

**MINUTES OF THE
SENATE COMMITTEE ON JUDICIARY**

**Eighty-first Session
February 25, 2021**

The Senate Committee on Judiciary was called to order by Chair Melanie Scheible at 1:00 p.m. on Thursday, February 25, 2021, Online. [Exhibit A](#) is the Agenda. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Melanie Scheible, Chair
Senator Nicole J. Cannizzaro, Vice Chair
Senator James Ohrenschall
Senator Dallas Harris
Senator James A. Settelmeyer
Senator Ira Hansen
Senator Keith F. Pickard

STAFF MEMBERS PRESENT:

Patrick Guinan, Policy Analyst
Pat Devereux, Committee Secretary

OTHERS PRESENT:

Ross Armstrong, Administrator, Division of Child and Family Services,
Department of Health and Human Services
Jessica Adair, Chief of Staff, Office of the Attorney General

CHAIR SCHEIBLE:

We will open the work session on Senate Bill (S.B.) 9.

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

PATRICK GUINAN (Policy Analyst):

Senate Bill 9 is outlined in the work session document ([Exhibit B](#)). The bill would create a State-level exemption from licensure requirements for investment advisers for specific types of qualifying private funds as defined in federal law.

The bill sets forth certain conditions an adviser must meet to qualify for an exemption. The adviser must provide advice solely on one or more qualifying funds. The adviser is not required to register with the Securities and Exchange Commission (SEC). Neither the adviser nor any affiliates are subject to an event that would disqualify an issuer, pursuant to federal law. The adviser must file with the administrator—the Deputy Secretary of State, Securities Division, Office of the Secretary of State—any report or amendment thereto required by the SEC, pursuant to federal law. The adviser pays the fee required by the administrator.

The bill also outlines adviser duties and disclosure and reporting requirements. It defines the terms "eligible fund" and "qualified client," as per federal law. An adviser who becomes ineligible for the exemption must comply with any applicable laws for licensure within 90 days of being declared ineligible.

SENATOR SETTELMAYER MOVED TO DO PASS S.B. 9.

SENATOR PICKARD SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR SCHEIBLE:

We will close the work session on S.B. 9. We will open the work session on S.B. 21.

SENATE BILL 21: Revises requirements relating to background investigations conducted by certain institutions, agencies and facilities that serve children. (BDR 5-303)

MR. GUINAN:

Senate Bill 21 revises and standardizes specified crimes for which an institution, agency or facility that serves juveniles in the areas of child welfare, juvenile justice or residential mental health treatment is required or authorized to deny an application for employment or to terminate employment. Agencies must conduct background checks, including fingerprint checks, to determine whether a potential employee has charges pending against him or her or has been

convicted of several specified crimes. If a job applicant has been convicted of one of the crimes, the application must be denied or employment terminated.

The Division of Child and Family Services, Department of Health and Human Services, has proposed a conceptual amendment ([Exhibit C](#)) to S.B. 21. It removes prostitution as an exclusionary crime for applicants and employees. It requires agencies to adopt a test whereby certain factors will be weighed in determining whether to waive an exclusionary criminal conviction. The agency decision cannot be appealed, and a review must be conducted every two years to determine the efficacy and identify any implicit bias in the decision. The proposed amendment, [Exhibit C](#), would also redefine "criminal charges pending."

SENATOR PICKARD:

What would be the result removing prostitution as an exclusionary crime?

ROSS ARMSTRONG (Administrator, Division of Child and Family Services, Department of Health and Human Services):

If a charge of prostitution came up on a background check, the hiring agency would not need to do the weighing test to waive it. Prostitution is not relevant to the agencies affected by the bill, but the related crimes of sex trafficking or procurement would remain on the list.

SENATOR HARRIS MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 21.

SENATOR OHRENSCHALL SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR SCHEIBLE:

We will close the work session on S.B. 21. We will open the work session on S.B. 62.

SENATE BILL 62: Revises provisions relating to the solicitation of contributions.
(BDR 7-413)

MR. GUINAN:

Senate Bill 62, as outlined in the work session document ([Exhibit D](#)), revises provisions relating to the solicitation of contributions. It would expand the types of organizations required to register with the Secretary of State as charitable organizations to include entities that solicit donations but are not exempt from federal income taxes. The entities include those established for any benevolent, philanthropic, patriotic, educational, humane, civic purpose or those involving public health, environmental conservation or other eleemosynary purpose. Other entities that must register benefit law enforcement, firefighters, public safety personnel and entities that employ appeals that suggest there are charitable reasons for soliciting contributions.

Senate Bill 62 would make technical changes to reflect these organizations that may not be required to register as tax-exempt with the IRS or be organized as entities that file with the Secretary of State. The bill would devise solicitations information required to be disclosed and subjects entities to laws governing deceptive trade practices.

SENATOR PICKARD:

Senate Bill 62 would change registering of organizations in response to solicitation. I am concerned how this would apply to political action committees (PACs). Unless the solicitation is made directly, it is not a contribution; this contradicts the bill's intent. The proposed language obviates the need to distinguish between contributions if we limit the bill to just contributions made in response to a solicitation. I will vote no on its passage.

JESSICA ADAIR (Chief of Staff, Office of the Attorney General):

The Office of the Attorney General would not oppose an amendment further clarifying direct and indirect contributions.

SENATOR HANSEN:

Does the Office of the Secretary of State approve of the bill as written?

MS. ADAIR:

A representative from the Office of the Secretary of State testified on February 17 that Senate Bill 62 would not cause a fiscal impact for the Office.

SENATOR SETTELMAYER:

The Office of the Secretary of State testified in neutral on S.B. 62. I am fascinated that the bill does not have a fiscal note because the Office would take on extra work. Bills cannot be amended on the Floor, so perhaps the Committee could request an amendment now.

SENATOR CANNIZZARO:

Senate Bill 62 would not necessarily obviate the actual regulations regarding PAC contributions, which are regulated in a different *Nevada Revised Statutes* (NRS). Political action committee solicitations are subject to the same regulations and filing requirements as the entities in S.B. 62. The bill would not undermine that. I do not think an amendment might be necessary.

MS. ADAIR:

Senator Cannizzaro is correct. Regardless of whether an entity describing itself as charitable solicits, it would still be required to register with the Secretary of State under section 1, subsection 1, paragraph (b) of S.B. 62. Section 2, subsection 1 defines "contribution" in response to a solicitation. It is difficult to imagine a situation in which a contribution would be made absent a solicitation, particularly by scam organizations. However, if the Committee wishes to amend the bill to remove the solicitation provision to which Senator Pickard objects, we will do so.

SENATOR OHRENSCHALL MOVED TO DO PASS S.B. 62.

SENATOR HARRIS SECONDED THE MOTION.

SENATOR PICKARD:

I agree that the intent of S.B. 62 is to modify the definition of "contribution." I would like "in response to a solicitation" to be stricken in section 2, subsection 1. If not, I will still vote no.

THE MOTION CARRIED. (SENATORS PICKARD AND SETTELMAYER VOTED NO.)

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CHAIR SCHEIBLE:

We will close the work session on S.B. 62 and open the work session on S.B. 71.

SENATE BILL 71: Revises provisions governing unclaimed property.
(BDR 10-398)

MR. GUINAN:

Senate Bill 71, as outlined in the work session document ([Exhibit E](#)), revises provisions of the 2016 Revised Uniform Unclaimed Property Act (RUUPA). Section 2, subsection 1 defines "virtual currency" as "game-related digital content" for use or redemption only within the electronic or electronic-game platform. The game administrator will initiate and facilitate the payment or delivery of property to an owner without the owner filing a claim. The bill revises provisions of NRS 120A.113 concerning property owners' domiciles to comply with RUUPA. It requires a person who makes a claim on behalf of an estate to prove he or she is affiliated with it and to keep documents concerning the claim confidential. The bill revises the administrator's efforts to notify persons with claims to property. The bill increases the maximum percentage of the property's value that an heir-finding firm may charge as commission.

The Office of the State Treasurer and Senator Ohrenschall submitted a proposed amendment, [Exhibit E](#).

SENATOR OHRENSCHALL:

Senate Bill 71 is an effort to bring NRS closer to RUUPA. Uniformity across state lines benefits everyone when there is unclaimed property.

SENATOR OHRENSCHALL MOVED TO AMEND AND DO PASS AS AMENDED S.B. 71.

SENATOR PICKARD SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR SCHEIBLE:

We will close the work session on S.B. 71. Seeing no more business before the Senate Committee on Judiciary, this meeting is adjourned at 1:38 p.m.

RESPECTFULLY SUBMITTED:

Pat Devereux,
Committee Secretary

APPROVED BY:

Senator Melanie Scheible, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit Letter	Begins on Page	Witness / Entity	Description
	A	1		Agenda
S.B. 9	B	1	Patrick Guinan	Work Session Document
S.B. 21	C	1	Patrick Guinan	Work Session Document
S.B. 62	D	1	Patrick Guinan	Work Session Document
S.B. 71	E	1	Patrick Guinan	Work Session Document