

**MINUTES OF THE MEETING  
OF THE  
ASSEMBLY COMMITTEE ON JUDICIARY**

**Eighty-First Session  
April 14, 2021**

The Committee on Judiciary was called to order by Chairman Steve Yeager at 8:04 a.m. on Wednesday, April 14, 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](http://www.leg.state.nv.us/App/NELIS/REL/81st2021).

**COMMITTEE MEMBERS PRESENT:**

Assemblyman Steve Yeager, Chairman  
Assemblywoman Rochelle T. Nguyen, Vice Chairwoman  
Assemblywoman Shannon Bilbray-Axelrod  
Assemblywoman Lesley E. Cohen  
Assemblywoman Cecelia González  
Assemblywoman Melissa Hardy  
Assemblywoman Heidi Kasama  
Assemblywoman Lisa Krasner  
Assemblywoman Elaine Marzola  
Assemblyman C.H. Miller  
Assemblyman P.K. O'Neill  
Assemblyman David Orentlicher  
Assemblywoman Shondra Summers-Armstrong  
Assemblyman Jim Wheeler

**COMMITTEE MEMBERS ABSENT:**

Assemblywoman Alexis Hansen (excused)

**GUEST LEGISLATORS PRESENT:**

None

**STAFF MEMBERS PRESENT:**

Diane C. Thornton, Committee Policy Analyst  
Bradley A. Wilkinson, Committee Counsel  
Bonnie Borda Hoffecker, Committee Manager  
Karyn Werner, Committee Secretary  
Melissa Loomis, Committee Assistant



**OTHERS PRESENT:**

Kate Marshall, Lieutenant Governor  
Jeff Saling, Founder, StartUp NV  
Connor Cain, Vice President, Las Vegas Global Economic Alliance  
Erica Souza-Llamas, Records Bureau Chief, Records, Communications and Compliance Division, Department of Public Safety  
Jim Hoffman, Member, Legislative Committee, Nevada Attorneys for Criminal Justice  
John J. Piro, Chief Deputy Public Defender, Legislative Liaison, Clark County Public Defender's Office  
Kendra G. Bertschy, Deputy Public Defender, Washoe County Public Defender's Office  
John R. McCormick, Assistant Court Administrator, Administrative Office of the Courts, Supreme Court of Nevada  
Annemarie Grant, Private Citizen, Quincy, Massachusetts

**Chairman Yeager:**

[Roll was taken. Committee rules and protocol were explained.] We will go to our agenda, and I intend to take the matters in order as listed on the agenda. I will open the hearing on Senate Bill 9. We will welcome Kate Marshall, Lieutenant Governor, Ms. Christina Lopez from the Office of the Lieutenant Governor, and Mr. Jeff Saling as well.

**Senate Bill 9: Creates an exemption from licensing requirements for investment advisers to certain private funds. (BDR 7-423)**

**Kate Marshall, Lieutenant Governor:**

Late last summer, my office was contacted by Jeff Saling, who is here to speak with you. He is the founder of StartUp NV, which is Nevada's only statewide business incubator that provides training and resources for local entrepreneurs both in Las Vegas and in Reno. During our conversation, Jeff conveyed the immense need to update our blue-sky laws to better attract and retain early-stage investment capital in Nevada. As many of you know, blue-sky laws are state laws that impose standards for offering and selling securities and aim to protect individuals from fraudulent or overly speculative investments.

Our current laws have not been updated since the 1990s. At the time, they were written in alignment with federal regulations to address the dot-com boom. Both federal law and the U.S. Securities and Exchange Commission regulations have evolved significantly since then. In addition, the North American Securities Administrators Association (NASAA) advisory board has laid out model regulations. It is the intention of Senate Bill 9 to update state law to match the NASAA recommendations and current federal law. We are bringing ourselves up-to-date. This is in line with 23 other states, including our neighbors, Utah, Arizona, and Idaho, creating both greater modernization and competitive advantage within Nevada's entrepreneurial ecosystem.

Before I turn the presentation over to Jeff Saling, I would like to highlight a few things. Nevada has always had an issue with being a flyover state, with people not coming here to invest in our businesses, and our not being able to raise money beyond family and friends and credit cards to be able to start a business. In the Governor's latest recovery report, one of the things noted was that Nevada has an incredible entrepreneurial spirit, but we need to encourage and support that.

There is a fiscal note on this bill of \$12,375 per fiscal year. This is an estimate from the Office of the Secretary of State stating that they believe they will have decreased licensing fees to the state attached to this legislation. Therefore, you will see in section 4, subsection 1(e) of the bill that it addresses this potential decrease in revenue by giving the opportunity to the Secretary of State's Office to establish a fee should they choose to make up that revenue if, in fact, it occurs. The section reads that, in order for an investment adviser to qualify for exemption, the investment adviser pays a fee prescribed by the administrator should the administrator so choose. In this instance, the administrator is the deputy of securities appointed by the Secretary of State. In conversation with the Deputy of Securities, we have expressed that, since the bill authorizes the administrator to prescribe a fee, we support the Office of the Secretary of State's decision to apply a fair and reasonable fee if they so choose, as this would mitigate and/or negate any fiscal impact that may arise. At this time, it is an estimate. We would also like, for the record, to highlight that we believe the economic activity associated with increased venture capital and business development, catalyzed by the passage of this bill, would significantly outpace any loss in licensing revenue the state may experience due to this exemption.

Additionally, we had the pleasure of interacting with Professor Ben Edwards of the University of Nevada, Las Vegas (UNLV). He suggested an amendment to this bill in order to bypass this issue going forward and to give the Legislature the opportunity to make decisions as federal law and model regulations evolve across the country [[Exhibit C](#)].

Section 4.5 of the proposed amendment requires the administrator—the Secretary of State—to submit a biennial report to the Legislature, as well as publish a report on their website. The report would include a summary of the states that have adopted any model rule, regulation, exemption, or provision of the North American Securities Administrators Association during the immediately preceding five years and a summary of the states that did not adopt such legislation so you can see the whole picture, a determination whether the Securities Division of the Office of the Secretary of State has the resources necessary to achieve its objectives, and, finally, any recommendations for legislation by the Secretary of State relating to the protection of investors in this state. Hopefully, you will then have the tools to decide what you want to do going forward and do not need a bill like this.

I will turn this over to my colleague, Jeff Saling, who has been so supportive in helping Nevada create an entrepreneurial ecosystem and environment for our businesses.

**Jeff Saling, Founder, StartUp NV:**

For some other context regarding why I am here and why I care so much about this issue, we will start with what StartUp NV does. StartUp NV began in 2017 out of my frustration. I started my career in seven enterprise software start-ups: three went through to an initial public offering (IPO), one was acquired, one is still in start-up mode, and two failed. I came to Nevada in 2009 in the middle of the third start-up and the second IPO with the idea that I would start my next company here. When it came time to do that in 2010, I could not find the capital or the coders that I needed.

What we lacked here—what I came to understand—is a start-up ecosystem. I left on planes every week to do my start-up work in Seattle and Austin, Texas. In 2016, my company was in an incubator program there called the "Capital Factory." I loved the atmosphere and wanted to join one when I returned to do my next start-up, but I found there were none in Nevada. Rather than run off again, some colleagues and I decided to pay it forward for our good career fortune, and that payment became StartUp NV, a nonprofit business incubator and accelerator to help grow our start-up ecosystem here. I have learned a lot since then. More than 550 companies pitched to us to get into the program; 48 of them have gotten in, with 20 of them raising over \$65 million, but less than 1 percent of that investment came from Nevada investors. Frankly, that is not the sign of a good, healthy ecosystem. For our start-up ecosystem, we need early stage capital to come from local sources, and that is an important ingredient of what makes a start-up ecosystem successful. Senate Bill 9 will help solve that important issue. That is part of the puzzle and it is why I support it.

The graphic you see on the screen [shown during the meeting but not made an exhibit] will set context for the entrepreneur's journey through the fundraising process and shows where Senate Bill 9 will have an impact. All start-ups begin with an idea and proceed left or right through the stages noted. Outside investments usually start with friends and family. Then the concept has to be validated and proceeds with larger and growing capital requirements to build a product and go to market as the company matures. The organizations, angel groups, pre-seed funds, seed funds, and venture funds that provide capital for these early-stage start-ups are the subject of the presentation today and Senate Bill 9 in general. With a vibrant community providing capital, start-ups hire staff, grow jobs, spend money in local communities, grow rapidly, and, hopefully, establish a successful business. Then they have a successful exit by acquisition or IPO, or perhaps by a special purpose acquisition company, which are more popular these days, where founders, investors, and employees have a great payday. After that payday, these successful folks consider retirement. They buy a few cool toys for whatever their hobbies are, but after 90 or 120 days, they are bored, so they start another company or become an angel investor, or both. That virtuous cycle is what we want happening in Nevada. Without a vibrant community providing capital at these early stages, start-ups struggle and very few, if any, of these things happen.

The laws and regulations in this area, as the Lieutenant Governor said, are called "blue-sky laws," and the current situation we have is messy and confusing. Investors can usually handle the risk and the opacity of start-up businesses, but when laws and regulations governing their investments are not clear or are overly complex, investors stay on the

sidelines. They invest in other places. We have some confusing laws and rules in Nevada that have not been updated in a long time. They are inconsistent and even conflict with federal regulations that cover these same activities. For example, Nevada law sees founders that are raising capital for their own companies like a salesperson or a stockbroker, and they need to hold a license. When someone wants to raise an investment fund to make investments in start-ups, those rules are also murky, and the roles of the founder and the fund manager are conflated, and it is unclear when licenses are required, meaning deals that people invest in can be litigated and unwound. No serious financial professional fund is going to be formed under these circumstances. None of these investors or funds are going to consider relocating here. The people in the funds might move here because they like our tax environment, but they will invest elsewhere. Since over 80 percent of the capital raised in the early stages comes from local investors who want to support their local start-ups—the actual mileage is 37 miles based on national averages—the founder and the funders typically are within 37 miles of each other.

It is not a good situation here in Nevada, and we consistently rank near the bottom for start-ups' access to early-stage capital. The good news is that there is a straightforward fix for all of this: to make our laws consistent with federal standards and keep those standards consistent over time. Investors understand and are used to complying with federal rules. That level of clarity and consistency will remove barriers and clear paths for local investments that drive these early-stage start-ups, whether the local investment is from our current citizens or those who are thinking of moving here.

The NASAA model legislation that 23 other states have adopted and is introduced in S.B. 9 makes Nevada consistent with federal laws. What happens if we follow this path? Investments in our local-stage start-ups increase from the paltry total of \$2 million to \$5 million that we have now to probably five times that, or more, if you follow some of the models generated by software programs like IMPLAN. We got our models courtesy of the City of Las Vegas. They let us use their IMPLAN software to model some of this stuff.

Generally, every dollar of private investment generates about \$20 of economic activity. That means we generate hundreds of millions of dollars in new economic activity and start to see the diversification of our economy from all these high-growth start-ups, this diversification that we have all been talking about for many years. That is without taking anything away from the existing awesome industries that are already here.

The Senate Bill 9 fix helps earlier-stage, smaller local funds get started and attracts and incents formation of the larger, later-stage funds that follow along because the laws are clear and the earlier funding has created exciting options for those larger funds to consider.

In summary, the NASAA fix, S.B. 9, puts us on par with other states and with federal regulations. This clarity and consistency will remove barriers to capital growth and make early-stage investments in a manner everyone in the investment community is already used to operating under. There is no new learning or other barriers to getting started. From there we can see more rapid local capital creation in Nevada, investment in early-stage start-ups, and

job growth that we all want. This will have the biggest impact in Las Vegas and in the rural areas where there are literally zero, none, local start-up funds happening now. It will also help with the north to form new funds and attract new funds externally, as well.

As a final note, and it certainly is not the least important, more capital options and ease of regulations will make it easier to create funds to invest in underserved communities. Specialty funds for female founders, Black founders, Hispanic founders, and veteran founders help provide the needed early-stage access to capital for all Nevadans. There are many organizations across the state that are supporting this work. Letters of support were submitted originally to the Senate side under Senate Bill 9.

I want to thank the Lieutenant Governor for raising this important issue. It is a well-crafted solution for your consideration.

**Chairman Yeager:**

Do we have any questions for our presenters on Senate Bill 9 as it was presented? I will start. I am curious to get your take on what the standards are for individuals making investments in some of the funds and investments that you mentioned. I am particularly interested in friends and family members. Are they able, under our current laws, to invest in things like that? What is your view on what our state laws say about this?

**Jeff Saling:**

The current situation in state law is confusing. The federal laws tightly define who can invest in early-stage start-ups. They are called "accredited investors" in federal standards. From the state standards, it is really vague as to whether someone who is not an accredited investor can make investments in their own family's business. Usually, those types of things are not pursued by regulators. If the family relationship gets rocky, that is when you see the lawsuits and other things start to happen. It would be better if we were to make it absolutely clear, either by federal standards or some other clear standard of our own, who could or could not invest.

**Assemblyman Wheeler:**

As an angel investor, what is the benefit for me if we pass this law? Is there a tax benefit or a fee benefit? What benefit is there for me—in plain, simple English?

**Jeff Saling:**

When you say for you, do you mean you personally, or you as a member of the Assembly?

**Assemblyman Wheeler:**

I mean as an angel investor. What is the benefit for me that I do not have now if we pass this law?

**Jeff Saling:**

If you pass this law, you would have certainty, if you were investing in a Nevada business, that you are complying with the law federally as it is stated right now, meaning that, if you

obey all of the federal regulations regarding being an accredited investor, you would be certain that your investment would be legal and within the standard of the law. It is that simple. You would know that when you made that investment, if for any reason a regulator wanted to investigate that investment, it would be a legal transaction and could not be unwound, and would likely not survive any kind of litigation because you did not know what you were doing.

**Assemblyman Wheeler:**

What you are saying is that, right now, if I were to invest in my son's new business, as an angel investor, it might be illegal.

**Jeff Saling:**

Yes, it might be.

**Chairman Yeager:**

Are there any further questions?

**Assemblyman O'Neill:**

I was going to ask Madam Lieutenant Governor if she could go over the two-thirds requirement one more time. As I understand it, there is a reduction in fees, but it is made up—and that is where I lost it as I was trying to follow her statements in the bill itself.

**Lieutenant Governor Marshall:**

I think that is an important question. The Secretary of State told us that they tried to estimate if there would be a loss in licensing fees due to the passage of this bill. They estimate that those licensing fees would be approximately \$12,375 per year. If they do see the loss of revenue, and to give them the flexibility to bring it back up to neutral, we have it in the bill that they may, if they choose, enact a fee to make up for the loss of revenue. They do not have to enact a fee at this point, since we do not know if there will be a loss of revenue, how much that loss would be, and if it would be more or less than they estimated. The Secretary of State's Office has the expertise in that area, so I am going to use their numbers. Under the assumption that they do have a loss in revenue as they anticipate, they could come forward with a fee, so this would be revenue-neutral for the Secretary of State's Office. It is not a requirement that they set a fee, but they may if they so choose. We thought that was appropriate if there is a loss of revenue. The two-thirds requirement comes from the fact that they could enact a fee.

**Assemblyman O'Neill:**

That is what bothers me: the "may" part. Can we look at a way that they must show the Legislature a loss before they go forward with a fee?

**Lieutenant Governor Marshall:**

That is a great idea. Because we are working with the Secretary of State's Office on trying to make sure this is revenue-neutral, I would entertain any language like that. Do you have

some wording in mind, or may I get back to you after talking with the Secretary of State's Office? How would you like me to proceed?

**Assemblyman O'Neill:**

I just thought of it now. What I was thinking is that, with the report that is in there—and I really like that report—we could wait until the report is submitted to see what it shows. Then the next Legislature could look to see if a fee is necessary and then allow them to go forward. Possibly something on that line. I would love to hear from you and work with you on tightening that up. I think we could do it in section 4.5.

**Lieutenant Governor Marshall:**

We have also been working with Chairman Yeager. The amendment was written by a securities professor at UNLV who has been very helpful. Let me try to gather greater minds and see if we can come up with the language. Let me check in with the Secretary of State's Office first since we talked with them regarding the amendment. I will get back with you as soon as I can, if that is all right with you and the Chairman.

**Assemblywoman Summers-Armstrong:**

I am trying to understand this. Investments for angels would still be run through an authorized investment professional who would advise people of all the risks of their investment. You are trying to match this with the rules that are currently in place. The digest mentions the Dodd-Frank Wall Street Reform and Consumer Protection Act, so are you trying to make our state rules comply with federal rules?

**Lieutenant Governor Marshall:**

I want to make sure we are accurate, so I will turn this over to Jeff Saling. He is more familiar with the exacting prescriptions of the rules.

**Jeff Saling:**

This is a very straightforward bill. As you suggested, it aligns us perfectly with the current federal law. It does not make us different; it aligns us with that law. We will follow the current federal rules. Unless you amend this bill to change it, as it stands, it follows the rules exactly.

**Chairman Yeager:**

Do we have any other questions from Committee members? I do not see additional questions, so we will ask our presenters to sit tightly while we see if there is any other testimony. Is there anyone who would like to testify in support of the bill?

**Connor Cain, Vice President, Las Vegas Global Economic Alliance:**

The Las Vegas Global Economic Alliance believes this bill will help bolster the growth of start-ups in southern Nevada, and we encourage your support.

**Chairman Yeager:**

Do we have anyone else in support? [There was no one.] I will close testimony in support and open testimony in opposition. Is there anyone who wishes to testify in opposition to the bill? [There was no one.] I will close testimony in opposition and open it for testimony in the neutral position. Is there anyone who wishes to testify in the neutral position? [There was no one.] I will close neutral testimony and will go back to the presenters for any concluding remarks on S.B. 9.

**Lieutenant Governor Marshall:**

We will get back to you regarding Assemblyman O'Neill's ideas and see what we can do to accommodate those.

[[Exhibit D](#) was submitted but not discussed and is included as an exhibit of this hearing.]

**Chairman Yeager:**

We will be in touch regarding the ideas brought forward in today's hearing, and I look forward to working with you. I will close the hearing on Senate Bill 9. We will move along on our agenda and open the hearing on Senate Bill 31.

**Senate Bill 31: Makes various changes relating to public safety. (BDR 14-337)**

**Erica Souza-Llamas, Records Bureau Chief, Records, Communications and Compliance Division, Department of Public Safety:**

For the record, I am Erica Souza-Llamas, Records Bureau Chief with the Department of Public Safety, Records, Communications and Compliance Division. I am here to introduce Senate Bill 31.

The Records, Communications and Compliance Division houses the Central Repository for Nevada Records of Criminal History pursuant to *Nevada Revised Statutes* (NRS) 179A.075, which maintains statewide records of Nevada arrests and dispositions and is also responsible for administering the state's Uniform Crime Reporting program and conducting name-based background checks pursuant to NRS 179A.103.

Section 1 of this bill amends the definition of a record of criminal history under NRS 179A.070 by replacing "district" attorney with "prosecuting" attorney to ensure that the Central Repository receives charging decisions from all prosecuting offices across the state, which will include not only district attorneys, but city attorneys, as well as the Office of the Attorney General. This will ensure we receive all information pertaining to a criminal arrest to meet our mission of having complete and accurate criminal history records. Complete and accurate criminal history records are critical to making multiple civil and criminal determinations, such as employment, licensing, firearms transfers, charging, and court decisions.

Section 2 of this bill pertains to the division's Uniform Crime Reporting program, which we refer to as UCR. Section 2 amends subsection 8(g) of NRS 179A.075. Currently, this

section requires the division to prepare and post on the Central Repository's public website an annual report containing statistical data relating to crime. The amendment proposes to provide an electronic means to access the data on the Central Repository's public website. Currently, Repository staff spends months preparing the annual report for publication. The Repository has recently implemented an electronic UCR repository where the crime statistics will be maintained on the division's public website. This website allows any member of the public to search for particular data relating to crime that the Central Repository collects. Information on the website will be available timelier than only once a year with the current annual publication and will be accessible as soon as the local law enforcement agencies enter their respective data into the statewide system. This will eliminate the need for Repository staff to spend months each year preparing the manual report and will allow more timely access for the public, thus making the Uniform Crime Reporting program more efficient. Furthermore, section 2 amends subsection 8(h) of NRS 179A.075 to provide for the same mechanism of data access as I just described, which pertains to statistical data regarding domestic violence in this state.

Section 3 of Senate Bill 31 relates to our Civil Name Check program, which is a name-based background check service that we offer pursuant to NRS 179A.103. This amendment removes section 3, subsections 5(a) and 5(b) of that statute and is a proposed remedy to authorize the division to continue with our current processes. Repealing section 3, subsection 5(a), will allow the authorized participants to receive a full criminal history record to afford them the information needed to make a final determination. This is consistent with our fingerprint-based background checks whereby we provide the full criminal history record. Our program offers a research service which allows the authorized participants to request that our staff conduct further research on a record to attempt to obtain additional information to make an informed final determination. Repealing section 3, subsection 5(b), removes the requirement of the Central Repository to provide information which pertains to an incident for which an employee, prospective employee, volunteer, or prospective volunteer is currently within the system of criminal justice, including parole and probation. As a result of a Supreme Court ruling issued in March 2020, the Department's legal counsel advised that the Central Repository was not authorized to disseminate Department of Public Safety, Division of Parole and Probation's information under NRS 213.1075.

Going back to the UCR, section 4 of this bill amends subsection 8(a) of NRS 179A.350 similarly to the amendments sought in section 2. Currently, the Central Repository compiles an annual written report concerning various temporary and extended orders for protection and provides the report to the director of the Legislative Counsel Bureau on or before July 1 of each year. As with section 2 of this bill, these amendments provide for the same mechanism of data access. The data pursuant to this section will be placed on the division's public website whereby the director of the Legislative Counsel Bureau may access the information at his or her leisure.

And finally, section 5 mirrors section 4 of this bill; however, the reports pertain to statistical data on the abuse, neglect, exploitation, isolation, or abandonment of older persons or vulnerable persons. Currently, the Central Repository compiles an annual written report

concerning statistical data for the aforementioned vulnerable population and provides the report to the director of the Legislative Counsel Bureau on or before July 1 of each year. As with sections 2 and 4 of this bill, these amendments provide for the same mechanism of data access. The data pursuant to this section will be placed on the division's website whereby the director of the Legislative Counsel Bureau may access the information at his or her leisure.

This concludes my presentation [[Exhibit E](#)]. With that, I request the Committee's support for S.B. 31, and I am happy to answer any questions that the Committee may have. I would also like to add that we would be more than happy to meet with any of you separately to discuss any of our programs to provide additional information.

**Chairman Yeager:**

When you were describing the bill, you referenced amendments, but I think you were referencing that the NRS is being amended. There are no proposed amendments for the actual bill, are there?

**Erica Souza-Llamas:**

No.

**Chairman Yeager:**

That is what I thought, but I wanted to make it clear for the record.

**Assemblywoman Nguyen:**

I do not have a lot of problems with the bill, although I have a huge problem with section 3. I know in 2017 we passed ban-the-box legislation from the late Assemblyman Tyrone Thompson that changed it from a situation where employers would get convictions. It appears in that section that we are going back on what I think is very good policy. Now we are giving employers all of the arrest information, including unsubstantiated arrests that are part of the entire criminal history. Is that the intent? Why are we rolling back some of the ban-the-box legislation that we passed in 2017?

**Erica Souza-Llamas:**

Some of S.B. 31 does not change the intent or undo anything that was passed in Assembly Bill 384 of the 79th Session. Multiple statutes were enacted under that bill. The same information is going to be provided that has always been provided in our civil name-check program. I believe A.B. 384 of the 79th Session language pertained to state or local government agencies and does not allow them to consider the criminal history background of an applicant or other qualified person prior to earlier of either conducting a final in-person interview or the appointing authority making a conditional offer of employment to the applicant. Senate Bill 31 does not impact what was enacted in 2017.

**Assemblywoman Nguyen:**

Section 3, subsection 5, talks about how it pertains to records of criminal history. What is included in that criminal history distribution? What is given to someone if the Central

Repository is disseminating information to an authorized participant of that service? What is included in the criminal history?

**Erica Souza-Llamas:**

Our criminal history records contain arrest information. When a subject is arrested, we get their arrest fingerprints. The arrest record is there with the prosecution information and court information if we have received all of that from the courts.

**Assemblywoman Nguyen:**

Unsubstantiated arrests and citations would be included in the criminal history that is given to people if they are requesting them through the Central Repository. Is that correct?

**Erica Souza-Llamas:**

Our records of criminal history do not contain citations.

**Assemblywoman Nguyen:**

But any type of criminal arrest, even if it is unsubstantiated or denied or the person is found not guilty, would be included.

**Erica Souza-Llamas:**

Yes, it would.

**Assemblywoman Cohen:**

Section 2, subsection 8, paragraph (d), subparagraph (3), which is on page 6, is existing language, but it references crimes of moral turpitude. Over the last few years, there was an effort led by former Senator Parks to take "moral turpitude" out of our statutes. What does that refer to in this section of the statute? Would you be averse to removing that language?

**Erica Souza-Llamas:**

Quite honestly, I am not sure what is included in the definition of "crimes of moral turpitude." As far as removing that language in the bill, I do not see any issues with that if that were to be proposed.

**Assemblywoman Cohen:**

Chairman, could we have counsel address that for us? If not now, maybe he could look into it and let the Committee know as we proceed with this bill. It is a good opportunity to take out that dated and somewhat coded language.

**Chairman Yeager:**

Mr. Wilkinson, not to put you on the spot, but I want to give you a chance to respond to that if you have a thought right now. If not, let me know you need more time, and we will have you follow up later.

**Bradley A. Wilkinson, Committee Counsel:**

I would be happy to look into that issue. There is some case law from other states regarding what the crime of moral turpitude is. It is a complicated issue and something we would need to investigate further, depending on the desire of the Committee to deal with that section. Simply removing it would be easy, but if there is some desire to define it in some way, that would take some work.

**Assemblywoman Cohen:**

Ms. Souza-Llamas, I realize I am putting you on the spot, but please look into that with your department to make sure that, if the Committee decides to do something, it would be acceptable to your office.

**Erica Souza-Llamas:**

Absolutely. I am happy to work with counsel on that.

**Assemblyman O'Neill:**

I see that the effective date is upon passage and approval on the National Incident-Based Reporting System (NIBRS). Will this make Nevada an NIBRS-compliant state? Are all the agencies that contribute to NIBRS capable of putting this into the electronic data form, or is this still going to be a manual submission?

**Erica Souza-Llamas:**

Nevada is already an NIBRS-compliant state. We became compliant effective January 1 of this year. All of our agencies contributing to the UCR program are currently submitting through electronic means, either directly into NIBRS or through one of the tools we have implemented for them if they do not have their own local case-management system that is interfaced with the NIBRS program.

**Assemblyman O'Neill:**

Excellent. It is a great program.

**Chairman Yeager:**

Are there any additional questions from Committee members? [There were none.] We will take some testimony on the bill and then have concluding remarks. I will open testimony in support. Is there anyone in support of the bill? [There was no one.] I will close support testimony and open testimony in opposition.

**Jim Hoffman, Member, Legislative Committee, Nevada Attorneys for Criminal Justice:**

The Nevada Attorneys for Criminal Justice (NACJ) want to thank the proponents of the bill for bringing it. We do not oppose most of it, but we do oppose section 3, based on the concerns that Assemblywoman Nguyen raised. Specifically, we oppose it because it would expand background checks to cover arrests and other information.

I would like to share an anecdote that illustrates why this is a harmful idea. I had an African-American client once who was stopped by the police more than 50 times and

arrested more than 20 times. Only three of those arrests led to prosecutors filing charges, all of which led to convictions: twice for not having a business license, and once for possession of marijuana before it was legal. None of the other stops or arrests led to a conviction or even charges since he was not doing anything wrong in those cases. That is not just my opinion; it is the opinion of the prosecutors who declined to file charges. Think about what would happen to my former client if S.B. 31 passes. Anytime he applies for a job or an apartment, the background check is going to show 20-something arrests. No employer is going to ask him what the context of that is, and few, if any, are going to stop and parse the difference between arrests and convictions. They are going to look at the multipage arrest printout, assume he is a hard-core career criminal, and reject him out of hand.

This former client of mine is an unusual case, but he is not the only person in this position. Many other people have less severe versions of this problem. Senate Bill 31 would not improve public safety. It would just place an unnecessary burden on the ability of people to get jobs and housing. Therefore, the NACJ opposes the bill.

**John J. Piro, Chief Deputy Public Defender, Legislative Liaison, Clark County Public Defender's Office:**

My opposition is also focused on section 3, subsection 5(a). Existing law in NRS 179A.103 says that the Central Repository shall disseminate only convictions. I have to imagine that this body considered that when originally crafting NRS 179A.103, just as Mr. Hoffman said. To hear that the Central Repository may have been giving this information out anyway—if that is the case, they may have been violating the law, and for how long, if that is what they have been doing? That is concerning to us. We have the same issue that Mr. Hoffman expressed before us, so we oppose removing section 3, subsection 5(a) to give unsubstantiated arrests to employers and make it harder to get a job. The surest cure for recidivism is a good job, and this bill would go against that. It may not directly violate the words of Tyrone Thompson's ban-the-box legislation, A.B. 384 of the 79th Session, but it definitely goes against the intent of that bill and letting people get a fair shot at employment. For those reasons, we oppose the bill.

**Kendra G. Bertschy, Deputy Public Defender, Washoe County Public Defender's Office:**

I want to thank the Department of Public Safety for meeting with us prior to the bill hearing in the Senate to address our concerns. I would echo the statements made by Mr. Hoffman, as well as Mr. Piro. My office's concerns are also with section 3 and just with section 3. It is our understanding that the purpose of this bill regarding this section is due to a fiscal issue where the Department is unable to provide the records that would reflect criminal convictions only. Unfortunately, although we understand the fiscal issues and the time constraints and all the issues we have put on the Central Repository, this is a very important issue because employment is the key to reducing recidivism. The more ways we decrease a person's ability to get a job, the more that, unfortunately, impacts our public safety. We oppose this bill, specifically section 3, and agree that it does not comply with the intent of Assemblyman Tyrone Thompson's bill, which was to get rid of the stigma and to allow for the prospective

employer to get to know the prospective employee for their values, their work ethic, their education, and their experience rather than their involvement in the criminal justice system.

**Chairman Yeager:**

Is there anyone else in opposition? [There was no one.] I will close opposition testimony. I will now open it for neutral testimony. Is there anyone here for neutral testimony? [There was no one.] I will close neutral testimony. Ms. Souza-Llamas, if you would like to make any concluding remarks, this would be the time to do that.

**Erica Souza-Llamas:**

I do not have anything further to say. I am here to answer questions if you have any.

**Chairman Yeager:**

I will close the hearing on Senate Bill 31. That takes us to the final bill listed on the agenda. I will open the hearing on Senate Bill 42.

**Senate Bill 42: Revises provisions relating to certain court rules and decisions.  
(BDR 1-389)**

**John R. McCormick, Assistant Court Administrator, Administrative Office of the Courts, Supreme Court of Nevada:**

Senate Bill 42 is intended to transfer the responsibility for printing and distribution of *Nevada Reports*, advance opinions, and court rules from the Legislative Counsel Bureau (LCB) to the Supreme Court of Nevada. That responsibility used to lie with the Office of the Secretary of State prior to 1973. In 1973, LCB took over that responsibility. At this point, it seems appropriate for the Court to take over the responsibility of disseminating its own decisions and rules.

This bill also eliminates the statutory requirement to print 750 hard copies of *Nevada Reports*, the collected opinions of the Supreme Court, and gives discretion to the chief justice on how many hard copies to print. Currently, we end up with a bunch of extra hard copies of *Nevada Reports* that no one wants that we keep in storage with the Nevada State Printing Office and LCB. This attempts to address that. For this fiscal year, it costs \$28,832 in total to print those hard copies, and some of those go unused. This would potentially result in a little bit of a cost savings. I know this is not a money committee, but I felt compelled to share that.

This bill allows distribution and printing on paper and electronic format to modernize that dissemination and to meet the needs of recipients. There are several entities that receive this information at no cost by statute, and some want to receive it electronically. This will explicitly allow that distribution. Practically, we do not really have any plans to change from utilizing State Printing. I have had a conversation with Ms. Brenda Erdoes, the director of LCB, and we are all committed to continuing to share this information freely with LCB for inclusion in publications, et cetera. The idea is to create more access to the Court's opinions

than currently exists. As I indicated, people who currently receive free sets under statute will still get a free set, and that will be provided to the LCB as well.

I would note that this is not intended as a money-making endeavor. The amount of revenue that is brought in from the sale of *Nevada Reports* is fairly minimal. However, this does transfer this money from LCB to the Supreme Court to help offset the printing costs.

This bill also removes the statutory requirement that the Supreme Court require, by court rule, training regarding medical malpractice cases for district judges. That requirement was added during the 2005 Special Session when the state was experiencing what was referred to as a "medical malpractice insurance crisis." At this point, medical and professional liability and education for district judges is a court competency under our district court judge training model. It is regularly trained, usually every two to three years. We trained about medical malpractice to our district court judges last year during what became a virtual district court judges' seminar, and we will continue to train that as appropriate and necessary. We have also seen increased specialization within the district courts, which has allowed judges to gain more expertise in specific issue areas, including medical malpractice. We think the statutory requirement for that training is no longer necessary, since it is part of our core competency training scheme with that specialization.

That is basically what Senate Bill 42 does. I can go section by section if people would like that, or I stand ready for questions.

**Chairman Yeager:**

We will see if members have questions, and that will guide the discussion from here on out. Are there any questions on Senate Bill 42? This bill is different from some of the ones we have been hearing. It is nice to get a bill about printing versus some of the topics we have been taking up during the last few weeks. One last call.

**Assemblywoman Bilbray-Axelrod:**

This is new to me. I want to clarify what is available to folks online if the hard copies are not there. Is there another avenue they can look at? Are decisions typically made available? Are there times when things are redacted?

**John McCormick:**

Yes. This information is available online. All advance opinions are available on the Supreme Court website. This will increase the availability by allowing us to publish it electronically. Decisions, court rules, et cetera, are also available through a number of other resources like Westlaw Edge and LexisNexis, and we will continue maintaining our relationship with LCB and disseminating this information. It will continue to be available on the Legislature website, where you can find a lot of this now.

We are hoping this will increase the availability of the information. The hard copies are old-school, and a lot of people want it electronically rather than a hard copy. Anecdotally, a number of attorneys say, "What! Hard copy? I always use the online version," so that is our

intent. Advance opinions are published on the Supreme Court's website. If you go to our website, you can find them on the front page.

**Assemblywoman Bilbray-Axelrod:**

There is nothing that would limit them from pulling up the copy on the Internet and printing it, correct?

**John McCormick:**

Correct. If it is on the website, you can print it. The only restrictions would be through the other services where you have to pay. If you go through the normal channels, you can print to your heart's content.

**Assemblywoman Summers-Armstrong:**

If you are not going to be teaching malpractice as regularly as before, are you going to address training for the other specialty courts that you mentioned earlier? Is that training only for those who work those specialty courts? Is it broad training for all judges to deal with the issues in some of the specialty courts?

**John McCormick:**

Medical malpractice, as I said, is a core competency for all our district judge training. All district judges have the opportunity to receive that training. As for specialty court training, every other year we hold a specialty court conference for all Nevada specialty courts. This past year, in 2020, we had our first virtual conference and had over 252 unique attendees. We also sponsor specialty court teams to go to the National Association of Drug Court Professionals (NADCP) conference, which is the premier training event for specialty courts. We have, in the past, brought tune-up training from the NADCP and the National Drug Court Institute to Nevada. We also fund, through our specialty court funding, training for individual team members. This medical malpractice requirement is not necessarily connected to our specialty court training, which is very robust. We also train our judges at seminars on substance abuse and mental health issues at both the district and limited jurisdiction levels. For example, we just produced a webinar that had a family court focus but was available to all judges regarding opioid addiction and the interplay of that and family court. The Nevada State Bar has also mandated that all attorneys receive training on substance abuse within the legal profession, so we also make that training available to our judges, so they can fulfill those requirements. We have a robust training program across all of those areas.

**Chairman Yeager:**

We also have the National Judicial College here in northern Nevada in Reno. That is mandatory for all newly elected judges, and they have refresher courses as well. I would recommend that Committee members visit it if you have not. It is a wonderful training ground for judges, not just from Nevada, but also across the country and internationally. We are proud to have that here in northern Nevada.

**John McCormick:**

To hit on the National Judicial College point, as you indicated, all judges when newly elected are statutorily required to receive training from the National Judicial College related to their specific jurisdiction level, whether district court judge, general jurisdiction, family court, juvenile court judge, et cetera. There are different courses because we have some lay judges versus attorney judges at limited jurisdiction level. All judges must take a class regarding managing their courtroom and that type of thing. Incidentally, that includes training on bias and those issues. The National Judicial College is a valuable resource and a great resource to have here in Nevada.

One other point: we are also launching a training called the "Red Door Project" that is out of Portland, Oregon, and deals with implicit bias and racial equality issues in the criminal justice system. We are making that available to all district court judges in May and to limited jurisdiction judges in June.

**Assemblywoman Cohen:**

In section 8, subsection 5, regarding the deletion of Supreme Court and district court rules from the *Nevada Revised Statutes*, can you address that and say where those are going to be and what the purpose is for that part of the bill?

**John McCormick:**

That is being removed for consistency, since the publication responsibility is being transferred from LCB to the Supreme Court. They will be available on the Court's website. We also intend to continue sharing those with LCB. The idea is that no one will see a difference; it is just who publishes them statutorily. That is a behind-the-scenes change that, hopefully, no one will notice. I talked with Ms. Erdoes, and we are all on the same page.

**Chairman Yeager:**

Are there any other questions from Committee members? Not seeing any further questions, we will see if there is any testimony on the bill. I will open testimony in support. Is there anyone who would like to offer supportive testimony? [There was no one.] I will close support testimony and open opposition testimony. Is there anyone who would like to offer opposition testimony? [There was no one.] I will close opposition testimony and open neutral testimony. I am pretty sure there is no one in the neutral position, but please confirm that. [There was no one.] I will close neutral testimony. Mr. McCormick, are there any concluding remarks you would like to make?

**John McCormick:**

Thank you for the hearing, and I am glad I could bring you a nice boring bill.

**Chairman Yeager:**

I was going to say the bill was simple or easy, but I did not want to jinx it. We got through it since I did not say it.

I will close the hearing on Senate Bill 42. We will open public comment. Public comment is a time to raise matters of a general nature within the jurisdiction of the Assembly Committee on Judiciary. Is there anyone for public comment?

**Annemarie Grant, Private Citizen, Quincy, Massachusetts:**

I am the sister of Thomas Purdy who was murdered by Reno Police. He was hog-tied for 40 minutes during a mental health crisis and was asphyxiated to death by Washoe County deputies. I call for the living because I want things to change so no family has to know the heartache that my family and so many other families know.

Today, I want to talk about Rex Vance Wilson. He was 50 years old when he was killed October 13, 2016, by Las Vegas Metropolitan Police Department (Metro) deputies. After Metro disabled his vehicle that was already missing a tire, they immediately opened fire on Rex. All these people whom I talk about who have lost their lives to police are human beings, somebody's loved ones. Rex married Petra Gonzalez in Rapid City, South Dakota, on August 27, 1988. In December 1988, he joined the United States Marine Corps and was assigned to duty at Camp Pendleton, California, until 1994. In 1995, he and his family moved to Henderson. The excited young couple immediately began to follow their dreams of expanding into a large family. They were blessed with ten beautiful and amazing children: Mario, Aaron, Alex, Haven, Jesse, Hayley, Harmani, Matthew, Halina, and Elijah. He and Petra were dedicated parents. Rex Wilson was a loving, dedicated father and husband with a great sense of humor. He was a family man who was present at all important functions of his children's lives. He also enjoyed family gatherings, such as holiday celebrations, attending his children's sporting events, and being a voice of guidance for his children. He graduated with a Bachelor of Arts from University of Phoenix and was a successful businessman during the time he lived in Henderson. Rex was a proud Oglala Sioux tribe member.

Please support bills like Senate Bill 50 and Assembly Bill 157 that promote transparency and accountability. Please do not support bills like Assembly Bill 92 or Assembly Bill 127 that propose hiding police identity from civilians who they are meant to serve. Passage of A.B. 127 would mean lowered accountability for police officers who murder or assault civilians.

**Chairman Yeager:**

Is there any additional public comment? [There was none.] I will close public comment. Is there anything from Committee members? I do not see anything. We have now cleared out most of the Senate bills we have in front of us. In terms of where we go from here, we are going to have a meeting tomorrow at 9 o'clock. We will hear one or two bills. I will get them to you as soon as I can. We will be back in the committee room tomorrow. Hopefully, this will be our last virtual meeting of this kind. I do not know if we will have a meeting on Friday. It depends on what we get on the floor today. We will probably end up cancelling Monday's and Tuesday's meetings due to longer floor sessions. I will get confirmation of that and let you know as soon as I know. This meeting is adjourned [at 9:24 a.m.].

RESPECTFULLY SUBMITTED:

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Kalin Ingstad  
Committee Secretary

APPROVED BY:

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Assemblyman Steve Yeager, Chairman

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

## EXHIBITS

[Exhibit A](#) is the Agenda.

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

[Exhibit C](#) is a proposed amendment to Senate Bill 9, dated April 11, 2021, submitted by Kate Marshall, Lieutenant Governor.

[Exhibit D](#) is written testimony dated April 13, 2021, submitted by Erin M. Houston, Deputy of Securities, Office of the Secretary of State, regarding Senate Bill 9.

[Exhibit E](#) is written testimony dated April 14, 2021, presented by Erica Souza-Llamas, Records Bureau Chief, Records, Communications and Compliance Division, Department of Public Safety, regarding Senate Bill 31.