MINUTES OF THE
SENATE COMMITTEE ON JUDICIARY

Eighty-first Session
February 3, 2021

The Senate Committee on Judiciary was called to order by Chair Melanie Scheible at 1:00 p.m. on Wednesday, February 3, 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
Nicolas Anthony, Counsel
Gina LaCascia, Committee Secretary

OTHERS PRESENT:
Ross Armstrong, Administrator, Division of Child and Family Services, Department of Health and Human Services
Sherri Vondrak, Human Resources Officer, Division of Child and Family Services, Department of Health and Human Services
Daniel Pierrott, Fingerprinting Express
Holly Welborn, American Civil Liberties Union of Nevada
Marcos Lopez, Americans for Prosperity, Nevada
Zach Conine, State Treasurer
Linda Tobin, Deputy Treasurer, Office of the State Treasurer
Kaitlin Wolff, Legislative Counsel, Uniform Law Commission
Mona Lisa Samuelson

CHAIR SCHEIBLE:
I will open the hearing. The Committee has been given the Senate Committee on Judiciary Rules for the Eighty-first Session (Exhibit B).

PATRICK GUINAN (Policy Analyst):
The Senate Committee on Judiciary Rules are drawn from Rule No. 53 of the Senate Standing Rules.

SENATOR SETTELMEYER:
Would it be possible for Mr. Guinan to highlight any changes to last Session's rules to this Session's rules?

MR. GUINAN:
The only change is in Rule 2—it now reads that a videoconference or virtual meeting shall qualify as a meeting.

SENATOR SETTELMEYER MOVED TO ADOPT THE COMMITTEE RULES.

CHAIR SCHEIBLE:
So moved. But first, I believe I added a rule requiring everybody to please stick with gender-neutral terminology in this Committee, whether you are a member or you are testifying, and specifically, I want everybody to know that I will probably repeat this a couple of times. You may simply address me as "Chair" or "Chair Scheible," no need for Ms. or Madame Chair or anything like that, and I expect you to do the same with each other.

MR. GUINAN:
Senator Scheible, I am sorry to interrupt. That is Rule 16 and I apologize for not mentioning it earlier.

SENATOR CANNIZZARO SECONDED THE MOTION.

SENATOR SETTELMEYER:
Senator Scheible, I mean no disrespect when referring to gender; however, sometimes I call people by whether they are male or female and it is never meant to be disrespectful. So please just put me down as a "no" on the rule.

THE MOTION CARRIED. (SENATOR SETTELMEYER VOTED NO.)

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MR. GUINAN:
As the Policy Analyst, I am here to serve everyone on the Committee and to offer analysis and assistance with issues that come before the Committee. That analysis and assistance is always nonpartisan and confidential.

The Senate Committee on Judiciary Committee Brief (Exhibit C) covers the Committee's jurisdiction. The only change that I am aware of to our jurisdiction from last Session is that the Committee will be receiving common-interest community or homeowners' association bills in this Session. The Brief also contains a list of relevant publications that the members might be interested in, including relevant bulletins on Interim studies that were completed prior to Session starting. It also contains an explanation of Nevada's court structure and criminal and punishment codes, which can be helpful depending on what items are before the Committee.

CHAIR SCHEIBLE:
We will now open the hearing on Senate Bill (S.B.) 21. We can start with the presentation by Ross Armstrong, Administrator of the Division of Child and Family Services.

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

ROSS ARMSTRONG (Administrator, Division of Child and Family Services, Department of Health and Human Services):
With me today is Sherri Vondrak. We are presenting Senate Bill 21. The Division of Child and Family Services (DCFS) is a State agency that works in three different child-serving systems: child welfare, juvenile justice and children's mental health. With about 1,000 staff members, we are working within those 3 different systems. We have different background check rules for each system which places us in a situation where we have people in one area who cannot go to another area because the background check rules are different. Sometimes we cannot hire good people just because of some antiquated beliefs that past criminal behavior means that there is a particular threat in the present.

We have worked with the Legislative Counsel Bureau on bill language. Senate Bill 21 standardizes exclusionary crimes across the three DCFS systems

so we are not operating under different rules. The Legislature adopted the ban-the-box policy a couple of sessions ago, and through the State system, we no longer ask if job applicants have been convicted of a crime or a felony. When applicants show up for interviews, we give them a list of exclusionary crimes, and if they have been convicted of any, we will not be able to go much further.

The most comprehensive system in terms of exclusionary backgrounds was our child welfare system. Most of the changes will update the juvenile justice exclusionary crimes and the mental health crimes to match the child welfare ones. Section 1 applies to our juvenile justice facilities that the State operates, and the attachment (Exhibit D) covers the modifications with an overview and is summarized for the Committee. You can see there are about ten different exclusionary crimes added to our juvenile justice facilities. We placed a three-year time limit on federal or state convictions for controlled substances. This is one we frequently see. We have people in the field say that a person is the exact fit we need to help serve our kids and he or she has a minor drug crime from 20 years ago which is a permanent exclusion from being hired. We added this three-year limit to all three systems.

In section 3, we removed contributory delinquency from all three systems and added the recommendation of "any other sexually related crime."

Section 5 of the bill relates to State-operated children's mental health facilities. We operate three psychiatric residential treatment facilities, two in the north and one in the south, and one psychiatric hospital in the south, which is a rural treatment center. There are eight to ten added crimes to match the child welfare exclusionary crimes. We removed contributory delinquency, clarified child abuse and neglect and set the three-year time limit for federal and state convictions for controlled substances.

In section 3, we added that applicants to the juvenile justice and children's mental health sectors will pay for background checks.

Sections 2 and 6 may allow the agency to terminate if there are pending charges for specific crimes.

Since this bill amendment became public, we have heard from a couple of stakeholders. Daniel Pierrott, on behalf of a client, has submitted testimony

which makes it clear that throughout Nevada, the background check includes a fingerprint check.

We also had a conversation with the American Civil Liberties Union of Nevada which had concerns with some of the additions which may bar great applicants who have turned their lives around. We are committed to collaborating on this issue. Our end mission for S.B. 21 is to have consistency across the board. One of the questions is what crimes in someone's past are relevant to the current threat of health and safety in working with our agencies. I welcome this question and others.

SENATOR PICKARD:
This bill makes a lot of sense. My understanding is that most of the employees who are involved in the hiring and firing process are subject to a collective bargaining agreement (CBA). I would imagine there will be some due process questions if we are terminating employment based on a pending charge as opposed to someone who has been found guilty of a charge. How would we square that with the concept of innocent until proven guilty and whatever else the collective bargaining agreements might require before termination?

MR. ARMSTRONG:
In my mind, a pending charge is that there has been an arrest and awaiting for charges to be filed by a district attorney (DA). The language indicates that the institution or agency "may" terminate the employment, not that they "must." This would be subject to the due process in any sort of collective bargaining agreement that may be forthcoming since we do not have those terms yet or know what that agreement would be like. It is not a mandatory termination, it is a "may" terminate and could be done through the lens of the collective bargaining agreement. The State already has a process for employees to appeal disciplinary measures, including termination.

SENATOR PICKARD:
I recognize it is not mandatory, it is discretionary. To understand how this will play forward, you assume the employer or person with that responsibility decides to terminate employment without any kind of conviction. I have never seen a CBA agreement allow for that. Even though it may be law, the employer may terminate. Will termination actually be subject to whatever collective bargaining agreement that exists today or may exist in the future?

MR. ARMSTRONG:
I cannot comment on your question because I do not have any knowledge about a pending collective bargaining agreement. With any decision to terminate, there is the ability to appeal, and it would be up to the officer to determine if it was allowable. In this case, the statute permits it and we would have a good chance of succeeding on the termination. If the DA's office in this case, or whoever is doing the prosecution, determines not to go forward with the actual prosecution, that termination would be potentially overturned.

SENATOR PICKARD:
I am trying to determine if we are looking at more litigation than we already passed. I interpret that as a "yes" and it would be subject to a CBA process.

CHAIR SCHEIBLE:
That raises a question for me as well. You said that a pending charge would be the time period between which somebody was arrested or cited and when the DA filed charges. Would the charge also be pending from the time the charging document is filed and the time of conviction?

MR. ARMSTRONG:
Yes, and thank you for clarifying that for me. In my mind, when we think about the intersection of criminal procedure and employment decisions, you can make a decision based on an arrest or if there are pending charges and then a conviction. It would include that entire time frame from postarrest to a determination of conviction or exoneration.

CHAIR SCHEIBLE:
To clarify, if somebody were to be arrested and charges were not immediately filed, and then their arrest was known through this background check process and the charges were ultimately never filed, it would be up to the person who is being investigated to submit a denial letter or decline to prosecute letter to the employer indicating that charges were not being filed or were never filed pursuant to this arrest?

MR. ARMSTRONG:
Correct. It is similar to now when we have a background check with no disposition on file. We know that there has been an arrest, but if there is no disposition on file within the system, we work with the applicant to figure out whether charges were dismissed or the applicant was later convicted and the

conviction was expunged. It would be that same process. In this particular situation, depending on the nature of the crime that would trigger these provisions, we would likely place the employee on administrative leave and be in constant contact with that employee to determine the status of those charges.

SENATOR SETTELMEYER:
Does page 6, line 17 include cannabis with a medical card as a preventative thing in that respect? Does this potentially hinder someone from getting a job even if the person has a medical card?

MR. ARMSTRONG:
Yes, cannabis is a particularly tricky issue because we see some old convictions coming back around right now. If you have a cannabis conviction from 20 years ago, then you are disqualified pursuant to the statute. If the applicant has an actual violation and conviction, the person would raise the medical card up as a defense in the criminal process. That would result in a disposition of not guilty or not charged.

The language here is not only on the State-controlled substances but federal controlled substance laws. This places us in a situation where we have great people who we cannot hire.

SENATOR SETTELMEYER:
On page 7, section 3, subsection 5, what is the standard cost of a background investigation? Will this also apply to people who receive welfare checks for adopting children and things of that nature? Sometimes with adoption, people are paying thousands, sometimes tens of thousands of dollars for an investigation, and it seems like another barrier to get some of these kids into a good home. That is why I am asking—maybe you could give a cost range.

MR. ARMSTRONG:
I will defer to Ms. Vondrak.

SHERRI VONDRAK (Human Resources Officer, Division of Child and Family Services, Department of Health and Human Services):
The average cost for a background check ranges from $40 to $80, depending on the geographical location.

SENATOR SETTELMEYER:
I appreciate that. This gives me a lot better comfort level.

DANIEL PIERROTT (Fingerprinting Express):
On behalf of our client, Fingerprinting Express, we support S.B. 21. I have provided testimony (Exhibit E) which shows Fingerprinting Express has four locations throughout Nevada utilizing innovative technology. Over 80 industries in Nevada are required by statute to receive fingerprinting background checks. Anyone who works with children should have a fingerprint background check. Senate Bill 21 will provide further protection for individuals who work with children. This bill will create consistency in the statute and bring clarity to procedures that State agencies are required to follow.

HOLLY WELBORN (American Civil Liberties Union of Nevada):
I want to make clear that we 100 percent support where this bill is going. We are testifying in opposition because the previous Committee rules required that if we have any potential changes, we oppose the bill.

Opening up opportunities for individuals with previous drug charges to work in the juvenile justice system has a significant positive impact for young people. It puts youths in the justice system into contact with individuals who have had similar life experiences. Those employees can draw on their experiences to provide better services to children in the justice system.

The issue we have now, and we are working through it with Mr. Armstrong, is we can contemplate circumstances where the bill could do some harm. We have asked to make changes in section 1, subsection 1. In adding some of these criminal penalties, is it going to affect any current employee? We also contemplate circumstances where previous sex workers might have a criminal friend from decades ago but are pursuing a career now in social work and might want to enter the field of juvenile justice. We have gone back and forth on this issue, but we are struggling with the section it would fit into.

The solution at this point is to provide the employer the discretion to override an inclusion from employment for good cause. That should address all the concerns we have and would enable us to move forward with the bill.

MARCOS LOPEZ (Americans for Prosperity, Nevada):
We stand in opposition of S.B. 21 as written for similar reasons as Ms. Welborn mentioned. The time restriction is a good policy reform, but the bill adds a whole host of other crimes to the prohibition that are not directly connected to the roles in question. The good here simply does not outweigh the harm caused by adding so many new crimes to the list.

Any legal prohibition on someone working in a particular career should be directly connected to the duties of the actual job—for example, financial fraud and banking.

Sections 1 and 5 add too many crimes to the prohibition list. We would completely agree that it is in the right of the facility or supervisor—and even argue that it may be reasonable—to not hire someone for the job previously convicted of some of these crimes, but we do not think it should be a legal barrier. Those convicted of DUI could have successfully turned their lives around years ago and be the best cultural fit, or example, for the children in the facility. They would still be barred from employment under this law. We would argue that other crimes like battery should even be considered on a case-by-case basis given the ability for people to achieve redemption and restoration.

For these reasons, we oppose S.B. 21 as written, but we would consider changing our position if changes are made.

CHAIR SCHEIBLE:
I now close the hearing on S.B. 21 and open the hearing on Senate Bill 71.

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

ZACH CONINE (State Treasurer):
Broadly, Senate Bill 71 makes changes to Nevada's unclaimed property statute in an effort to modernize and align Nevada's unclaimed property laws with national best practices and the Uniform Law Commission Revised Uniform Unclaimed Property Act (RUUPA).

I have submitted an introductory statement outlining provisions in S.B. 71 (Exhibit F). Pursuant to *Nevada Revised Statutes* (NRS) 120A, the Treasurer's Office administers Nevada's unclaimed property program. In this role, the Office

takes custody of lost or abandoned property from individuals and business holders and works to reunite the property with the rightful owners. When property cannot be reunited with the owner, it is held in perpetuity by the State.

Last year, our Office processed and approved 38,368 claims which resulted in a return to Nevadans of more than $46 million. On the holders' group side, people turning in funds to us, last fiscal year holders reported and remitted over $71 million of unclaimed property.

Finally, when the pandemic began, our Office looked for ways we could assist Nevadans who were hit hardest and were struggling. We teamed up with the Department of Employment, Training and Rehabilitation (DETR) to use the unemployment insurance claimant list and cross-referenced it with our unclaimed property database. To date, this initiative has resulted in $1.75 million in unclaimed property being returned to the owners. We continue to receive new reports from DETR on new claims filed, and our efforts are ongoing.

Sections 2, 3 and 8 of S.B. 71 adopt language from RUUPA to better align Nevada's unclaimed property laws with other states.

Section 4 of the bill allows this Office to create a claim and deliver payment to the owner if it is reasonably believed the rightful owner has been identified. The statute requires the individual to whom the property belongs to file a claim prior to delivering payment. This section will allow us to automatically connect claimants with their money. We send the owners letters encouraging them to file claims since we believe we have their money. This would actually speed up the process and get funds back to the owners directly. This also stops the situation where people receive a random letter from the State Treasurer's Office and think they are being scammed. We would rather just send them the money.

The intent is to verify the information and remit payment directly. However, given the requirements of the statute, we instead are required to send the owners a letter. This flexibility will allow our Office to efficiently reunite property owners with their property under limited and controlled circumstances similar to that of DETR, where we have multiple points of personal information that match our database.

Sections 5, 10, 15 and 17 of S.B. 71 simply make conforming changes to statute based on other changes in the bill.

Sections 6 and 7 clarify the definition of an account of funds related to the cost of burial. This terminology was adopted last Session through S.B. No. 44 of the 80th Session, and after speaking with the industry and Division of Insurance—which governs preneed contracts about implementation—it was determined that additional clarity was necessary to ensure the intent of the law is clear.

Section 9 of S.B. 71 updates existing language regarding the delivery of safe deposit boxes. The law requires that once a bank sends a report of the contents of safe deposit boxes, it must wait 60 days before delivering the contents to our Office. This creates inefficiencies for our staff because all work on the safe deposit boxes is placed on hold for two months. The updated language will require these boxes to be delivered within 60 days, thereby allowing our team to get to work immediately once the reports are received by the State.

Section 11 allows our Office to require proof that someone filing a claim on behalf of an estate has the proper authority to do so. This section also makes documentation received on behalf of the claimant confidential and not subject to public records. Collecting personal information is necessary to verify a claimant's identity and relationship to the property. We have included this change in statute to ensure Nevadans any personal information documentation that is shared with our Office remains confidential. The inclusion of this language will also save staff time by allowing our processors to focus on claims rather than redacting our record request.

Section 12 changes allows us to make property available for claiming once we receive it. Under the existing law, if a holder business remits unclaimed property prior to reaching the appropriate dormancy period, usually three years, we must hold on to the property for the same amount of time as the business. This issue most often arises when a holder goes out of business. Removing this requirement from the statute will allow our Office to connect Nevadans with their property when we receive it as opposed to holding on to it for additional years. An example of this would be if a business has uncashed payroll checks and goes out of business. Our Office would need to hold on to those checks for three years before releasing them to the rightful people. We would like to speed up that time frame.

Section 13 allows our Office flexibility in efforts to notify holders of an audit. We try to give reasonable notice; however, in limited circumstances this can be impractical—such as when a holder has multiple locations and has not responded to any of our requests to confirm the appropriate location to send notices to or when a holder never acknowledges receipt of the notices.

This section also allows the ability to request copies of the document during an audit rather than requiring our staff to travel on-site to examine the originals. This section also grants our Office the ability to compel production of records through an administrative subpoena.

These three changes modernize our auditing process and focus our auditing staff's time on identifying the reportable property rather than administrative back-and-forth.

Section 14 requires holders of unclaimed property to hold on to backup documentation that verifies their nonreporting of property. For example, during the course of an audit, it could be found that a holder had ten uncashed checks that were never reported or remitted to our Office. The holder could claim that he or she canceled the checks, which would render them worthless and not reportable as unclaimed property. Nothing in statute allows our Office to request backup information verifying a holders' claim to prove the checks were indeed canceled. This would give us the ability to do so.

Section 16 allows heir finders to receive a higher percentage of property claimed. Several professional firms exist whose business is connecting individuals with their lost and abandoned property. This service is paid a percentage of the money the finders have located through written agreements with the property owners. The law counts that percentage at 10 percent. This change would allow firms to connect owners of property older than five years. Most property would have been lost or abandoned for at least eight years since there is generally a three-year dormancy period before the property has been turned over. The finders can charge up to 20 percent of the property amount allowed.

Allowing for a higher commission better incentivizes those firms to find and connect Nevadans with missing money. Effectively, what happens is a period of time where the trail goes cold, and it becomes much more expensive for heir finders to connect funds to people who have lost them. Because of this, the

finders do not try. The intention here is to encourage the finders to try to find the heirs and return their property to them.

We will continue to work with Senator Ohrenschall on possible amendments to S.B. 71 regarding some additional RUUPA language.

SENATOR PICKARD:
I sit on the Uniform Law Commission and am constantly reminded that we need to not pass too many amendments too quickly because No. 1, it does not allow uniform laws to mature enough for the 50 states to figure it out; and No. 2, if we all start amending, it tends to go a different direction and loses its uniform character.

How does this comport with the Uniform Regulation of Virtual-Currency Businesses Act and the Uniform Supplemental Commercial Law for the Uniform Regulation of Virtual-Currency Businesses Act that was passed last Session? How does this change what we just did?

MR. CONINE:
I will turn that question over to Linda Tobin, the Deputy Treasurer.

LINDA TOBIN (Deputy Treasurer, Office of the State Treasurer):
Virtual currency is one of the things we did specifically add to the draft of S.B. 71, using the Uniform Commission definition give clarity to our holders.

SENATOR PICKARD:
Are we just using the language from the Uniform Act and not actually making any changes to anything that was adopted in the Uniform Act?

MS. TOBIN:
That is correct.

SENATOR HARRIS:
With regard to section 2, has an effort been made by anyone to claim the tokens from the Candy Crush game? Is this something that has arisen or is this a forward-looking provision?

MR. CONINE:
It covers two things; one is if RUUPA is adopting it, it is because digital currency exits in all sorts of forms, not just extra lives in a candy game; and two, other types of dollar-based coins. We want to make sure that we were ahead of that, especially as we look toward expanding Nevada's participation in digital currency through other economic development efforts.

SENATOR HARRIS:
I see the term "virtual wallet" in the bill. Would this include possibly a blockchain type of virtual wallet, or does it exist solely in the digital space? Or would this exempt that?

MR. CONINE:
It encourages and includes all forms of digital currency, but I will turn this over to Ms. Tobin in case I am mistaken.

MS. TOBIN:
There are two additional definitions, somewhat related but slightly different. In section 2, it relates to or can relate to digital content which refers to noncash value. So the electric wallets or virtual wallets would be geared to the Candy Crush game.

The second definition added in section 3 is for the virtual currency. This would be more traditionally related to the cryptocurrency wallet, blockchain, strictly digital value-based currency propositions.

SENATOR HANSEN:
During my first session, we had a bill about virtual currency. This is when someone would pay $100 and get a $100 gaming card that was inserted into a gaming machine. Gamblers would frequently only use $98 of that card. The leftover card value ended up being placed into some kind of unclaimed property account. At that time, Senator Ohrenschall said this unclaimed property account estimated at about $25 million to $50 million would be sent back to the State, and we passed that law back then. What has this financially done for the State since then? And does the virtual currency in this bill impact Nevada in any way?

MR. CONINE:
You are referring to ticket-in, ticket-out (TITO). I will turn this part over to Ms. Tobin, but I can say this and that are not related.

MS. TOBIN:
Regarding slot machine TITOs, those have not come to unclaimed property for quite some time. The Nevada Gaming Control Board and Nevada Gaming Commission adopted regulations around 2011 whereby they had specific tax reporting requirements for TITOs, and they are 100 percent accounted for within the Gaming Control Board.

CHAIR SCHEIBLE:
Senator Ohrenschall has a conceptual amendment (Exhibit G) to this bill. Senator Ohrenschall and the Treasurer are still working through the details, but I want to give him an opportunity to walk the Committee through the contents of the amendment.

SENATOR OHRENSCHALL:
With me is Kaitlin Wolff, who is the Legislative Counsel for the National Conference of Commissioners on Uniform State Laws, also called the Uniform Law Commission (ULC). The ULC is a nonprofit, nonpartisan organization that dates back to 1892 when a group of 12 practicing attorneys from 7 different states came together to work on uniform state laws. They discussed if a state law was uniform with other states' laws, it would be of assistance to our constituents, whether it was in commerce or domestic relations, family law and many other areas. States still have the right to be individual in terms of state laws, just like Nevada has legal gambling. There are many areas where uniformity is a benefit to the citizens. The most famous law is the Uniform Commercial Code, which aided commerce and business, especially in the predigital era in terms of people using checks from banks in other states and making purchases across state lines.

Treasurer Conine and his staff worked with me and some of the Uniform Law Commissioners from Nevada on the proposed amendment. The amendment makes references to some portions of the Revised Uniform Unclaimed Property Act that, if the Committee and the Treasurer consider adopting, would help formalize Nevada's statutes with the recent revisions in 1996.

The original Uniform Unclaimed Property Act dates back to 1954. Since then, over 40 states have enacted some version of this Act. Nevada initially enacted the Act in 1979, and there have been revisions and updates through the years to comport with changes and updates that were promulgated by the Uniform Law Commissioners. They meet every year. Delegates are from all the states and are practicing attorneys. Some of them are law professors, some are judges and some are legislators. In their meetings, the delegates put every page of a bill on a big screen and have specific discussions, such as where a comma goes or where a semicolon goes. They work hard to make sure they get it right and to propose something that benefits all our constituents.

Kaitlin Wolff can walk us through the amendment and answer any questions. I can also answer any questions.

KAITLIN WOLFF (Legislative Counsel, Uniform Law Commission):
As Senator Ohrenschall indicated, I started with the Legislative Counsel to be a Uniformed Law Commissioner in Chicago. As part of my role, I work with states as they consider enacting the Uniform Act and RUUPA. Further, we hope to work with the Treasurer and the Committee on a friendly amendment that would bring S.B. 71 into conformity with the RUUPA. This Act represents decades of work and study in the development of unclaimed property law, and as Senator Ohrenschall mentioned, the uniform acts are in development over a number of years. For RUUPA, that meant it was a 3-year drafting process with more than 125 stakeholders, including administrators, consumer groups, holder groups and business groups, who took part in the process.

I hope some benefits of RUUPA will be incorporated in S.B. 71 in the form of a friendly amendment. This includes specific dormancy periods, which is how long the holder needs to keep property before transferring it to the custody of the State. We did address this for many new types of property. In RUUPA, we provide more clarity of the rules for cooperation between different states to locate owners and competing claims by states over the same property. We have added more robust provisions for international cooperation.

The revised version of the Act is the latest iteration of the Unclaimed Property Act. As Senator Ohrenschall pointed out, the earlier version of the Unclaimed Property Act was from 1995 and, as we all know, there has been an enormous change in technology and capabilities since then. Because of this, we pay close attention in RUUPA to provide clear rules regarding confidentiality and security

of information regarding unclaimed property—recognizing that many of our records related to unclaimed property now are electronic. We have enhanced procedures for notifying potential owners—processing their claims by utilizing the internet and electronic records—which we did not have back in 1995. We also have included remedies for holders such as informal conferences between a holder and the unclaimed property administrator, including judicial and administrative review. We have increased the civil penalties for egregious conduct of holders who have unreasonably and intentionally refused to transfer abandoned property over to the State.

This is a highlighted overview. I realize you do not have the specific language of the amendment in front of you, but those are some of the main updates and benefits in RUUPA that we hope the Treasurer and the Committee would consider in the form of a friendly amendment. With that, I am happy to answer any questions the Committee may have.

SENATOR CANNIZZARO:
We have in front of us the conceptual amendment to S.B. 71, which talks about specific pieces from RUUPA that would be put into this bill. I ask the people working on this bill to talk through some of these particular items because generally members of this Committee are familiar with uniform laws and the fact that we have not been adopting them wholesale. It looks like some specific pieces we discussed with the Treasurer's Office are different than what is contained in the conceptual amendment. My concern is that we may need more explanation. It does not appear that we are trying to adopt all of RUUPA because that would substantially change the way in which our Treasurer's Office handles unclaimed property claims. As such, I look forward to hearing more about that specific conversation and how we can still allow for the Treasurer's Office employees to continue to do the good work that they are doing. I hope this is not a discussion about wholesale adoption of RUUPA, which looks like it has been in five states.

MR. CONINE:
Our intention with this bill was to adopt pieces of RUUPA without cost to the agency, without having to change the ways we work, without having to reformat, rebuild or completely replace systems, and without removing language that exists to protect Nevadans and Nevada businesses—things that work specifically for Nevada.

With regard to Senator Cannizzaro's point, five or six other states have fully adopted RUUPA. We have adopted a number of parts and continue to try to move away from the entropy that is individual state laws and into the Uniform Commercial Code. It is important that as we do this, we look specifically at language that could be detrimental to Nevadans, or too expensive. Writing a minor change in law to get closer to RUUPA might not be worth it if it requires a full-scale, multimillion dollar system change.

We have committed to having a discussion offline with Senator Ohrenschall and anybody else who wants to take part and go through each of these items and discuss why we did not include them in the first bill. We know what is in RUUPA and look for ways to get closer to it. Our goal is always to move closer to uniformity but neither at the expense of Nevadans nor a significant expense to our Office.

CHAIR SCHEIBLE:
I appreciate your willingness to work together. It sounds like you are on the road to a friendly amendment.

SENATOR OHRENSCHALL:
Treasurer Conine and his staff have been great to work with. Sometimes it is a process working on these amendments, and what is promulgated by the Uniform Law Commissioners does help in terms of issues across state lines. Someone might have property in more than one state, and there may be a cost involved.

CHAIR SCHEIBLE:
I will close the hearing on S.B. 71 and move on to public comment, which is limited to two minutes per person and you can also submit public comments online, via email or fax in written form and we will read those as well.

MONA LISA SAMUELSON:
I represent medical cannabis patients living in Nevada. I thank Senator Settelmeyer for looking out for Nevada's medical cannabis patients. The questions regarding S.B. 71 are important, and I want to reiterate how important it is that Nevada does not penalize its most vulnerable population. Medical cannabis patients deserve an equal opportunity for meaningful community engagement because they are not criminals. We are intelligent,

thoughtful and kind; we appreciate Legislators who look out for the good in our community.

CHAIR SCHEIBLE:
Our first meeting of the Senate Judiciary is adjourned at 1:32 p.m.

RESPECTFULLY SUBMITTED:

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Gina LaCascia,
Committee Secretary

APPROVED BY:

_____
Senator Melanie Scheible, Chair

DATE:_____

EXHIBIT SUMMARY				
Bill	**Exhibit Letter**	**Begins on Page**	**Witness/Entity**	**Description**
	A	1		Agenda
	B	1	Patrick Guinan	Senate Committee on Judiciary Rules for the 2021 Legislative Session
	C	1	Patrick Guinan	Committee Brief
S.B. 21	D	1	Ross Armstrong/Division of Child and Family Services	Modifications Overview
S.B. 21	E	1	Daniel Pierrott/Fingerprinting Express	Support Testimony
S.B. 71	F	1	Treasurer Zach Conine	Introductory Comments
S.B. 71	G	1	Senator James Ohrenschall	Proposed Conceptual Amendment