be practicing that evidence-based approach for that screening, brief intervention, and referral to treatment within the state, all of our providers.

Assemblywoman Kasama:

So, it is more regulation to emphasize that this is a requirement now in statute?

Vice Chair Carlton:

Assemblywoman Kasama, I understand the concern, but the opposition will have an opportunity to air their opinion. If you have another question, please proceed.

Assemblywoman Kasama:

No. My apologies, just trying to understand.

Vice Chair Carlton:

Are there any other questions at this time from Committee members? [There were none.] With that, I believe we can go to those in support of the measure.

Joseph Heck, representing Nevada Osteopathic Medical Association:

Thank you, Madam Vice Chair and members of the Committee. I know that our exhibit is in opposition, but upon seeing the proposed amendment, it addresses all of the concerns that we had in our letter of opposition [[Exhibit E](#)], namely, making this a one-time requirement rather than a recurrent requirement, allowing it to apply to the current CME requirements, and allowing a grace period for new licensee applicants to take the course. Therefore, we are no longer in opposition and would be in support. Thank you.

Vice Chair Carlton:

Thank you, former Senator Heck. Nice to hear from you, hope you are well. Other callers in support, please? [There were none.] Can we go to those who might be in opposition? [There was no one.] Can we go to those in neutral? [There was no one.] With that, I will go back to Dr. Peterson. Do you have any closing comments that you would like to make before we close the hearing?

Andria Peterson:

I do not. Thank you very much for giving me the opportunity to speak.

Vice Chair Carlton:

Thank you very much, Dr. Peterson, and thank you for taking time away from your family on this holiday weekend. With that, we will close the hearing on Assembly Bill 442. We will open the hearing on Assembly Bill 359. We have Assemblywoman Considine available as a Committee member. Assemblywoman Considine, would you like to go ahead and begin?

Assembly Bill 359: Revises provisions governing trade practices. (BDR 52-684)

Assemblywoman Venicia Considine, Assembly District No. 18:

Thank you, Madam Vice Chair and members of the Committee. I am here today to talk about Assembly Bill 359. A little bit of background: almost 850,000 Nevadans who are ages five and over speak a language other than English in their home. That is more than one in four residents. Nearly 70 percent of that group tend to speak Spanish. Nevada has experienced the largest percentage increase in those speaking a language other than English at home, an increase of 1,000 percent between 1980 and 2018. Those individuals represent approximately 31 percent of the population in the state. Many of them live at or below the federal poverty level.

Beyond that, these populations are also vibrant markets for goods and services. When a business reaches out to a community that speaks a language other than English with the intention of creating a business relationship, that is where Assembly Bill 359 comes in. To use a sports metaphor, the creation of A.B. 359 is with the intention to follow through like you would if you were playing golf or any other sport. To complete the whole thing, you want to always follow through. What A.B. 359 does is when a business entity that has reached out to a community that primarily speaks a language other than English and advertises—which is an amendment [[Exhibit F](#)] we will get to in just a moment—whether it be on billboards, on the Internet, through newspapers, or through the TV. If they are reaching out to that community using the language of that community and inviting them in to create a business relationship to purchase a good or service, this bill requires in that situation that the contract—when those are required—is in the language of that community. To me that is the follow-through—from the beginning of creating that market relationship, all the way through to making sure that the buyers of those goods and services have the contract in that language. If there were any disagreements between the business and the consumer and for some reason they go to any court, the only thing that the court will focus on, or the main thing that the court will focus on, are the words in the contract. If you negotiate or create a transaction from an entity where everything is done in a language other than English, but you cannot read the contract and something goes wrong and you find out when you are in court that the contract did not match what was told to you, you are in an incredible bind. That is the problem A.B. 359 is designed to take care of.

There is an amendment available on the Nevada Electronic Legislative Information System, and I would like to go through the bill with the amendment [[Exhibit F](#)] and then open it up to any questions that you have. I want to go a little bit out of order with this. I would like to start with section 4, which is at the bottom of page 3, because this is really the intent of the bill. The amendment on section 4, subsection 1 says:

A person who, in the course of his or her business or occupation advertises in a language other than English and negotiates orally or in writing any of the transactions listed in subsection 3 in a language other than English, or who allows an employee or agent of the person to negotiate orally or in writing any of the transactions listed in subsection 3 in a language other than English, shall deliver a translation of the contract or agreement that results from such negotiations in the language that was used in the advertisement to the person who is a party to the contract or agreement and to any other person who may sign the contract or agreement.

Basically what this boils down to is it would be considered a deceptive trade practice if you advertise in a language other than English, you create a business relationship by selling the goods or services that require a contract, and that transaction was verbally in that language other than English, but you give them a contract that is only in English that cannot be understood. That is a deceptive trade practice. That is the genesis, or the meat, of this whole bill.

To go back to the beginning, to go over the bill with the amendments, in section 3, subsection 1, I have made a small amendment. Currently, it says, "As used in sections 3 to 9, inclusive, of this act, unless the context otherwise requires, 'contract or agreement' means the document that creates the rights and obligations of the parties which results from"—and I have added in the amendment "a transaction or negotiation discussed in section 4 of this act." The reason for adding "transaction" is not every purchase—the sale of goods and services—is always a negotiation. In fact, most contracts are sort of a "take it or leave it" contract. It is more of a transaction; it is not a negotiation. To confirm that this covers both, I wanted to add "transaction."

Section 3, subsection 3, has a list of the terms that are not included. These are items that are exempt from this contract requirement. However, the amendment includes a deletion of section 3, subsection 3, paragraph (a), subparagraph (3), "a retail installment contract or account or other revolving sales or loan account." The reason is twofold from a consumer protection point of view. There are a lot of great actors for the sale and purchase of cars. But there are also some in the subprime market who are not good actors. This actually would be a backup currently in *Nevada Revised Statutes* (NRS) Chapter 97. If someone is speaking Spanish and they request that contract in Spanish, that is already in the retail installment contracts under NRS Chapter 97. Removing this section from being exempted from A.B. 359, it will just be a backup, because again, they would have to advertise, have a budget, be availing themselves, going into these communities that are speaking a language other than English for this to even kick in. But we want to make sure that if that is the case and they are speaking say, Tagalog, they go to a buy-here-pay-here or a subprime car dealership and the entire conversation is done in Tagalog, but it comes down to one person's understanding is that they are purchasing a car and the contract says lease, that is incredibly important for that contract to be in Tagalog in that situation. That is the reason that I am asking for section 4 to be amended. I have already pointed that out, but it is the big part of the purpose of this bill.

I also wanted to point out in section 4, subsection 3, paragraph (b), I have an amendment on that. I was contacted concerning a worry that this may or may not encompass casino markers, so I put in an amendment to exempt them. It is not necessarily a well-written amendment in that case, so I will likely be changing it to be a little bit more specific to the particular NRS section. I just wanted to make sure that we are not encompassing areas that I do not want to harm. The reason why this bill is narrowly tailored to those who advertise is so that it does not harm businesses, small businesses, especially local businesses that are coming out of a pandemic. This is specifically geared to what I have said, those businesses that are availing themselves financially through advertisements one way or another to create a relationship stating that they are speaking that language other than English. I do not want to accidentally include other entities that would complicate the situation.

Because this bill is more narrow than it was originally written, I am also asking to delete section 6 and section 7. Section 6 deals with conspicuously displaying a notice in the place of business that translations are required, where that should not really be required if they are not advertising and availing themselves. That is the reason for removing section 6. Along

the same lines, section 7 deals with interpreters, which there are a lot of issues overall, especially with consumer protections with children or people who do not understand the concepts of some of this not being able to fully translate it. The idea again, going back to if they are advertising in that language, if they are saying that they are fluent and there is someone in that business speaking that language, they should be the ones explaining that contract, as it would be in any other business relationship. That is the reason for my request to delete section 7.

I also want to point out in section 8, there are certain things that are exceptions to translation requirements within a contract, and those are names of persons, numbers, brand names, trade names, et cetera. There are some things within those contracts that will not need to be translated into the language that is spoken other than English. Also, section 9 allows the person to rescind the contract or agreement if this law—if it becomes a law—is breached. Everything else in the following pages of this bill is all conforming language to bring it in line in the different areas.

I know that was a lot of information. I just want to go back to the fact that this was narrowly tailored so that if the business is already doing this and it is creating those relationships, they follow through from beginning to end, and anyone who builds that relationship can also walk out the next day or the next week and read the contract to make sure that they fully understand it. Thank you for your time, and I am open to any questions.

Vice Chair Carlton:

Thank you very much, Assemblywoman Considine, for walking us through the bill. We understand showing up, having a bill, and having to go through the amendment at the same time as you go through the bill. Anyone who has done a bill presentation has had to go through that. With all of the conversation, I think I would like to clarify that the first domino that has to fall is that the business chooses to advertise in that language. If they choose not to advertise in that language, nothing in this bill would apply to them, is that correct?

Assemblywoman Considine:

Exactly, Madam Vice Chair. Yes, because if this was so broad, then businesses would have to have contracts in so many multiple languages and that would cause a little bit more chaos. So exactly what you said: if they are availing themselves and they are reaching out to that community, that is when this triggers it.

Vice Chair Carlton:

And just for clarification purposes, this would not apply to nonprofits who provide safety net-type services, food pantries, things that folks would need, because nonprofits will let folks know that there are services available in their particular language, but they do not have the backup documents in a translated form for them. So, this is strictly for businesses?

Assemblywoman Considine:

The intention for this was for businesses where there is a sale of goods and services, so that would not include any nonprofits. If this needs to be illustrated or elucidated more in the bill, I am happy to do that.

Vice Chair Carlton:

I think you clarified the record just by saying the sale portion of it, so that would alleviate some of the email concerns that I got. Thank you very much for addressing those concerns.

Assemblyman O'Neill:

Assemblywoman Considine, very nice bill, wonderful presentation. I have one quick question. I think I know the answer, but I just want to clarify. If a company advertises—whatever the company or business may be—in English, but then at the bottom you will often see them say *se habla español* or whatever, they would still be exempt from this bill?

Assemblywoman Considine:

Thank you for the question. The intent of this bill would not be at the bottom of something there is a line that says *yo hablo español*. The intent would be that the entire ad would be in that language other than English. Because that means not only that we are fluent in this language, we are holding ourselves out as an entity that can have the entire conversation, negotiation, and transaction with you.

Assemblyman O'Neill:

I really appreciate that answer. That was more than I thought, but you hit the nail on the head. Thank you very much.

Assemblywoman Hardy:

First of all, thank you for the really good explanation of the bill. I appreciate your going through it section by section. I want to give you an example so I understand. In advertising—you mentioned a billboard, something on their website, or even sending a postcard in the mail—whatever language they send that in they should have an appropriate contract if someone were to come in later to get the particular good or service. Do I understand that correctly?

Assemblywoman Considine:

Yes. One example that I have had in a conversation is, if there is, let us say, a billboard in Mandarin and somebody comes in and they speak Korean and there just happens to be somebody speaking Korean. There is no onus on the business to then suddenly have a contract in Korean.

Assemblywoman Hardy:

Yes. I understand if you are advertising in a certain language, but then you would not expect a business to have multiple contracts in all of these different languages. I assume they could get one, as in the example you described, but they are not going to have 80 different contracts or be expected to have that many contracts in different languages.

Assemblywoman Considine:

Correct, Assemblywoman. Now there may be some businesses that are available to do multiple languages and they do ads in multiple different languages. They would be required, under this bill, to have those available. If they did that, however, in the situation I said earlier, it would not be considered a deceptive trade practice if someone came into a business and was able to have a conversation in Russian with someone and then demand to have that contract in Russian if there was no advertising or no availing of the business into that community.

Assemblywoman Tolles:

Thanks for this presentation, and I just have two quick questions to clarify. One is when we talk about advertising, is that specifically paid advertising as opposed to social media, or would social media count in that? Oftentimes people might post things on Facebook, Twitter, or something like that, so I just wanted to clarify if that was captured in this or if that is excluded from this.

Assemblywoman Considine:

If they are advertising on social media as a business, they do tend to have to pay for those ads. If there are ads that are in a language other than English, I would believe that they were paying for those. Now let us say I really love Business A, and I just put up on social media in a language other than English how much I love them, and I suggest people to go to. That is not what I would consider advertising, or the definition of advertising, I believe, under Chapter 598 of NRS.

Assemblywoman Tolles:

Perfect, thank you for making sure that was clear. The last thing is, I see that there is no effective date specifically outlined. I just wondered what the effective date would be. I believe there is a default, so maybe the Legal Division, within the Legislative Counsel Bureau, could help us with this. But just to make sure that there is enough time for businesses to be aware of this so that they can implement these new practices, do you know what the effective date is or would you consider putting a specific effective date to give them time?

Assemblywoman Considine:

It is my understanding without a date on the bill, the effective date would be October 1, 2021. If Legal is here and I am wrong, please correct me.

Vice Chair Carlton:

I believe you are correct, Assemblywoman Considine. And I think the follow-up to Assemblywoman Tolles' question would be, do you think that would give folks enough time? Depending upon when this bill would pass, do you think October 1, 2021, is a good date, or will there still be continuing discussions about possibly giving businesses a little bit more time to comply? Has there been a conversation about that?

Assemblywoman Considine:

In the discussions that I have had, I have not heard any questions about the effective date. Part of that might be that there is an assumption that if you are advertising already in a language other than English, some may already be doing this or it would not be that much of a heavy lift to do. But yes, if there is anyone out there who wants to move the date, I am certainly happy to have a conversation with them and be open to doing that.

Vice Chair Carlton:

Thank you very much, Assemblywoman Considine. We appreciate the answer. I am not seeing any other members of the Committee wishing to be recognized at this time. With that, I believe we can go to those in support of the bill.

Sophia A. Romero, Attorney, Legal Aid Center of Southern Nevada:

Thank you for the opportunity to speak here today [Ms. Romero read from [Exhibit G](#)]. I am here to comment today in support of [A.B. 359](#). [Assembly Bill 359](#) goes a long way to solving a problem that we see regularly. I am an attorney at the Legal Aid Center of Southern Nevada and the Consumer Rights Project. We have many people coming to us because they signed a contract that was written in English, despite not being able to read it, because they relied on what they were told by the person on the other side of the table.

People in this situation tend to go to places that advertise that they speak a particular language. While this happens regularly with the Spanish-speaking community, it is also prevalent among the Asian-American and Pacific Islander communities. Often, people in these situations tend to rely upon their children to translate—kids who are too young to enter into contracts themselves or who are unlikely to have the vocabulary or understanding to accurately translate these transactions.

People who do not speak English tend to trust others who speak the same language as they do. They view them as their community members and, depending on the culture, sometimes view them as family. They believe that what the person on the other side of the table is telling them is true. They believe that this person is truly trying to help them, instead of trying to take their money. Unfortunately, as we see all too often, taking their money is the result of these transactions. This bill will have a great impact on breaking down the language barriers for non-English-speaking communities and will help stop them from being targeted by predatory business practices. Thank you again for the opportunity to come here today.

[[Exhibit H](#), [Exhibit I](#), and [Exhibit J](#) are letters in support that were submitted but not discussed and will become part of the record.]

Vice Chair Carlton:

Thank you very much for being here today; we appreciate it. With that, if we could go to anyone in support on the phone, please? [There was no one.] Could we go to callers in opposition? [There was no one.] If we could open up the line for those in neutral, please?

Paul Moradkhan, Senior Vice President of Government Affairs, Vegas Chamber:

Good afternoon, Vice Chair Carlton and members of the Committee. First, I would like to thank the bill sponsor for reaching out to the business community regarding A.B. 359. I believe we had some very good, productive conversations about finding the proper balance regarding the concerns that were brought forth and also creating a standard that would be important to the business community. We appreciate Assemblywoman Considine accepting our suggestion on an advertising standard. We are in neutral today, and we appreciate the work of the bill sponsor for reaching out to the business community to find a resolution.

Amber Stidham, Vice President of Government Affairs, Henderson Chamber of Commerce:

Good afternoon, Vice Chair and the members of the Committee. We, too, want to thank Assemblywoman Considine for reaching out to our organization early in this process to talk through the concepts of the bill and walk through some of our concerns and questions. We really appreciate all her hard work. We just want to look over the posted amendment so we can respond accordingly. Thank you.

Phyllis Gurgevich, President, CEO, Nevada Bankers Association:

Good afternoon. Thank you, Madam Vice Chair and Committee members, for the opportunity to comment in neutral. And thank you to the bill sponsor. We greatly appreciate having had the opportunity to meet, have conversations, and share some of our concerns as well as suggestions for improvement. We are reviewing the amendment and think that it alleviates all of our concerns and really look forward to continuing to work with the bill sponsor. Thank you again for the opportunity to comment.

Vice Chair Carlton:

Thank you for participating today. Next caller, please. [There was no one.] We will go back to the bill sponsor. Assemblywoman Considine, do you have any closing comments?

Assemblywoman Considine:

I want to thank the Committee for allowing this bill to be heard. I want to thank everyone whom I have been working with for multiple months to make sure that we could get something that is reflective of the diversity of our state, that is also a protection for consumers, and also looks to the future. I appreciate everyone's time. Thank you very much; have a wonderful weekend.

Vice Chair Carlton:

Thank you very much, Assemblywoman Considine, and we look forward to your getting the amendment finalized and out to everyone who needs it. The clock is ticking between now and next Friday, so good luck with that. We will close the hearing on A.B. 359, and we will open up the hearing on our final bill this afternoon, which is Assembly Bill 298. We have our Committee member, Assemblyman Flores, here to present the bill. Assemblyman Flores, please proceed.

**Assembly Bill 298: Revises provisions relating to noncommercial vehicle leases.
(BDR 8-782)**

Assemblyman Edgar Flores, Assembly District No. 28:

Good afternoon, Madam Vice Chair and esteemed colleagues of the Assembly Committee on Commerce and Labor. I am here to present Assembly Bill 298. If I could just briefly, anecdotally share a story that triggered my desire and, more than anything, lit the fire in my belly to say I need to get involved. Then later I learned from Legal Aid Center of Southern Nevada that they were working on this, so I am very happy I was able to work with them. Anecdotally, I had heard numerous stories in the community, from folks who struggle with the English language and/or do not speak the English language, period, share stories that they thought they purchased a vehicle, when in fact they were only leasing it. I found that to be wildly unbelievable and, more than anything, predatory on behalf of some of these businesses. I have had that frustration, and I had heard it multiple times. Then, luckily, I had an opportunity to link up with Legal Aid Center of Southern Nevada who then took me to myriad other instances, in other situations, and more technical issues when it comes to leasing a vehicle.

I am going to briefly provide some overarching information regarding purchasing a vehicle and what goes into those contracts versus when you are leasing a vehicle. Then, I am going to hand over the presentation to Ms. Romero, who will then walk you through the technical aspects and give you a deeper dive and insight into exactly what is happening out there. Before I do that, I did want to say thank you to all the stakeholders who worked on this particular bill with us. We are very appreciative of their feedback, and I know some hours were put into it, so I wanted to say thank you to them.

For some background information, when you purchase a vehicle in the state of Nevada, there are certain built-in terms in a prescribed sales contract that not only help consumers but they also help level the playing field among dealerships. For example, terms like making sure that one particular dealership cannot repossess a vehicle before its competitor, or that a dealership is not charging more in late fees than other dealerships. This ensure that every single dealership is working under the same umbrella rules. More importantly, it helps the consumer know exactly what to expect when they are entering into a standard sales contract.

Unfortunately, the situation we have here in the state of Nevada is that the same is not true for leases. With the exception of some federal regulations, the consumer leasing market in Nevada is largely unregulated. This results in unscrupulous businesses skirting the protections built into sales contracts. What they do instead is push you into a lease agreement. For example, currently there is no regulation as to the definition of "default," the amount of fees that can be charged, or even when somebody thinks they are buying a car and months or years later finds out that they are actually entering into a lease agreement. Again, that goes to the heart of where I started.

After I spoke with Legal Aid Center of Southern Nevada, they went into a very long list of very technical issues that are happening in this largely unregulated lease world. So, what I would like to talk about is, understandably, a lot of Nevadans can unfortunately fall victim in a situation like the one I described, but this is really happening with our underrepresented communities, mainly our non-English-speaking community, or our community for whom English is their second language. They may be able to entertain a brief conversation, but when it comes to reading a document, they do not really understand exactly what they are getting into. This really falls in line with the conversation we heard in the previous bill hearing with Assemblywoman Considine.

With Assembly Bill 298, I want to make sure that everybody understands I am working off of the conceptual amendment that is on the Nevada Electronic Legislative Information System [[Exhibit K](#)]. Please defer to that; do not look at the original language. As you all know, we start with one piece of legislation, but after working with stakeholders, we are working strictly off of the conceptual amendment and what we are trying to do there is take a first step. I am not saying that this is going to fix it all, but it is a first step to help us specifically with our used car leases and making sure that we put them on the same playing field as other vehicle transactions in the state, making sure that we have those protections and safeguards in place.

At this time, if I can, Madam Vice Chair, we have Ms. Sophia Romero, an attorney with the Consumer Rights Project at the Legal Aid Center of Southern Nevada, who is going to give some remarks and walk us through the bill. She will really give us more of a personal perspective of what she sees out there every day in the market.

Sophia A. Romero, Attorney, Legal Aid Center of Southern Nevada:

Thank you, Assemblyman Flores. Good afternoon, Madam Vice Chair and members of the Committee [Ms. Romero read from [Exhibit L](#)]. Thank you for the opportunity to help present here today. Before I begin, I would like to thank Assemblyman Flores as well as the stakeholders who helped us hone this legislation into what is now the conceptual amendment. Hopefully, if this legislation passes, it will be a much-needed addition to Nevada law and solves a problem that we see on nearly a daily basis.

Second to buying a home, purchasing a vehicle is the most expensive purchase of one's life. While not everyone owns a home, most everyone, especially in Nevada, has to buy a car in order to get to work, the grocery store, the doctor, get their kids to school, essentially to get around and live life. Because the volume of vehicle sales and repairs in the state is so high, not a day goes by where someone does not reach out to the Legal Aid Center of Southern Nevada seeking assistance on a car issue. Unfortunately, abuses surrounding car leases have become the most common issue we see. We see everything from people having their cars repossessed when they are less than 24 hours late with a payment, sometimes despite assurances that they would not be repossessed until a later date, to being charged upwards of \$25 per day in late fees, an amount that tends to increase, and even people who had no idea they leased a vehicle instead of purchasing one despite oral assurances and representations that it actually was a sale.

To say this affects the non-English-speaking community disproportionately is an understatement. I have sat in a deposition with a client, an older gentleman, who was almost in tears because he kept having to respond to opposing counsel's questions with "I do not read or understand English" for each of the 72 times she pointed out the word "lease" in his contract. After years of paying and being almost done with his lease agreement, his vehicle was repossessed, despite the dealership's promises that they would not repossess for another week to give him a chance to pay. When he came to our office, it was I who had the unfortunate task of telling him that it was not a purchase agreement but rather a lease agreement, which, unlike the sales contract that we currently use here in Nevada, does not have a 30-day, built-in grace period.

A local pro bono attorney and I recently wrapped up a case where in July of 2019 a woman leased a 2003 Mercury with 130,000 miles. She was required to pay on the lease for a term of 115 months, or nine and a half years, if you want to do the math. At the end of the lease she would still have to pay \$3,359.52 in order to own that car. The reality of the matter is that vehicle will not be running nine years from now, and even if it is running, there is no way that it is going to have a value of \$3,359. Like the example before, this woman had no idea that she had signed a lease agreement instead of a sales contract. However, unlike the example before, her primary language is English. She is a native English speaker, and still had no idea that it was a lease agreement instead of a sales contract. Additionally, her vehicle was repossessed two days prior to the due date of her next payment, a date that the dealership had confirmed with her in a text message.

This is so prevalent that we even had a former employee who had just come over to the office, just started doing intakes and she said, "Wow, I see a lot of this one dealership." I said, "Yeah, they do this all the time." She said, "Well, I bought my car there." I said, "Are you sure you really bought your car?" And the next day, sure enough, she came in with her lease agreement and was completely helpless, she had no idea what to do. This happens more than we would think. We want to think these are the rare instances, but these are not the rare instances. This is happening more often than not. While it used to be one or two used car dealerships that engaged in these types of practices, as regulation on car sales has increased, so have predatory leasing practices. It is because of these practices we need clear laws surrounding consumer vehicle leases. Assembly Bill 298 seeks to make practices surrounding lease agreements more defined and helps both consumers and legitimate businesses alike.

Now I will walk through the sections of the bill. As Assemblyman Flores stated, we are working off the conceptual amendment [[Exhibit K](#)], not the original draft of the legislation. Section 2 puts into statute the standard default language, which is already a part of every car sales contract in Nevada. This is not different for dealerships. If you are selling a car, these are the same terms that you already have to comply with. This now applies to leases.

Section 3 focuses on used car leases and requires certain terms to the lease agreement, whether in the agreement itself or in an addendum. This lets consumers know the terms of default, not to sign the document if there are blank spaces, and limits the amount of late fees

that can be charged to the lesser of \$15 or 8 percent of the installment amount, which is the same as is currently in all sales contracts in Nevada. Again, we are not doing anything that they are not already doing for car sales; this is just making it apply to leases as well. It contains terms regarding the residual value, early termination, and default charges.

It also sets forth the disclosures that the dealership must provide to the consumer and the consumer must sign, such as, in bold large font, a disclosure that lets the consumer know that this is a lease and not a sale and that they will not own the vehicle at the end of the contract term unless they pay additional money. That has to be in English and Spanish as well. It says to read everything carefully, because if there are oral promises not included in the writing, the writing will prevail. There is no cooling off period in Nevada. Some states such as California have a 72-hour period where you can buy a car, take it home, and let us say it breaks down on you on the way home. You can return that car within 72 hours and say, Hey I do not want this car; it is a lemon. In Nevada, we do not have that, so we are letting people know that if they lease this vehicle, there is no opportunity to take the vehicle back. It also makes sure that if the contract contradicts the statutory protections, the statute will prevail and if the disclosures are not provided, it will be considered a sale.

Section 4 lays out additional protections that are already included in car sales, such as the single document rule and the font requirements of the text of the contract. Section 5 is the requirement for dealers to have all of the spaces filled in prior to having the contract signed. Section 6 puts in a civil right of action for people when the dealership has violated these provisions. Section 7 is definitions, and sections 8 through 11 are conforming language to make sure that the amendment complies with the current language in statute. With that, I would like to thank you for your time, and I am available for any questions that you may have.

Vice Chair Carlton:

Thank you very much for your presentation. Assemblyman Flores, did you have someone else you would like to bring up into the queue before we turn it over to the Committee members?

Assemblyman Flores:

No, Madam Vice Chair. At this time, we will take questions.

Vice Chair Carlton:

Okay, thank you very much. Committee members, with that I will go ahead and open it up for questions.

Assemblywoman Kasama:

Thank you, Assemblyman Flores. This seems like a great bill. I am saddened to hear of the abuse that is going on out in the community, and this sounds like something that is very needed. My question is, and I do not even know if it happens, with some of the other car rental companies such as Budget or Avis, I do not know if those places might rent a car for over four months. Will anything here change how they handle their business?

Assemblyman Flores:

That is not what we are intending to capture and, Ms. Romero could correct me if I am wrong but, in that scenario, if you are renting a vehicle, that would not be applicable here. Ms. Romero, you may have additional information or maybe you have seen a scenario where somebody thinks they are purchasing a car when in fact they are renting one. Maybe you could provide some insight into that.

Sophia Romero:

I have not seen that scenario, and this would not apply to rental companies such as Avis, Budget, Enterprise Rent-A-Car, those types of businesses. This is a lease term from a dealership, and of course, dealership is defined in the statute. A rental car place would not be affected by this statute.

Assemblywoman Dickman:

It is not a question; it is just a comment. It is astonishing to me to hear these stories, and I want to say how sad it is we need to have laws like this. But thank you for bringing this.

Assemblyman Flores:

Thank you, Assemblywoman Dickman. I agree with you; it is frustrating that we even have to have this conversation.

Vice Chair Carlton:

Thank you, Assemblyman Flores, we do not make these laws for the good guys. We know there are good guys out there. We try to keep a level playing field so the good guys are not at a disadvantage. With that, I do not see any other questions from any other Committee members at this time, so if we could please go to the phones and queue up those who are in support.

Michael Kind, Attorney, Kind Law, Las Vegas, Nevada:

Good afternoon, Madam Vice Chair and members of the Committee. I am an attorney who has been working in consumer protection since about 2015. The issue that is raised today is something that I see very often, and unfortunately many clients and potential clients come to me when they thought that they bought the car and only after I reviewed deeper, it turns out that it was actually a lease. With that, I support this measure and thank you very much.

Vice Chair Carlton:

Thank you very much for participating today; we appreciate that. Are there other folks in support? [There was no one.] If we could queue up those who would be in opposition, please? [There was no one.] Could we go to those in neutral, please?

Andrew MacKay, Executive Director, Nevada Franchised Auto Dealers Association:

Good afternoon, Madam Vice Chair and members of the Committee. This is slightly out of order, but I would be remiss if I did not comment with respect to the prior bill, Assembly Bill 359. I had not registered to testify but want to just give a quick recognition to the Assemblywoman for reaching out to us several months ago on that bill and we appreciate her for doing that.

On the instant matter, as I indicated before, we are neutral. But I do want to recognize number one, Assemblyman Flores, as well as Ms. Romero and Ms. Bailey Bortolin for working with us on this bill. As Assemblyman Flores indicated at the beginning, we find it absolutely unbelievable that this practice is occurring in the leasing of used vehicles. We had not even heard of such a thing. We appreciate their working with us to make sure that the majority of the bill is focused on that, and hopefully we will take care of these bad actors who, frankly, are preying on the public. That being said, we appreciate everybody's time and I hope you all have a good weekend.

Vice Chair Carlton:

Thank you very much, Mr. MacKay. I did have you in opposition, but I will change the notes and make sure that you are listed in neutral. Thank you for clarifying that.

Andrew MacKay:

When I registered several days before the hearing, that was before the amendment was up. Faux pas on my part for not adjusting that. Thank you.

Vice Chair Carlton:

No problem, we just want to make sure we have a clear record. Is there anyone else in the queue for neutral? [There was no one.] Thank you very much. We can go back to Assemblyman Flores for any closing comments.

Assemblyman Flores:

Thank you, Madam Vice Chair. I just wanted to say thank you to everybody who helped me with this bill, namely Ms. Romero, who has been instrumental in making this language work for everybody. I want to say thank you to all the members. Again, it is frustrating that we even have to do this. This is a bill that will hopefully start leveling the playing field for the good actors in the industry, go after those bad apples, and take care of our consumers.

Vice Chair Carlton:

Thank you very much, Assemblyman Flores, for your presentation and work on this bill this afternoon. With that, Committee members, we can close the hearing on Assembly Bill 298, and that would leave one item on our agenda for this afternoon, which would be public comment. Do we have anyone who has called in under the public comment portion of the meeting? [There was no one.]

Thank you very much to all the staff who make it possible for us to have these meetings. We appreciate all your help. With that, Committee members, our task for today is done. Everyone have a wonderful weekend and see you on Monday morning. Our meeting is adjourned [at 1:31 p.m.].

RESPECTFULLY SUBMITTED:

Paris Smallwood
Committee Secretary

APPROVED BY:

Assemblywoman Sandra Jauregui, Chair

DATE: August 9, 2021

EXHIBITS

[Exhibit A](#) is the Agenda.

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

[Exhibit C](#) is a proposed conceptual amendment titled, "Conceptual Amendment to AB 442," dated April 2, 2021, submitted by Assemblyman David Orentlicher, Assembly District No. 20.

[Exhibit D](#) is written testimony presented by Andria Peterson, PharmD, Assistant Professor, College of Pharmacy, Roseman University of Health Sciences, regarding [Assembly Bill 442](#).

[Exhibit E](#) is a letter submitted by Joseph Heck, representing Nevada Osteopathic Medical Association, in opposition to [Assembly Bill 442](#).

[Exhibit F](#) is a proposed conceptual amendment titled "Conceptual Amendment for A.B. 359," dated April 2, 2021, submitted and presented by Assemblywoman Venicia Considine, Assembly District No. 18.

[Exhibit G](#) is written testimony dated April 2, 2021, presented by Sophia A. Romero, Attorney, Legal Aid Center of Southern Nevada, in support of [Assembly Bill 359](#).

[Exhibit H](#) is a letter dated April 2, 2021, submitted by Christine Saunders, Policy Director, Progressive Leadership Alliance of Nevada, in support of [Assembly Bill 359](#).

[Exhibit I](#) is a letter dated April 1, 2021, submitted by Paloma M. Guerrero, Legislative Committee Chair, Nevada Immigrant Coalition, in support of [Assembly Bill 359](#).

[Exhibit J](#) is an email dated April 1, 2021, submitted by Kevin Conner, Private Citizen, in support of [Assembly Bill 359](#).

[Exhibit K](#) is a proposed amendment to [Assembly Bill 298](#), submitted by Assemblyman Edgar Flores, Assembly District No. 28; and Sophia A. Romero, Attorney, Legal Aid Center of Southern Nevada.

[Exhibit L](#) is written testimony, dated April 2, 2021, presented by Sophia A. Romero, Attorney, Legal Aid Center of Southern Nevada, in support of [Assembly Bill 298](#).