

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON GOVERNMENT AFFAIRS**

**Eighty-First Session
May 5, 2021**

The Committee on Government Affairs was called to order by Chair Edgar Flores at 9:06 a.m. on Wednesday, May 5, 2021, Online and in Room 3143 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/App/NELIS/REL/81st2021.

COMMITTEE MEMBERS PRESENT:

Assemblyman Edgar Flores, Chair
Assemblywoman Selena Torres, Vice Chair
Assemblywoman Natha C. Anderson
Assemblywoman Annie Black
Assemblywoman Tracy Brown-May
Assemblywoman Venicia Considine
Assemblywoman Jill Dickman
Assemblywoman Bea Duran
Assemblywoman Susie Martinez
Assemblyman Andy Matthews
Assemblyman Richard McArthur
Assemblywoman Clara Thomas

COMMITTEE MEMBERS ABSENT:

Assemblyman John Ellison (excused)

GUEST LEGISLATORS PRESENT:

Senator Nicole J. Cannizzaro, Senate District No. 6
Senator James A. Settelmeyer, Senate District No. 17

STAFF MEMBERS PRESENT:

Jered McDonald, Committee Policy Analyst
Erin Sturdivant, Committee Counsel
Judith Bishop, Committee Manager
Lindsey Howell, Committee Secretary
Cheryl Williams, Committee Assistant

Minutes ID: 1055



OTHERS PRESENT:

Fred Horvath, Secretary-Treasurer, Teamsters Local 14, Las Vegas, Nevada
Nicole Rourke, Director of Government and Public Affairs, City of Henderson
Rusty McAllister, Executive Secretary-Treasurer, Nevada State AFL-CIO
Marlene Lockard, representing Service Employees International Union 1107
Dagny Stapleton, Executive Director, Nevada Association of Counties
Kent Ervin, Vice President, Nevada Faculty Alliance
Justin Norton, Treasurer, Washoe County Employees Association
Bruce K. Snyder, Commissioner, Government Employee-Management Relations Board
Jimmy Lau, representing ADT Security Services
Holly Borgmann, Vice President, Government Affairs, ADT Security Services
Terry Taylor, representing Fire Prevention Association of Nevada; and International Association of Arson Investigators, Nevada Chapter
Warren Hardy, representing the Urban Consortium

Chair Flores:

[The meeting was called to order. Committee rules and protocol were explained.] We are going to take the agenda out of order. We will be doing Senate Bill 294 (2nd Reprint) first, followed by Senate Bill 253 (1st Reprint). With that, I would like to open up the hearing on Senate Bill 294 (2nd Reprint). We have our Majority Leader Nicole Cannizzaro here.

Senate Bill 294 (2nd Reprint): Revises provisions governing collective bargaining by local government employers. (BDR 23-254)

Senator Nicole J. Cannizzaro, Senate District No. 6:

It is again an honor to be here with all of you this morning. I represent Senate District No. 6 in the northwest portion of the Las Vegas Valley, and I am here today to introduce to you Senate Bill 294 (2nd Reprint), which makes revisions regarding collective bargaining between local government employers and employee organizations.

Joining me today is Fred Horvath, who is the treasurer for Teamsters Local 14. With your permission, Chair, I would like to give some brief opening remarks and a brief walk-through of the bill before turning it over to Mr. Horvath for his presentation.

Chair Flores:

Please.

Senator Cannizzaro:

By way of background, currently, if an organization that represents local government employees—other than educational support personnel, firefighters, police officers, and teachers—fails to resolve an issue in negotiating a collective bargaining agreement with an employer, the dispute can be submitted to an impartial fact finder. However, before doing so, the parties need to agree to make the recommendations of the fact finder on certain issues

final and binding. When the local government employer and employee organization cannot agree, either party may request the formation of a panel to determine whether the findings and recommendations of the fact finder on certain issues will be final and binding.

This bill repeals the provisions relating to those panels and instead provides that the parties may agree to make the findings and recommendations of the fact finder final and binding and may submit those findings to a second fact finder to serve as an arbitrator.

Currently, the process for police, fire, educational support personnel, and teachers in local government is different from other local government entities, and this bill seeks to create some parity among those groups.

I would note, for members of the Committee, that I did submit a mock-up amendment to Senate Bill 294 (2nd Reprint), which I believe was made available on the Nevada Electronic Legislative Information System [[Exhibit C](#)]. I am hoping that everybody has had a chance to take a look at it. It does make one small change with respect to the process for some of these provisions.

I would like to discuss a brief overview of the substantive portions of the bill at this point. Sections 1.5 and 2 repeal the provisions relating to those aforementioned panels that I discussed briefly. Section 1.5 further provides that the fact finder shall make findings in his or her written report.

Section 2 clarifies that the provisions apply to labor disputes other than police, fire, teachers, and educational support personnel. In addition, section 2 outlines that the parties may agree to make the findings and recommendations of a fact finder final and binding, and that either party may submit those findings and recommendations to that second arbitrator. If the decision is submitted to a second fact finder, that decision would be final and binding on the parties. Section 2 further provides for the process to select the fact finder. In the amendment submitted to the Committee [[Exhibit C](#)], section 2 also provides that the procedure for an arbitration is subject to the provisions of *Nevada Revised Statutes* 288.215.

Section 4 eliminates the authorization for expenditure of funds for expenses related to those panels.

At this time, Mr. Chair, what I would like to do is introduce Mr. Horvath, who has a brief presentation for the Committee [[Exhibit D](#)].

Fred Horvath, Secretary-Treasurer, Teamsters Local 14, Las Vegas, Nevada:

I would like to provide a brief presentation, if that will work for you, and then walk you through. *Nevada Revised Statutes* (NRS) Chapter 288 is the collective bargaining law in the state [page 2, [Exhibit D](#)]. It is managed by the Government Employee-Management Relations Board. Employee organizations must provide notice to local governments by February 1 of a given year if they are interested in bargaining something that involves monetary budgeting.

A quick look at the process is this [page 3]: Exchange proposals; negotiate; a tentative agreement is reached; ratification process by the employee organization; ratification of an agreement by a local government board, council, commission, or the State Board of Examiners; and then a public hearing to address the financial impacts and the contents of that agreement.

The impasse process is the reason we are here [page 4]. The impasse process within NRS Chapter 288 is mediation first. It has prescribed time frames to keep the process moving along. Fact-finding follows mediation. There are very specific statutory requirements that the fact finder must follow—specifically to ability to pay, establishing that first. If the fact finder determines that there is no ability to pay, the process gets abbreviated very quickly. The parties can agree, under the law, to make the fact finder's recommendations final and binding to avoid the potential of arbitration. You can just use that process to bring this to closure.

The current employee organizations under NRS Chapter 288 that have a binding arbitration statutory right are police and firefighters under NRS 288.215 [page 5]. Under *Nevada Revised Statutes* 288.217, it is teachers and support professionals. With collective bargaining in the last session, state employees have access to final and binding arbitration. That leaves everyone else, and we represent a lot of those people in southern Nevada.

Nevada Revised Statutes 288.201 is the process for a panel [page 6]. The panel is an interesting challenge, and I am going to defer to Commissioner Snyder, who I think will be speaking to you later about the challenges it creates for him and his organization. But the panel is one attorney and one person who is an accountant from the State Board of Accountancy. The two of them then pick a third person to be the group that will decide which parts of the fact finder's decision should be final and binding—maybe. There is actually no statutory requirement for them to make any decision whatsoever, which creates its own set of challenges. This is a very time-consuming process and does not bring collective bargaining to closure in any way, shape, or form, similar to what is in the statute around binding arbitration—very specific days and time frames for results.

The Government Employee-Management Relations Board commissioner is the chair of this panel. Senate Bill 294 (2nd Reprint) eliminates this separate process [page 7]. It provides for one, consistent process for all employee organizations. It provides the same statutory standards for fact finders and arbitrators for all groups. It allows employee organizations and local governments to agree to make certain—this is a tweak for the people we represent—you can agree in advance that if you have six issues that are going in front of the fact finder, we will accept these three as final and binding; we will take the other three under advisement and could go to the arbitrator. That provision and that change does not apply to police, fire, teachers, or support staff—or, obviously, the state employees.

That was a sprint through the process and what Senate Bill 294 (2nd Reprint) attempts to achieve. I would be happy to answer any questions you may have.

Chair Flores:

Thank you for the presentation and for walking us through that. We will open it up for questions. Prior to doing that, could we have you go through the amendment one more time, to make sure there is an understanding by the Committee members of exactly what it is?

Fred Horvath:

The amendment just provides absolute clarity that the process for arbitration will follow the language in NRS 288.215, specifically sections 8 through 13. That is the selection of an arbitrator; what is in front of the arbitrator; that there are last, best, and final options put in front of the arbitrator from each party; and the arbitrator must select one of those. It just provides complete clarity that we are not asking for a different process; we are just going to follow exactly what police and fire do when it comes to the arbitration process.

Chair Flores:

Thank you for that. At this time, we will go to questions.

Assemblyman McArthur:

There is "fact finder" in here an awful lot. How do we find the fact finder? How do you get a fact finder? Who is it?

Fred Horvath:

Great question. There is very clear language in NRS Chapter 288 that says there is a list of seven fact finders or arbitrators—it is the same. Actually, there is a list of mediators prescribed in the act. You get that list from the Federal Mediation and Conciliation Service (FMCS) or the American Arbitration Association—one or the other. Then, the parties just alternately strike until they get to the final name. It is prescribed in NRS Chapter 288.

Assemblyman McArthur:

But how did we get those people into those organizations?

Fred Horvath:

They are mostly attorneys. They just make an application to the FMCS and the American Arbitration Association—or AAA, as we call it—to be listed on the panel. One of the important things that the parties look for is experience in interest arbitration, which is the arbitration for the end of a collective bargaining agreement, which involves local government finances. There are lots and lots of arbitrators who do disciplinary processes and contract interpretation, but you are really looking for someone who has specific experience: local government finances, ability to pay—those types of provisions. You are always looking for that in the qualifications.

Assemblywoman Thomas:

Thank you for this opportunity to ask questions about S.B. 294 (R2). I appreciate Senator Cannizzaro for bringing this forward, and you, Mr. Horvath. My question is actually just for you to let the Committee know right now that when you are picking a fact finder, both sides have an opportunity—just like you are picking a jury. They can disqualify, for

whatever reason, and then they come down to that one person that they want. I just want you to explain that, so that all of us know.

Fred Horvath:

That is really the most important piece of it. We are given a list of names. I would say the biographies and experience are five to six pages long, detailed decisions that have been made. I did that for eleven years at the City of Henderson, representing the management side of it. It really is an important piece to do your homework. But then it is very much a strike process, where you eliminate the person that you want to see first off the list. Local government would go next, and you just continue down to the bottom of the list. I have seen situations where the parties agree that there is not someone on this list they are comfortable with, and they can ask for a new list.

Assemblywoman Thomas:

The crux of my question today would be this: I want to make sure I understand that S.B. 294 (R2) wants to restore binding arbitration so that we—I say "we"—local entities have the same opportunity as police, firefighters, and state employees when it comes to binding arbitration.

Fred Horvath:

I wish it was restored, but in fact, this group—since the creation of NRS Chapter 288 in 1969—has never had binding arbitration. It has always had this panel process, which has been used sparingly just because of the time it takes and the potential ambiguities in what that panel can actually do. This would be the first time to get everyone on the same page under NRS Chapter 288 relative to binding arbitration.

Chair Flores:

Members, are there any additional questions? [There were none.] Thank you for your presentation this morning. At this time, we will go to those wishing to testify in support of Senate Bill 294 (R2). We will start with those who are present here in the room.

Nicole Rourke, Director of Government and Public Affairs, City of Henderson:

I really appreciate working with Senator Cannizzaro and Mr. Horvath on this bill. We support S.B. 294 (R2) as amended by proposed amendment 3351 [[Exhibit C](#)]. This amendment will apply the same processes used by public safety members when they are unable to reach an agreement after negotiations with their employer, as to members of Teamsters Local 14. This aligns the process so that everyone knows how it works and what the possible outcomes are. Nonbinding fact-finding is a useful next step in negotiations for employers and employee organizations to utilize to obtain a third-party objective opinion regarding matters in which both parties have genuine, though differing, beliefs or opinions.

Each party may change its belief or opinion on a certain fact or consequence based on the fact finder's decision. This creates an opportunity for one or both parties to appreciate the other party's proposal in a different light, agree to a modification, or compromise on a contested matter. In other words, nonbinding fact-finding is an opportunity to help the

parties reach a mutual resolution. Most people would agree that if two sides can reach a mutual agreement, it is better received than a decree that is imposed on the parties by an outsider. However, when resolution cannot be achieved through nonbinding fact-finding, the second fact finder should be required to choose between the best and final offer submitted by one of the parties, as reflected in NRS 288.215. This is how the process works for police and fire, and by adding this reference in section 2, subsection 6, it will be how it works for other employee unions, such as Teamsters Local 14 members.

Chair Flores:

I appreciate your joining us in person. Is there anyone else here in the room wishing to testify in support of Senate Bill 294 (2nd Reprint)? [There was no one.] We will go to the phone lines at this time.

Rusty McAllister, Executive Secretary-Treasurer, Nevada State AFL-CIO:

We are in support of S.B. 294 (R2). We believe that this bill will allow the process to be a more fair and equal process that will help speed up the negotiations and hopefully come to a more equitable resolution in a timely fashion. For a long time now, there has been an equal process that the Teamsters have not been able to access. This would help clarify and clean that up and make it a more timely process to move forward. With that, Mr. Chair, we are in support of this bill.

Marlene Lockard, representing Service Employees International Union 1107:

We are in full support of this bill and urge your favorable consideration. Thank you so much.

Dagny Stapleton, Executive Director, Nevada Association of Counties:

We are in support of the bill this morning. We appreciate the changes from the first draft of the bill that the Majority Leader made, as well as the amendment, 3351, that was discussed today. We have actually requested the same change and so very much appreciate the incorporation of that—that the arbitrator would work off the last best offer in the second fact-finding. Again, we appreciate the Majority Leader very much for working with local governments on this bill. We urge your support.

Kent Ervin, Vice President, Nevada Faculty Alliance:

I represent faculty at Nevada System of Higher Education (NSHE) colleges and universities. The Nevada Faculty Alliance represents collective bargaining units under NSHE code at the College of Southern Nevada, Truckee Meadows Community College, and Western Nevada College. In solidarity with our local government union partners, we fully support S.B. 294 (R2), for the reasons that have been stated. Having best and final binding arbitration to settle an impasse is an efficient and rapid way to come to a conclusion in negotiation, and it is fair to both sides. I would point out that with passage of S.B. 294 (R2), NSHE faculty will be the largest group of public employees in the state without this kind of provision in collective bargaining, but we hope to fix that this session with Senate Bill 373. Thank you very much.

Justin Norton, Treasurer, Washoe County Employees Association:

The Washoe County Employees Association (WCEA) is a collective bargaining unit in Reno that covers more than 1500 employees of Washoe County. On behalf of the WCEA, we strongly support this bill and the proposed amendment. It really is something that is just about equality and parity with the other collective bargaining associations, to be able to have that sort of binding arbitration, which basically, can be pro-union. It can also come anti-union, so it is not necessarily something that is automatically going to swamp any of the local governments with unexpected expenses or anything such as that. It is really just about honoring the contracts that we all agree to on behalf of our employees and on behalf of the local government. We strongly support this bill and the amendment.

Chair Flores:

Could we have the next caller in support of Senate Bill 294 (2nd Reprint)? [There was no one.] At this time, we will go to those wishing to testify in opposition to S.B. 294 (R2). I do not believe we have anybody present in the room, so we will go back to the phone lines. [There was no one.] Lastly, we will move to those wishing to testify in the neutral position on Senate Bill 294 (2nd Reprint). I do not believe we have anybody present in the room, so we will go back to the phone lines.

Bruce K. Snyder, Commissioner, Government Employee-Management Relations Board:

Government Employee-Management Relations Board (EMRB) regulates labor relations between Nevada's governments and the unions that represent their employees. The Government Employee-Management Relations Board is neutral as to whether fact-finding should be binding or nonbinding. However, I wish to thank the bill's sponsor for amending the original draft of the bill. The amendment eliminates fact-finding panels, which are a misnomer in that a fact-finding panel does not do any fact-finding. Rather, the sole purpose of a fact-finding panel was to determine whether the upcoming fact-finding will be binding or nonbinding when the two parties at impasse cannot agree on this issue. In essence, the purpose of a fact-finding panel is to determine the role of the fact finder.

Impasse resolution proceedings are meant to be timely, so that the parties can get to a final contract. However, the fact-finding panel process is anything but that, and that was previously explained in a hearing before the Senate Committee on Government Affairs. For example, the fact-finding members are composed of a member from the State Bar of Nevada and the State Board of Accountancy. Those organizations each must submit five names of their members, which is done only after educating them as to why they are involved in a labor dispute. The names are then stricken by the parties at impasse and only one name remains on each list. These two chosen members are then contacted by me. Due to conflicts or unwillingness of a chosen person to serve, often a new list must be requested. Finally, when the two members have been finalized, they must then appoint a third member. Only when this is done can the agency then submit a work program to obtain the funds to pay the three panel members along with their travel. Then the three panel members must register as employees like any other member of a board on the state. This whole process takes at least a

couple of months. In the meantime, the fact-finding itself is put on hold, along with resolution of a new contract. I am happy to answer any questions the Committee might have.

Chair Flores:

I do not believe we have any questions for you. We will continue on the phones with those wishing to testify in the neutral position on Senate Bill 294 (2nd Reprint). [There was no one.] Senator Cannizzaro, do you have any closing remarks?

Senator Cannizzaro:

Just very briefly, Chair, I wanted to thank you and the Committee for taking the time to hear Senate Bill 294 (2nd Reprint), which I really do believe brings some parity and some accountability for local governments and their employees when they are involved in bargaining. I would thankfully urge your support.

Chair Flores:

With that, we will go ahead and close out the hearing on Senate Bill 294 (2nd Reprint). At this time, we will invite our Senator, who I believe is not in the room presently. I am sure he will make his way into the room so that we can open up the hearing on Senate Bill 253 (1st Reprint). Members, we will do a quick one-minute recess [at 9:37 a.m.] just to allow our Senator to make his way back into the Committee room. [The meeting was reconvened at 9:45 a.m.]. At this time, we will open up the hearing on Senate Bill 253 (1st Reprint).

Senate Bill 253 (1st Reprint): Revises provisions related to alarm systems. (BDR 20-968)

Senator James A. Settlemeyer, Senate District No. 17:

I apologize about my tardiness—I had to go deal with a matter with the principal. I got in trouble; it happens. Thank you for hearing Senate Bill 253 (1st Reprint) this morning. It revises provisions related to alarm systems, and in that respect, what the bill is trying to do is this: We have a situation where some municipalities have come forth and put on fines and regulations. Those fines are going to the alarm system company rather than the individual who has violated or caused the alarm. The bill is seeking to make sure that the individual who causes the alarm to be triggered is the person who would be fined, rather than the alarm company because as it stands now, we had situations in Douglas County where that trigger and paying of the alarm company did not adequately reduce the number of individuals who got false alarms. In that respect, if I could turn it over to our lineup, I will try to catch my breath. Sorry, I ran around too much.

Chair Flores:

We appreciate your running up to the Committee room.

Jimmy Lau, representing ADT Security Services:

Thank you, Senator Settlemeyer for giving a brief overview of what the bill is looking to do. I know that in this Committee especially, you often do not get bills that are less than five

sections, especially less than five pages. With that, I will just continue with a very brief overview, and then give you some extrapolations about what this bill does and does not do.

As Senator Settelmeyer said, the bill ensures that if a municipality or county chooses to impose a fine for false alarms, that fine is directed toward the individual who is responsible for triggering the false alarm. With that in mind, I would like to point out that the bill does not require a municipality or county to impose a fine. That remains within their discretion. If they choose to do that, this bill is simply giving them the parameters in which they can impose the fine or penalty. This bill does not prohibit alarm companies from being fined if the alarm company is at fault for triggering the false alarm. Some municipalities and counties have chosen to impose other restrictions on alarm companies. This bill does not touch that at all.

That is about all I have for my part of the presentation. Chair, if you do not mind, I would like to turn it over to Holly Borgmann with ADT.

Holly Borgmann, Vice President, Government Affairs, ADT Security Services:

[She read from [Exhibit E](#).] With more than 145 years of industry experience, ADT is the leading provider of electronic security services in the United States. On behalf of our 7 million customers and more than 17,000 employees who help save lives for a living, I would like to thank you for this opportunity to offer our strong support for Senate Bill 253 (1st Reprint).

False alarms are a serious issue for our industry and for the police departments that have to respond to these alarms. Because of that, ADT supports efforts to meaningfully reduce false alarms, and along with our trade associations and industry allies, we routinely work with municipalities to design programs that minimize false alarms.

In fact, most cities in America right now have adopted some sort of false alarm management system. These programs are all locally designed and administered; each one is a little bit different. They are meant to encourage proper use of alarm systems. Many of these programs include a provision that allows municipalities to fine users for excessive false alarms. This is because studies have shown that in general, 80 percent of false alarms are generated by just 20 percent of the users. Most people never have a false alarm in their home during the year. Fining chronic misusers of false alarms—I want to stress chronic misusers of false alarms—can dramatically reduce the number of false alarms.

Unfortunately, some municipalities in recent years, in the interest of expediency, have enacted programs that fine the alarm company for their customers' false alarms, as opposed to the user generating the false alarm. The alarm company is then forced to recoup the money from the user. We have found that this is the equivalent of sending an individual's speeding ticket to General Motors. It does little to change user behavior, denies the user the right to confront their accuser and access to due process, and fines an innocent party for the actions of another. When cities adopt these types of policies, residents lose their ability to appeal the fine to the city and must instead direct their appeals to private businesses who

have no obligation to hear or respond to their appeal. For instance, if somebody opens a window and then the alarm goes off and the window drops, the person might say there was not a false alarm. If the company is given the fine, then what we do is pass it on to the user, usually with an administrative fee. There is no appeals process.

The City of Fontana, California, adopted such an ordinance years ago, and after many months in court and thousands of dollars spent, the ordinance was overturned and ruled unconstitutional. And while the alarm industry won in court, our relationships with law enforcement and city leadership were strained tremendously. Little headway was made during that time to actually reduce the number of false alarms. We have found that in general, while this may be unconstitutional, most people, when they read the *Constitution of the United States*, do not see the provision that says that you should not fine an alarm company for a customer's false alarm. It requires some interpretation that generally is not readily apparent.

Since then, a number of states, including California, Florida, Georgia, Texas, New Jersey, Tennessee, Iowa, and Louisiana—Georgia was just signed yesterday—have enacted similar legislation to guide local governments as they consider how to best address this issue.

Senate Bill 253 (1st Reprint) provides much-needed clarification that fines can only be issued to the party at fault for the false alarm. If the user generated the false alarm through misuse of his or her system, the fine would be sent to that person. If an alarm company installed faulty equipment or did not follow proper protocol, the fine would be sent to the alarm company—as it happens today in Nevada. It does not require any municipality in Nevada to change an existing ordinance and does not impose any new fees. It simply preserves the status quo and ensures that any locally administered false alarm reduction program will actually produce meaningful results.

In closing, I respectfully ask that the Committee vote in favor of S.B 252 (R1). Thank you for your time and consideration.

Chair Flores:

Thank you for joining us. We will come back to the Committee room. Are there any additional comments?

Jimmy Lau:

I think that concludes our presentation. We are available for any questions.

Chair Flores:

Members, do we have any questions?

Assemblyman Matthews:

Thank you, Mr. Lau, Ms. Borgmann. I was wondering if you could speak to what would happen in the event that there is a dispute or contention about who really is responsible,

whether it is the individual or the company, and how, where, and by whom that question of fact is determined. Could you flesh that out a little bit more?

Holly Borgmann:

Around the country, every local government deals with this differently. But generally, when the police respond to the alarm, they determine whether this is something where someone forgot to give the passcode to their sitter or if the system has been going off for a while. When they respond, the police department determines which party is at fault. Right now, they are the ones who determine who would get the fine. If there is a provision in the local ordinance to fine the alarm company, then the fine is sent to the alarm company. If the provision requires them to send the bill to the user, then it goes to the user. If there is a dispute, then it is worked out through city appeals.

Assemblywoman Considine:

Thank you for this bill. To follow up on Assemblyman Matthew's questions: right now, in Nevada, the police arrive, the police determine who gets the fine. In Nevada, is there anything currently in statute or ordinance that says the fine must go to the alarm company? Or right now, are those fines going to the users?

Jimmy Lau:

There is nothing currently in statute that would require the fine to go in either direction. The purpose of this bill is to establish those parameters for the municipalities that may choose to implement fines or penalties for the response to false alarms.

Chair Flores:

Members, do we have any additional questions? [There were none.] Thank you for your presentation this morning; we appreciate it. At this time, we will go to those wishing to testify in support. I believe we have somebody here in the room.

Terry Taylor, representing Fire Prevention Association of Nevada; and International Association of Arson Investigators, Nevada Chapter:

I am a fire arson investigator. I represent the Fire Prevention Association of Nevada's 200 members. Senator Settelmeyer contacted me because I had the misfortune of having to write the Douglas County ordinance for false alarms that related to fire service alarms. I have investigated numerous companies, individuals working for companies, and situations regarding the proper operation of fire alarms. I am currently employed by the North Lake Tahoe Fire Protection District in Crystal Bay and Incline Village. I currently have five cases open where we are looking at why we are getting repeated alarms from a certain casino, a certain restaurant, two condominium projects, and from a beach house. This causes our crews and our sheriff's deputies in the area to be woken up—for our crews, they are woken up in the middle of the night; the sheriffs are up all night—and respond to these fire alarms.

What I have discovered is that in many cases what we call a false alarm is the alarm system actually working properly. In the case of commercial smoke alarms, they will pick up moisture; they will pick up dust; they will pick up heat. They will pick up carbon monoxide

with some of the combination systems. They are, in fact, doing what they are supposed to do. They are warning occupants that there is a perceived problem within their technical limitation. Our crews believe these are false alarms. They are not false alarms; they are what we refer to as nuisance alarms. We have identified, time and time again, that it is more about the operations going on in the building itself, or the lack of turning off an alarm system when there is construction activity, rather than the alarm system.

Conversely, I have, in fact, investigated alarm system employees. In Nevada, we have a very strong and strict system that I worked on when I worked for the State Fire Marshal's office. We are heavily regulated. The individual technicians are licensed; the companies are licensed. The State Fire Marshal, under *Nevada Revised Statutes* (NRS) Chapter 477, has primary jurisdiction and authority statewide to investigate any issue that arises out of any fire protection system contractor, as does, in most cases, the State Contractors' Board. Both of these entities have been active in the last 25 years that I have been doing this. Both of them have conducted serious investigations and brought both civil and criminal litigation, as I have, against alarm companies for basically obtaining money under false pretenses and doing other acts like this. But the majority of our nuisance alarm problem is the businesspeople, or the homeowners, or whoever not following the guidelines in deactivating alarms.

Finally, what I would like to point out is this: It is very, very difficult—whether it is a burglar alarm or a fire alarm—when the alarm company is doing an annual inspection, let us say. They say, Hey, this is broken; it is worn out; it is out of time; we cannot get parts for it; we have to replace it. The building owner says, Well, I am not going to do that. Those are the kinds of cases that I am dealing with now up in Lake Tahoe. The building owners are just saying, We have had a miserable year. I do not have the capital to upgrade the system in this particular casino, so I am not going to spend the money. In my view, and in the view of all the fire marshals that I have talked to statewide—we had a pretty vigorous debate about this issue—we feel that there is already a sufficient regulatory scheme that can investigate, criminally prosecute, or civilly prosecute against alarm companies, sprinkler companies, and other fire protection service firms if there is a problem.

That is why we, as a group—I was authorized to come here and support Senator Settelmeyer's bill. If you have any questions, I am happy to answer them. Otherwise, I wanted you to know that your fire departments and your fire prevention people believe that we have the necessary tools right now that if we have a problem with an alarm system, we can identify whether the problem belongs on the alarm company side or on the homeowner's or property owner's side and take appropriate action.

[[Exhibit F](#), [Exhibit G](#), and [Exhibit H](#) were submitted but not discussed and are included as exhibits of the hearing.]

Chair Flores:

Thank you for bringing that insight; we appreciate it. Members, any questions? [There were none.] We will continue with those wishing to testify in support of S.B. 253 (R1). We do not have anybody here in the Committee room, so we will go to the phone lines. [There was

no one.] Next, we will go to those wishing to testify in opposition to S.B. 253 (R1). We do not have anybody here in the Committee room, so we will go to the phone lines. [There was no one.] At this time, we will go to those wishing to testify in the neutral position on Senate Bill 253 (1st Reprint). We do not have anybody here in the Committee room, so we will go to the phone lines.

Warren Hardy, representing the Urban Consortium:

The Urban Consortium is made up of the Cities of Las Vegas, Reno, Henderson, and Sparks. We initially had concerns with this legislation with regard to how it might impact our current processes for what was described by one of the testifiers as nuisance alarms. However, we spent some time working with, and having conversations with, the proponents and have explained our process for dealing with the nuisance alarms to them. We are assured by them that there is nothing in this legislation that would interfere with our efforts and our current processes for dealing with these. We are in the neutral position on the legislation and will continue our current processes. Thank you for the opportunity to get that on the record, Mr. Chair.

Chair Flores:

We will stay on the phone lines, just to make sure that we do not have anybody else in the neutral position. Could we have the next caller? [There was no one.] At this time, Senator Settlemeyer, do you have any closing remarks?

Senator Settlemeyer:

I appreciate your time in hearing Senate Bill 253 (1st Reprint) today, seeking to change the behavior of these matters. It is kind of funny—Mr. Taylor back there has changed my behavior on agriculture burns in the past when he was with East Fork Fire Protection District and had some discussions with me about some things I was doing improperly. But that is what we are after; we are trying to change behaviors and more importantly, reduce the number of nuisance alarms that are going on. We feel that this language in this bill will do just that. It will make sure that the proper people are the ones that will actually change their behavior by making sure that they are the ones taking the fine. With that, I appreciate your time. If you have any concerns or issues, please do not hesitate to reach out to me. I will try to address them as quickly as possible.

Chair Flores:

Again, thank you. With that, we will go ahead and close out the hearing on S.B. 253 (R1). Members, make sure you reach out should any additional questions arise. Last on the agenda, we have public comment. [There was none.] Members, I want to remind you that tomorrow, we will be meeting again at 9 a.m. We have Senate Bill 150 and Senate Bill 254. Please give yourself an opportunity to speak to all folk involved in that

conversation. I know some of these bills do have some opposition and support. Give yourself an opportunity to become familiar with that and engage in that conversation ahead of time.

Before we adjourn, I will say Happy Cinco de Mayo. I hope we can all get together later on tonight. With that, this meeting is adjourned [at 10:06 a.m.].

RESPECTFULLY SUBMITTED:

Lindsey Howell
Committee Secretary

APPROVED BY:

Assemblyman Edgar Flores, Chair

DATE: _____

EXHIBITS

[Exhibit A](#) is the Agenda.

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

[Exhibit C](#) is proposed amendment 3351 to Senate Bill 294 (2nd Reprint), dated May 4, 2021, presented by Senator Nicole J. Cannizzaro, Senate District No. 6.

[Exhibit D](#) is a copy of a PowerPoint presentation titled "Senate Bill 294," presented by Fred Horvath, Secretary-Treasurer, Teamsters Local 14.

[Exhibit E](#) is written testimony dated May 5, 2021, presented by Holly Borgmann, Vice President, Government Affairs, ADT Security Services, in support of Senate Bill 253 (1st Reprint).

[Exhibit F](#) is a letter dated April 5, 2021, submitted by Stan Martin, Executive Director, Security Industry Alarm Coalition, in support of Senate Bill 253 (1st Reprint).

[Exhibit G](#) is a letter dated April 6, 2021, submitted by Don Erickson, CEO, Security Industry Association, in support of Senate Bill 253 (1st Reprint).

[Exhibit H](#) is a letter dated April 7, 2021, submitted by John Perdichizzi, President, Nevada Security Association, in support of Senate Bill 253 (1st Reprint).