

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

**Eighty-Second Session
April 3, 2023**

The Committee on Commerce and Labor was called to order by Chair Elaine Marzola at 1:35 p.m. on Monday, April 3, 2023, in Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4401 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda [[Exhibit A](#)], the Attendance Roster [[Exhibit B](#)], and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/App/NELIS/REL/82nd2023.

COMMITTEE MEMBERS PRESENT:

Assemblywoman Elaine Marzola, Chair
Assemblywoman Sandra Jauregui, Vice Chair
Assemblywoman Shea Backus
Assemblyman Max Carter
Assemblywoman Bea Duran
Assemblywoman Melissa Hardy
Assemblywoman Heidi Kasama
Assemblyman P.K. O'Neill
Assemblywoman Selena Torres
Assemblyman Steve Yeager
Assemblyman Toby Yurek

COMMITTEE MEMBERS ABSENT:

Assemblywoman Daniele Monroe-Moreno (excused)

GUEST LEGISLATORS PRESENT:

Assemblywoman Sarah Peters, Assembly District No. 24
Assemblywoman Cecelia González, Assembly District No. 16
Assemblywoman Venicia Considine, Assembly District No. 18
Assemblywoman Natha C. Anderson, Assembly District No. 30

STAFF MEMBERS PRESENT:

Marjorie Paslov-Thomas, Committee Policy Analyst
Sam Quast, Committee Counsel

Minutes ID: 710



Joe Steigmeyer, Committee Counsel
Cyndi Latour, Committee Manager
Julie Axelson, Committee Secretary
Garrett Kingen, Committee Assistant

OTHERS PRESENT:

Linda Weathers, Student, University of Nevada, Reno
Amanda Vaskov, Director, Government Affairs, Associated Students of the
University of Nevada, University of Nevada, Reno
Winston Berkman-Breen, Deputy Director of Advocacy and Policy Counsel, Student
Borrower Protection Center, New York, New York
Kent M. Ervin, Ph.D., State President, Nevada Faculty Alliance
Shelbie Swartz, Private Citizen, Las Vegas, Nevada; and representing Battle Born
Progress
Alexander Marks, Communications Specialist, Nevada State Education Association
Kennedy McKinney, representing Nevada Women's Lobby
Sheila Bray, Community Partnerships Coordinator for Clark County, Extension,
University of Nevada, Reno
Jonathan Norman, Statewide Advocacy, Outreach, and Policy Director, Nevada
Coalition of Legal Service Providers
Eric Jeng, Acting Executive Director, One APIA Nevada
Athar Haseebullah, Executive Director, American Civil Liberties Union of Nevada
Hollie Donner, Private Citizen, Las Vegas, Nevada
Erin Rook, Private Citizen, Las Vegas, Nevada
Christine Saunders, Policy Director, Progressive Leadership Alliance of Nevada
Jorge Martinez, Private Citizen, Las Vegas, Nevada
Hieu Le, Private Citizen, Las Vegas, Nevada
Brian Reeder, representing Nevada Credit Union League
Connor Cain, representing Nevada Bankers Association
Sandy O'Laughlin, Commissioner, Division of Financial Institutions, Department of
Business and Industry
Christine Hess, Executive Director, Nevada Housing Coalition
Elvira Diaz, Private Citizen, Sparks, Nevada
Mendy Elliott, representing Southern Nevada Regional Housing Authority; Nevada
Rural Housing Authority; and Reno Housing Authority
Sarah Adler, representing National Alliance on Mental Illness-Nevada Chapter
Nicole Winckelmann, Policy Intern, Nevada Coalition to End Domestic and Sexual
Violence
John Solomon, Private Citizen, Reno, Nevada
Jamie Tadrzynski, Private Citizen, Las Vegas, Nevada
Jeffrey S. Rogan, representing Clark County
Matthew Wilkie, Private Citizen, Carson City, Nevada
Tony Ramirez, Government Affairs Manager, Make the Road Nevada
Alma Lozoya, Political Intern, Culinary Workers Union Local 226

Robin Collins, representing Nevadans for the Common Good
Jair Guigui, Housing Justice Organizer, Progressive Leadership Alliance of Nevada
Andy Romero, Housing Justice Organizer, Make the Road Nevada
Marina Behana, Private Citizen, Las Vegas, Nevada
Manuel Cazarez, Private Citizen, Las Vegas, Nevada
Tamara Favors, Private Citizen, North Las Vegas, Nevada
Anna Binder, Private Citizen
Adrian Lowry, Organizer, Northern Nevada Democratic Socialists of America
Camarina Augusto, Health Equity Coordinator, Washoe County Health District
Andrew Clarke, Private Citizen
Dora Martinez, Private Citizen, Reno, Nevada
John Sande IV, representing Nevada State Apartment Association
Teresa McKee, CEO, Nevada Realtors
Cyrus Hojjaty, Private Citizen, Las Vegas, Nevada
John Carlo, Private Citizen, Las Vegas, Nevada
Tracey Thomas, Private Citizen
Kate Marshall, Senior Advisor, The Impact Project, Hopewell Fund
Jane Horvath, representing The Impact Project, Hopewell Fund
Steven J. Horner, Private Citizen, Las Vegas, Nevada
Mary Dungan, Private Citizen, Las Vegas, Nevada
Donna West, Private Citizen, Las Vegas, Nevada
Jim Dart, Private Citizen, Summerlin, Nevada
Lisa Lynn Chapman, Private Citizen, Henderson, Nevada
Briana Escamilla, representing Planned Parenthood Votes Nevada
Marlene Lockard, representing Service Employees International Union Local 1107
Alexis Salt, Private Citizen, Las Vegas, Nevada
Barbara Hartzell, Private Citizen, Las Vegas, Nevada
Jarrett Clark, Private Citizen, Las Vegas, Nevada
Kristine Schachinger, Private Citizen, Las Vegas, Nevada
Ariel Guevara, Private Citizen, Las Vegas, Nevada
Ellen Eversole, Private Citizen, Las Vegas, Nevada
John Able, Director, Governmental Affairs, Las Vegas Police Protective Association
Maria-Teresa Liebermann-Parraga, Deputy Director, Battle Born Progress
Tessyn Opferman, representing Human Services Network
Paul Catha, representing Culinary Workers Union Local 226
Bobbette Bond, Vice President, Health Policy, Culinary Health Fund
Brian Warren, Director, State Government Affairs, Western Region, Biotechnology
Innovation Organization
Elizabeth MacMenamin, Vice President of Government Affairs, Retail Association of
Nevada
Dharia McGrew, Ph.D., Director, State Policy, PhRMA
Danny Thompson, representing Pharmaceutical Industry Labor-Management
Association
Peter Guzman, President, Latin Chamber of Commerce, Las Vegas, Nevada

Chair Marzola:

[Roll was called and Committee rules and protocols explained.] We have a full house. I like that. Welcome to everyone here. Today, we will hear three bills: Assembly Bill 176, Assembly Bill 250, and Assembly Bill 332. I will not be taking that agenda in order. I will open up the hearing on Assembly Bill 332, which revises provisions relating to student education loans.

**Assembly Bill 332: Revises provisions relating to student education loans.
(BDR 55-162)**

Assemblywoman Sarah Peters, Assembly District No. 24:

I am here today to introduce and present Assembly Bill 332. I have several folks here who are experts in this area. Instead of taking up your time with my introduction, I am going to pass things down. I know we have a long agenda today, so I am going to ask that we get started with my copresenter, Linda Weathers.

Linda Weathers, Student, University of Nevada, Reno:

I am a student at the University of Nevada, Reno majoring in criminal justice and political science with hopes of minoring in American Sign Language. I attended high school at Veterans Tribute Career and Technical Academy in Las Vegas. After being a couch-surfing teen for three years after graduation, I was ready for a new start. I wanted to move away from everything I was going through. I wanted to flourish into the person I wanted to become. I wanted to stay close enough to be a part of and stay in contact with my support systems that helped me achieve getting into college in the first place.

College was never something I was going to be able to afford without assistance. During my senior year, I found great importance in furthering my education to become the first person in my family to go to college. I wanted my siblings to be encouraged to do hard things and to know they can be great too. As a homeless student, it was unclear exactly how much college would cost. How much is \$22,000? How much is \$88,000 at the end of four years? Living on campus was a must, considering my situation. Even with working two jobs and an internship, I was never going to be able to afford that type of money without a loan.

I was fortunate enough to be offered scholarships and the FAFSA [Free Application for Federal Student Aid] grant as well. Still, with my loan managed by my servicer, I would only be contacted about three times. The first was to establish an account, the second was to give me information of the loan I took out, and the third was to inform me of potential qualifications for loan forgiveness. I was never given a contract that showed me any rights, and I was never given any updates on all the loans I took out throughout the years. I always understood I would have debt if I was going to pursue my degree. I wanted to pay the debt back, but I needed a servicer who was willing to work with me, or at least communicate with me.

Assemblywoman Peters:

Thank you for your story, Ms. Weathers. Virtually everyone knows student loan debt is a weight on our student population. However, when students are entering the first part of their educational pathway, it is unclear and oftentimes the first time anyone has drawn on credit in their life. That leads to vulnerabilities and lack of protections for these populations that are going to be the next legislators in the state of Nevada or the next physicians in your community.

We have Amanda Vaskov with us today, who has been our student liaison on this bill. She has been working this. I know she has pretty much all of the baseline information that I do not have today. I am going to ask that Ms. Vaskov walk you through the intention of the bill and the amendments that were presented today [[Exhibit C](#)].

Amanda Vaskov, Director, Government Affairs, Associated Students of the University of Nevada, University of Nevada, Reno:

The Associated Students of the University of Nevada represents Ms. Weathers and 14,000 other undergraduate students at the University of Nevada, Reno. I want to start out today by setting the record clear as to what this bill does. This bill is not a forgiveness or loan repayment bill. What this bill does is regulate a multibillion-dollar, underregulated industry—the student loan industry. This bill will put in place commonsense protections for the over 410,000 Nevadans with student loans who collectively own over \$14 billion in debt.

This bill licenses student loan servicers only. Servicers are companies that manage loans on behalf of a lender. They process payments, are the first point of contact for borrowers, and are very underregulated. This bill also provides a set of consumer protections for education loan borrowers with respect to their servicers and private lenders. Again, the licensure portion only pertains to servicers. Existing Nevada statute already licenses lending and banking institutions. This bill does not change that at all.

On the servicers' side, Nevada does not have guidelines for servicers or means for those who have incurred damages. We know this is an issue in Nevada. In 2022, the Attorney General announced that Navient, one of the nation's largest student loan servicers, would provide relief totaling over \$1.7 billion to resolve allegations of widespread unfair and deceptive student loan servicing practices. While this settlement represented restitution for over 3,000 federal loan borrowers and over 500 private loan borrowers, several borrowers are still subject to these predatory practices from servicers other than Navient. Navient is not the only actor in the servicers space in Nevada. Based on estimations from the 14 other states that license servicers, there may be over 40 entities that act as servicers in the state of Nevada.

As for the consumer protections piece of this bill, these protections are proverbial rules of the road. There are expectations to ensure that lenders are not bad actors. Consumer protections already exist in Nevada for banks, credit unions, mortgage lenders, installment lenders, check

cashing, debt collectors, title loans, and payday loans in the state. They do not exist for education loan borrowers. Youth, the future of Nevada's workforce, are not protected in making one of the biggest financial decisions of their young adult life.

Difficulty in managing student loans is a crosscutting issue in Nevada. It is a public health workforce issue. According to the Nevada Health Workforce Research Center, in 2021, graduate medical education students reported the inability to manage student loans was one of the top barriers to employment in northern Nevada and southern Nevada. It is a rural issue. There are over 25,000 borrowers and a 16 percent delinquency rate. Most of all, with collectively over \$14 billion in loan debt and one of the highest borrow default rates in the country, this is a pervasive issue in Nevada.

Chair Marzola, would you like me to walk through the proposed amendment [[Exhibit C](#)], or would you prefer me to walk through the bill section by section?

Chair Marzola:

You can walk through the amendment.

Amanda Vaskov:

As for the amendments, in section 7 [page 1, [Exhibit C](#)] we want to make sure the language properly reflects the sponsors' intent and the stakeholders' understanding as to who counts as a private education lender. We plan to propose language that makes this clear, and we are in discussion with stakeholders on this. Also in section 7, we have spoken with the Nevada System of Higher Education (NSHE), and we will exempt them from the definition of private education lender. This bill seeks to address known issues, and at the moment, we do not believe NSHE is engaging in predatory lending practices.

In section 10 [page 2], this bill defines "student education loan." We propose amending this section to provide the definition to the general term "student loan" as well as "student education loan," so both are used throughout. This is for the purpose of consistency in the text for both terms.

In section 12, we propose excluding NSHE from the definition of "student loan servicer." Again, we are seeking to address only known issues and to make clear this does not apply to servicing activities NSHE may do.

In section 13, we propose a minor amendment to one prong of the definition of "student loan servicing" to conform to the definition under federal law. In section 15 [page 3], we propose inserting a new subsection 3 to allow the Division of Financial Institutions (FID) of the Department of Business and Industry to require student loan servicers to obtain a license using the National Multistate Licensing System. The Division of Financial Institutions already uses this platform for existing licenses and requested this amendment.

Sections 17 and 18 [page 4, [Exhibit C](#)] are nearly identical provisions. There are only minor formatting differences. We have asked FID to confirm which provisions should be kept and will propose striking the other one that is not kept.

Section 21 provides for licensing renewal procedures for most licenses but not for those servicers that obtain a license through section 20. Those servicers would be automatically licensed if they have a contract with the federal government. We propose introducing language to clarify how those servicers should renew their license annually.

Sections 27 and 28 [page 5] provide servicing standards and record retention requirements. We propose amending each section to include language making clear how these provisions apply in potential instances of federal preemption. Again, those are the servicers that are automatically licensed because they have contracts with the federal government.

In section 31, we propose an amendment to make clear the cap on timely payments that must be made before a cosigner can be released shall apply to a loan originated after the bill goes into effect. Section 46 [page 7] provides that covered student loan servicers must comply with applicable federal law. We propose amending this section to make clear that covered lenders must also comply with applicable federal law.

Section 47 [page 8] provides a private right of action for any borrower who has been harmed by the violation of this act. We propose amending this section to make clear that this applies to all covered parties, both the servicer and the lender.

Section 48 provides that a violation of this act constitutes a violation of the Nevada Equal Credit Opportunity Law. We are proposing amending this to make it a violation of this law instead of violation of the Nevada Deceptive Trade Practices Act. The Nevada Equal Credit Opportunity Law is *Nevada Revised Statutes* Chapter 598B, which is a more appropriate fit.

We also propose striking section 57 [page 9], which provides reporting requirements for postsecondary educational institutions. This part of the bill did not feel germane. With that, I am happy to answer any questions. If I am unable to answer, I will bring my colleague Winston Berkman-Breen from the Student Borrower Protection Center to answer any technical questions the Committee may have.

Chair Marzola:

Ms. Weathers, thank you for sharing your story. I know it is hard when there are so many people in this room, but it is necessary and very appreciated.

Assemblyman O'Neill:

How many other states have instituted similar regulations, or are we piggybacking on them with the same language?

Amanda Vaskov:

Eighteen states have enshrined these consumer protections for educational loan borrowers in statute, and 14 have currently licensed servicers. Mr. Berkman-Breen might be able to speak to what that looks like more.

Winston Berkman-Breen, Deputy Director of Advocacy and Policy Counsel, Student Borrower Protection Center, New York, New York:

My colleague is exactly right. There are 18 states that have these substantive protections, 14 of which have decided to also do the procedural licensing of the student loan servicers. In those four states that have the protections but not the licensing, that is either due to local quirks in their code and they decided not to license, or because they had parallel licensing that for whatever reason already had these actors in their regulatory fold, so all they needed to do was provide these student loan servicing-specific procedural regulations and protections.

Assemblyman Yeager:

I have not had a chance to look at it, so Assemblywoman Peters, this might be a good question for you. I know we had a very similar bill last session that I think ultimately was not able to get a two-thirds vote out of the Assembly. Is this basically the same bill, or were there changes made to accommodate any potential concerns that were raised about the bill last session?

Assemblywoman Peters:

My understanding is at the end of the day the biggest complaint was the fee when it got to the partisan vote. To enable licensing of an unlicensed entity, we have to be able to pay for it. It is self-funded. You cannot have an agency without a funding source to license an individual structure. We talked at length on how to get rid of that fee. There was no reasonable solution without putting the financial burden on another tax-paying entity in the state of Nevada. The draft you have in front of you is the third reprint from last session, and the amendments [\[Exhibit C\]](#) are in addition to that third reprint based on the review from my two colleagues. We are unable to get beyond initiating a fee to license an entity that is not currently licensed in the state.

Assemblywoman Jauregui:

I remember this bill clearly from last session, so thank you for bringing it forward again. A lot of these regulations are very familiar to me because they are things we see in other types of loans. You see a lot of these same safety guards and provisions when it comes to borrowing for home mortgages. It makes so much sense for all of these to be in here for student loans as well. I do have a question on section 32. It is more of a question for my own knowledge. What are the reasons a student loan servicer or lender would be able to accelerate a student loan? I am familiar with acceleration when it comes to mortgages. In what instances would they be able to accelerate a student loan? In mortgages, if you sell a home when you sell the loan without going through the lender, they have an acceleration clause. What does that look like for student loans?

Winston Berkman-Breen:

So we are on the same page, the term "accelerate" means to call due the entire amount. Usually you have monthly installments of, let us say, \$100. If you accelerate, you say, You have defaulted in some way, shape, or form. The entire thing is due. That is usually also a condition or prerequisite to suing someone in court to collect.

Unfortunately, there is also an important distinction to be made between federal student loans, which are the majority of the market, and private student loans, which are still substantial but a minority part of the market. Federal student loans are regulated by the federal Higher Education Act. They do not have this problem. You are not going to have your loan considered accelerated and put into default for anything other than sustained nonpayment, which is 270 days of nonpayment.

For private student loans, this is where the concern is. Private student lenders, as you are likely aware, are not exclusively but primarily regulated at the state level. It is incumbent on this body to make sure that borrowers in the state are protected from private student lenders. There is no rule in this state that I am aware of that prevents a private lender for a student loan, auto loan, or whatever the case may be from accelerating the loan for any minor violation of a loan contract. You can be in full compliance on your payments but let us say you forgot to update your mailing address. You are in violation of your promissory note. Let us say your loan has a condition where you have to update your income each year, which some do, but you forget to do that. You are still making payments, and those payments are even commensurate with the income that you have if that is a condition. You have not done that, so your loan can be accelerated and called due. If your cosigner passes away, your loan can be accelerated and called due. It is really in any instance. What this bill would try to do is say that any current borrower, anyone who is not behind, cannot be accelerated and considered in default on their loan.

Assemblywoman Jauregui:

I do have one more question for clarity for my sake. In section 29, subsection 5, it says they cannot "Provide inaccurate information to a credit bureau in a manner which may harm a student loan borrower's creditworthiness." Is that illegal already for them to report information that is inaccurate to the credit bureaus? Is it something that is happening in this area?

Winston Berkman-Breen:

Not all but many of the protections in here are commonsense because they already exist—sort of—at the federal level. It is a question of articulating them specifically to the student loan industry and ensuring enforceability. It is that nexus that is important, which is why you heard my colleague list off a number of industries that are already specifically regulated by the state. It is why we do things like that. There are already broad, flexible consumer protections that could be brought to bear in most instances, but are either impossible for an individual person to do, for a variety of reasons, or the case is too complicated to show how it

applies to the subject matter at hand. You are absolutely correct. The federal Fair Credit Reporting Act prevents that, but putting it in here and making it specific to this industry is a helpful enforcement and accountability mechanism.

Assemblywoman Torres:

As a pretty recent college graduate, I remember being reached out to by a number of private lenders regarding different student loan options. I do not know that there were a lot of protections for students at that time. I am wondering if you could break it down in the states. There are 18 states that currently have this, and 14 that have the requirement of the licensing as well. Can you talk about what are the explicit benefits we have seen for students, or maybe the exact practices going on right now in Nevada that we would put an end to?

Amanda Vaskov:

I will start answering this question by saying a lot of this legislation went into effect at a weird time, which is during COVID-19. During COVID-19, we saw a pause on public loan repayment. That creates a twofold problem. One, in this legislation, we have not necessarily seen the full extent of how it protects folks. Two, students who have maybe gone to college for three years have not had to navigate a servicer yet or had to make a payment. To me, that is why it is important to get this on the books now, before payments are expected to start in either summer or fall. We will have thousands of students who are going to have to make a payment and do not know where to start with that.

Winston Berkman-Breen:

I would echo that. The first state to pass a law like this was in 2015, and that was Connecticut. That only left a couple of years until COVID-19 induced a payment pause on 90 percent of the market. On the servicer front, servicers have not been doing much for a couple of years. Folks' ability to be harmed by servicer interactions and the need to enforce for those harms has been pretty muted. We see that even in government reports by the federal government at the Consumer Financial Protection Bureau and by state-level offices. Most of the states that have passed a bill like this have a state-level student loan ombudsman who does annual reporting. They acknowledge complaint numbers are down, but that is because the majority of our borrowers are not thinking about their loans because the federal government has said to them, Do not think about your loans; economically recover from the pandemic.

I also want to make another distinction. The servicing side is what is replicated in so many other states. To the earlier member's question, the private student loan protections, which do not have the licensing component, is where most of what we think of as commonsense but needs to be specifically enshrined happens. On the servicing side, there are no federal regulations that go into specificity about how to handle overpayments, underpayments, how to do account management, or what to do with poor customer service. On the private student loan side, what we find in the bill, some of them are hyper specific and need to be articulated, and some of them are just different articulations of already unlawful, unfair, deceptive, and abusive behavior, which is unlawful at the federal level and in varying ways under state law

but has not been articulated. It is hard to know how these other laws have been enforced with respect to the nonservicing claims because they may have some cover under other claims that have already been articulated and that predate those laws.

Assemblyman Yurek:

As I read the bill, it seems like there are some straightforward, commonsense, consumer protection provisions in here. It is not lost on me that it seems like there are still a minority of states that have chosen to do this. I believe you said 14 involve licensure and 18 total, which I assume includes the 14 underlying, so 4 more that offer some sort of regulation. Why is it that so many states have not opted? Is it a timing issue, or is there a trend that is moving towards this? Are there any unintended consequences, for example, by imposing significant licensure fees, the assessments we are talking about in here, the regulations, and the burden of that with that? Do we find in the states that have done this it has diminished the number of student loans service providers, and has it maybe unintentionally raised costs? Can you help us understand why more states have not done this?

Amanda Vaskov:

Part of it is, to your earlier point, a trend. We are seeing fewer people get a private education loan from a credit union, a bank, or even have a loan serviced there. The trend is that people are now getting loans from nonbanking entities as well as their loan being serviced by a third party. That is fairly new and why we are seeing licensure for servicers pop up in states across the U.S.

Winston Berkman-Breen:

I would say it is still early on. In 2015, there was one state; in 2017, there was one state; and in 2019, we started to see three or four states a year passing laws like this. We are not in a majority. I think we are actually potentially at a majority of covered individuals. We have a couple of larger states in there which, in terms of student loan borrowers at large in the country, we are at least at a plurality, if not a majority, of folks living in jurisdictions that provide these protections.

To finish up the point my colleague started, it is a slow process for states to pass any level of law. I think we are actually still pretty early on and are seeing successes of states passing it in the first, if not the second, time around.

To answer your question about unintended consequences, we have not seen unintended consequences. If anything, we have seen the natural experiment that there are no unintended consequences. We have heard in earlier states, industry actors come in and say, If this happens, we will have to pull out of the state. We could not possibly service in this state. We would not be able to make loans in the state. They are still in Colorado, and Colorado has some of the strongest student borrower protections in the country at the state level. They keep putting more in, and they have made their intentions very clear about, to your point, commonsense consumer protections. This should not be onerous for an industry whose job is financial services. This is about making sure the onus to navigate the complex system is on the industry actors, not on the individual borrowers. On the fee side, on the business side, or

on the rate of lending side, we have not seen other than natural trends, as my colleague said, away from banks towards nonbanks. We have not seen dramatic market shake-ups. I think that is in large part because historically, up until these laws started to be passed, the majority of enforcement happened at the federal level. There was no place to hide there. You are practicing across the country.

The final thing I will say is there should be diminishing burdens on industry as more states pass this because they almost all have a national platform they work on. They are not mostly creating. It is different call center scripts for different states. They are not creating different underwriting models for different states unless they are required to do so. These types of bills do not require that. By the time you get to the nineteenth or twentieth state, national actors have basically changed their business practices to comply with this. All that remains for states like Nevada is enforceability and accountability—to the extent they treat borrowers here differently than in Colorado. The state should want to be able to remedy that, but their ability to treat these borrowers the same should be straightforward.

Assemblywoman Kasama:

I had several student loans I paid off many years ago. This is for my information because I cannot remember exactly what was disclosed to me so many years ago. This is for regulation of the service providers. Is there still the requirement from all of them that they give a full disclosure to the student who is taking out the loan as far as the intended payments and the interest? Is that only on the federal regulation they are doing that? Is there concern the private lenders are not doing that, or is that covered already?

Winston Berkman-Breen:

This bill does two things: student loan servicing and the origination lending of private student loans. For the origination of federal student loans, that is all at the federal level. In 2010, the federal government actually brought that in-house, so federal student aid within the Department of Education is actually the largest consumer bank in the country. They just originate loans. In this room, we obviously cannot tell them how to do that. They also have good disclosures, so let us set them aside.

On the private side, there are state and federal private laws that relate to disclosure and consumer lending, notably at the federal level with the federal Truth in Lending Act. There is probably a myriad of state laws that apply here, including for licensed installment lenders. To an earlier point I made, those are laws of general applicability to consumer lending. They are not specific to the student loan, private student loan market. There are some things that are relevant to that market that are not relevant for the average consumer loan, auto loan, or what have you. Two examples I can think of are reflected in this bill. One, when they originate a loan to refinance someone's loan—you have a private student loan or a federal student loan, and you want to get a lower rate—you refinance, which is true of refinancing in any market.

With student loans, there are some loan-based rights against prior lenders or the school that you attended. If you have a private student loan and you went to a fraudulent school that ripped you off—low-quality high-cost education—we see a lot of law enforcement actions around this at the federal and state level. The literal terms of your note, the black letter ink words give you rights based on your school's conduct to you against repayment of that loan and against the downstream lender. It is called the Federal Trade Commission Holder Rule, and it is required to be in all consumer products. If you refinance that loan, you lose that because you are taking out a new loan. That new loan did not actually touch the service provider from the original loan.

Similarly, if you have a federal student loan, if you refinance it to a private loan to get lower rates, you lose the entire suite of federal student loan protections, such as Public Service Loan Forgiveness, to income-based payments, et cetera. That is unique to this industry and is articulated in here. It is a kind of disclosure that specific.

Another quick example is cosigners. Other types of loans have cosigners, but they are predominant in the private student loan sector. If someone is going to sign on as a cosigner, this bill provides private student loan cosigner-specific disclosures, making sure they understand how this will show up on the cosigner's credit report, making sure they understand what their financial obligation is, or making sure they understand a cosigner release program—where the lender says, Make a year's worth of payment, you are off the loan—and making sure they understand how that works in the mechanics.

In summary, there are state and federal disclosures that are specific to consumer lending but not to private student lending. That is what this bill tries to address.

Chair Marzola:

Are there any other questions? [There were none.] We will move to testimony in support of [A.B. 332](#). Is there anyone wishing to provide testimony in support?

Kent M. Ervin, Ph.D., State President, Nevada Faculty Alliance:

This is our fortieth anniversary year as the independent association of professional employees at Nevada's public colleges and universities. We work to empower our members to be fully engaged in our mission to help students succeed. Because of declining government support for public higher education over the past 15 to 20 years, student fees and tuitions have gone up dramatically, and those have been funded to a very large extent through student loans. This bill fixes some of the negative aspects of student loan servicing and will make life easier for our students and graduates trying to be responsible with loan repayments. This is also a way to invest in the future talent pool for Nevada, including the amazing student presenters today.

Shelbie Swartz, Private Citizen, Las Vegas, Nevada:

[Read from written testimony [Exhibit D](#).] In my personal capacity as a student borrower, I am currently staring down \$70,000 in student loans.

Before the COVID-19 pandemic, I paid my monthly loan payments six months after graduation, and yet my payments, which were as much as I could afford the three years between graduation and the pandemic, were barely enough to cover the monthly accrued interest on my loan. Once the student debt relief is lifted this summer, I will be facing a \$700-a-month payment.

We are told that student loan debt is the only good debt, but this is false, especially when bad actors are allowed to exploit students with abandon. I am not alone in this struggle. I would like to share a story provided by the Student Debt Crisis Center. LaVonn M. borrowed less than \$6,000 when he decided to go back to college. He is now 75 years old and has not been able to pay off his student loans. His loan, once only \$6,000, has now grown to over \$57,000, which is nearly ten times his original loan amount. In LaVonn's own words, "I will never be able to pay this debt off. I only get \$1,018 a month in social security."

Our student loan system is fundamentally broken and no unsuspecting 18-year-old should be forced to make a financial decision that can alter the course of their financial lives forever and be at the whims of predatory loan officers. Please support this bill to support students and protect them from these predatory practices.

Alexander Marks, Communications Specialist, Nevada State Education Association:

I am speaking in support of A.B. 332. According to the National Education Association, almost half of current educators have had to take on student debt to enter this profession. This reality keeps many talented young people out of the profession and can even push those who do enter it out of it.

Even with the Public Service Loan Forgiveness Program, there were reports of some loan servicers engaged in deceptive practices that did prevent eligible borrowers from applying and receiving forgiveness. By taking steps in A.B. 332, it does seem possible to address some of the predatory practices we have seen in this industry and protect borrowers from harm.

Financially secure educators are less likely to leave their professions, and more stable staffing is linked to higher student achievement and lower costs for districts. Higher education must be affordable and accessible to all. The system seems to be working for the loan providers in the banks, but not necessarily for us. Assembly Bill 332 is simply trying to add in some protections for the consumers.

Kennedy McKinney, representing Nevada Women's Lobby:

I would like to read a short statement submitted by Elsie through the Student Debt Crisis Center.

I am a single parent of a special needs child who is barely making it today.
I owe roughly \$7,000 in student loans, and because of this current economy,
I cannot afford to make the minimum payment of \$5 per month to get my

loans out of collections while paying my other monthly bills and getting food on the table for my child.

This bill will help protect families like this from predatory student loan practices. We want to make sure students are able to access loans but are not victims of unfair predatory loan servicers.

Sheila Bray, Community Partnerships Coordinator for Clark County, Extension, University of Nevada, Reno:

We would like to voice our support for this bill.

Jonathan Norman, Statewide Advocacy, Outreach, and Policy Director, Nevada Coalition of Legal Service Providers:

I was provided a story from the Student Debt Crisis Center, and I will just give you a highlight instead of the whole story. It is about a doctor of physical therapy who started pursuing that in 2002. Now, because of the interest rates, he will pay back double. When we talk in our state about, for example, medical care and the number of providers in mental health, I think addressing how the debt students are taking on to then be in our service array is really important.

When I read this, and I hear about this Aaron H., this is exactly the kind of people we need to retain in our state to provide physical therapy to Nevadans. I think about him staring down having to pay back twice what his education cost and to think it is a nexus of profit for somebody. When we look at it, we should be looking at what the cost of education is and what the cost of servicing the loan is without having a profit in there. We support the bill.

Eric Jeng, Acting Executive Director, One APIA Nevada:

I am here to advocate for the growing Asian Pacific Islander community. Across the nation, Asian American students have the highest financial need when it comes to student loans. Asian American students average \$1,500 more for the national students. The pervasive model minority narrative around Asian Americans and their upward mobility through education masks the vast disparities among our community subgroup population. We do have the highest and widest income disparity, and making higher education accessible and affordable, especially with this student loan bill of rights, has been something we have been advocating for last session and the session before with the creation of an ombudsman. We are in full support and urge you to support this bill.

Athar Haseebullah, Executive Director, American Civil Liberties Union of Nevada:

I am a student debtor who leads a team of other student debtors, and we support this bill. I really appreciate the work that Ms. Vaskov put in to getting this bill together.

Hollie Donner, Private Citizen, Las Vegas, Nevada:

I have had a student loan my entire adult life, and I am now on the tail end of making my student loan payments. Last year Utah Higher Education Assistance Authority got out of the servicing of loans. When they sold my loan to get out of servicing, the Pennsylvania Higher

Education Assistance Agency got my loan to service. Now I have a problem with Pennsylvania servicing a loan that exists in the state of Nevada. Now I am held to Pennsylvania's certain circumstances.

I always paid ahead in my loan. As a self-employed person, sometimes I have to depend on my clients to pay me so I can pay my bills. I always have a pay-ahead status. This time last year, they did away with a lot of pay-ahead statuses, overpayments, and underpayments to the point where I spent more time in the last year dealing with my student loan than I have in the prior 20 years I have had to deal with my student loan.

I was told at some point that if Nevada had passed the student loan bill of rights in the last session, I would not be in the situation I was in. To find out it failed by one vote really got to me. I just wanted to say, we think about people at the start of a loan and not so much at the end of the loan. If I can help my fellow student loan borrowers by speaking out about student loans and the customer service end of it, I will. What really got to me at the end of the day is the Commonwealth of Pennsylvania had more control over a citizen of the state of Nevada than the state of Nevada had protections for me.

Erin Rook, Private Citizen, Las Vegas, Nevada:

I am here to testify in support of A.B. 332. Given the magnitude of the student loan debt crisis in this country, it is really imperative those seeking to profit off that are held to a high standard of conduct, as it is an area ripe for exploitation. Student loans are many young people's first experience with debt, and they are not always aware of the consequences of the loan agreements they enter into.

They are also led to believe their postgraduation careers will easily cover the cost of loan repayment. Unfortunately, this is not always the case. Instead, many graduates find their monthly payments are making little impact on their overall debt, sometimes barely covering the interest on the original balance. This persistent debt limits borrowers' ability to finance the mortgage or graduate education and shapes their future prospects.

While I have been dreaming about going to graduate school for years, I know that I cannot afford to add to my existing student loan debt that I carry despite having received a full tuition scholarship. Before you ask, no, the dorms were not that nice and the cafeteria food was not that good.

Combined, my husband and I owe more than \$100,000 in student loan debt. I know a master's degree would likely increase my earning potential, but it is hard to justify adding to an already high balance. While this bill will not erase that debt, it will help to ensure future student borrowers are protected from exploitative practices from unlicensed loan servicers. I urge your support and thank you for your consideration.

Christine Saunders, Policy Director, Progressive Leadership Alliance of Nevada:

I am here in support of A.B. 332. I myself am one of the over 300,000 student loan borrowers in the state of Nevada. Despite a number of scholarships, I borrowed nearly

\$100,000 in Federal Direct Graduate PLUS Loans to complete my master's in social work from the University of Denver. For these loans, I was assigned a servicer at random. My first loan servicer sent me into a panic when they called and tried to convince me I needed to start paying a week before graduation. Luckily, my university's financial aid department clarified that the law was that I did not need to pay until six months after graduation.

In the nine years since I graduated with my master's, my loan service company was changed on me three times. I then also consolidated them federally and eventually refinanced my loans with my credit union to get an interest rate less than half of what I have been paying.

Student loan debt in Nevada amasses nearly \$11 billion. Ultimately, this debt impacts our state's economy by lowering the rate of homeownership, slowing the growth of new businesses, and delaying retirement savings. Student loans are stressful enough on their own. Having to deal with the companies who manage them is an added burden. Assembly Bill 332 will ensure student loan borrowers receive fair and objective treatment, credit protection, and timely, honest communication. When we protect Nevada's borrowers, we help protect Nevada's future. We urge your support.

Jorge Martinez, Private Citizen, Las Vegas, Nevada:

[Read from written testimony [Exhibit E](#).] I support A.B. 332. I represent many communities as a first-generation Latino graduate. I come from a program on the east side of Las Vegas called Leaders in Training. I am a business management graduate from the University of Nevada, Reno. I currently work as an accountant. I support this bill, and as a reminder, I am nonpartisan but vote Democratic.

Another reminder is this bill is for protection of borrowers, not loan forgiveness. I worked day and night during my university career. I graduated in 2020 and took loans to survive with no job market. I was kicked off campus and kicked out of my rental unit due to the health climate, and I had no home. I now have a job in my community, chasing another degree while working day and night with new loans on a new degree since my degree does not suffice for an equitable home and/or basic living. That is something else. I support Representatives Jayapal, Sanders, Warren, and this bill. Please help our communities build the future. I urge your support.

Hieu Le, Private Citizen, Las Vegas, Nevada:

I am testifying in support of A.B. 332 as a student at the University of Nevada, Las Vegas. I took in a lot of college loans in my life. I left with a debt of \$1,000, which was not crazy big. At the moment, I have taken another loan for my master's program. Student loans are detrimental to moving on through day-to-day life and pursuing a better education. By helping support this bill, this will help out a lot of undergraduate students, graduate students, and all my friends.

[Letters in support, [Exhibit F](#) and [Exhibit G](#), were submitted but not discussed and will become part of the record.]

Chair Marzola:

Is there anyone else wishing to testify in support? [There was no one.] We will move to testimony in opposition to A.B. 332. Is there anybody wishing to testify in opposition? [There was no one.] We will move to neutral testimony. Is there anyone wishing to testify in the neutral position on A.B. 332?

Brian Reeder, representing Nevada Credit Union League:

Nevada credit unions issue very few student loans, but it is something we like to be able to offer to our members. We just want to thank the bill sponsor for meeting with us and speaking with us. We look forward to working with the bill proponents to determine how this impacts our member credit unions.

Connor Cain, representing Nevada Bankers Association:

I am testifying in neutral. I would like to say ditto to what Mr. Reeder said. I would also like to compliment the proponents, in particular Ms. Vaskov, who reached out to us well before session even started to talk about this bill, and it was extremely helpful.

Sandy O'Laughlin, Commissioner, Division of Financial Institutions, Department of Business and Industry:

We are here today in neutral. We have worked with the stakeholders, and we want to thank the bill sponsor for including the Division of Financial Institutions in the early discussions. We are here for any questions.

Chair Marzola:

Is there anyone else wishing to testify in neutral? [There was no one.] Assemblywoman Peters, would you like to give any closing remarks?

Assemblywoman Peters:

To summarize, A.B. 332 changes the regulatory setting by establishing clear rights for student borrowers in the state and establishing rules for conduct for student loan servicers. We already do this for banks, credit unions, mortgage lenders, installment lenders, debt collectors, check cashing, title loans, and payday loans. It is time to update Nevada's law to cover student loans, which are the fastest-growing debt markets in the state and in the nation.

As you heard from neutral testimony, we are continuing to work with stakeholders on the implications of this bill to areas that maybe are not intended to be impacted, as their jurisdictions and obligations are of a different measure than other potential creditors in the state. We will continue to work with them and hope for a good and reasonable resolution.

Ms. Vaskov, I have to give you some significant credit. You have run this bill as a champion for student rights. To your credit, everyone in the building has seen you doing that job. I am going to let you have the final words on this.

Amanda Vaskov:

Thank you for your kind remarks, and thank you for working with us to bring this forward again. I want to underscore the urgency of this, given that the pause on loan repayments is going to lift here soon, and thousands of student borrowers will have to navigate the system that does not work for them at the moment.

Again, I am looking forward to continuing to work with those who testified in neutral, and I am thankful you heard us out today. I know this is highly technical and not the most exciting thing, but this is our future. I appreciate your listening to us today.

Chair Marzola:

Thank you to you both for bringing this bill. I will now close the hearing on A.B. 332. I will now open the hearing on Assembly Bill 176, which revises provisions relating to housing.

Assembly Bill 176: Revises provisions relating to housing. (BDR 10-226)

Assemblywoman Cecelia González, Assembly District No. 16:

For the bill hearing today on Assembly Bill 176, I wanted to read an excerpt that was published on the American Bar Association (ABA) website by authors Antonia K. Fasanelli and Phillip Tegeler, regarding source of income:

A few years ago, Jill Williams, an honorably discharged veteran of the U.S. Coast Guard, received a special housing subsidy for U.S. veterans to help her pay for housing. Williams was homeless at the time and living in the Baltimore region of Maryland. Because of her honorable service to the United States, she was entitled to a VASH voucher—a kind of Section 8 or Housing Choice Voucher—made available to homeless veterans with disabilities.

Williams took the voucher to landlord after landlord in Baltimore County—a jurisdiction that surrounds, but does not include, the city of Baltimore—seeking to rent an apartment. Williams, who has decent credit and no criminal history, was repeatedly turned away and told "we do not accept Section 8." She estimates that she visited over 20 landlords before quickly renting an apartment in a less desirable neighborhood because she was about to lose her time-limited voucher and, therefore, her only chance at housing. In her own words, "I was good enough to serve my country, but not good enough to live in your neighborhood."

This kind of housing discrimination Williams experienced is called "source of income discrimination" and refers to the practice of refusing to rent to a housing applicant because of that person's lawful form of income. Often the denial of housing will serve as a pretext for a prohibited form of discrimination and disproportionately affects renters of color, women, and

persons with disabilities. As a result, source of income discrimination contributes to the perpetuation of racially segregated communities and neighborhoods with concentrated poverty.

At this time, I would like to turn the presentation over to Athar Haseebullah from the American Civil Liberties Union (ACLU), who has been doing the groundwork on this issue.

Athar Haseebullah, Executive Director, American Civil Liberties Union of Nevada:

I am a civil rights attorney by background. I have had the pleasure of interacting with you many times before. I am happy to work with Assemblywoman González on this specific issue.

In Nevada, we do not singularly have an affordable housing crisis. We have an available affordable housing crisis. Currently in Nevada, landlords can refuse to rent housing to applicants simply based upon the applicant's source of income, whether that is a housing voucher, social security, disability, regular child support, or any other secure sources of income that are lawful. For too long, there have been pretextual denials of individuals and rental applications under the guise of simply not accepting a subsidy. This continues to drive down available affordable housing and exacerbate our current housing crisis while having a disproportionate impact on communities of color.

This narrow bill can actually help change that. With the passage of this bill, property owners and landlords will no longer be able to simply immediately deny housing to otherwise eligible tenants with valid secure income sources. Source of income antidiscrimination laws are increasing in popularity to match the housing affordability crisis. In at least 18 other states and over 80 jurisdictions, there have been laws adopted to codify provisions similar to this.

This bill is quite narrow, as it permits landlords to still conduct background checks, set income parameters for rentals, and look at the tenants' rental history. Housing Choice Voucher (HCV)—or sometimes referred to as Section 8—has many misconceptions associated with it. First and foremost, an individual who has an HCV voucher cannot have any other income, which is factually untrue. You can have other income. Most often, these individuals do have other income. The other misconception that continues to exist regularly is that there is a registry for landlords to enter into if they are to do this. This is also not the case. In order to rent to a potential tenant who has an HCV voucher, all that would be required is for the landlord to fill out a registration form. There would be a corresponding match after a vetting process that occurs as the landlord would ordinarily do. There does tend to be an inspection, and that is done to make sure it is in a livable condition, as we should all hope for under the laws of the state. Then the landlord would receive a subsidy to offset a portion of the rent.

We say this bill is narrow for that specific reason. It does not go above and beyond anything that should already exist under law. It simply codifies that anyone with a lawful and sustainable source of income should not be subject to discrimination based on that. We have

recognized—based on the history of redlining that has existed, and I do not need to lecture this Committee on that—this is a common trend that has occurred. At the ACLU of Nevada, we have received complaints over and over about applications being denied because an individual has a Section 8 voucher or because they have a child support order, and that is not viewed as being sustainable enough. The stigma that is associated with receiving a subsidy or a voucher does not entice many landlords.

We also believe this bill is narrow because it creates certain carve-outs for mom-and-pop landlords. These are individuals who are leasing out one other rental property, not a corporate landlord who has dozens of them who can certainly fill out the application and go through the process as anybody else would if this sustainable source of income is being paid in the form of a rental.

At this time, I will go over the specifics of the bill. I do want to make sure I leave enough time for questions. I have heard some rumblings about what this bill would and would not do. I needed to make sure I shared some of those misconceptions with you all, namely with respect to the income levels because that keeps coming up over and over, and the preclusionary aspects that otherwise might exist.

Sections 1 and 2 of the bill simply add the words "source of income" to the Nevada Fair Housing Act, which currently bans discrimination based on other personal characteristics. Section 4 defines "source of income" to mean:

any lawful, verifiable source of money or housing assistance paid to or on behalf of a person seeking to buy or rent a dwelling, including, without limitation:

1. Money from any legal occupation or activity.
2. Money from any contract, agreement, loan or settlement.
3. Money from any judgment, decree or order from a court of competent jurisdiction, including, without limitation, an order for the payment of child support.
4. Money or other benefits from any federal, state or local governmental program or service, including, without limitation, any disability benefits, housing choice voucher or any other subsidy for rent or program for the assistance of rent.

Section 5 gets a little more specific for folks—including landlords and property managers—in what can and cannot be based on for source of income and what can and cannot be advertised as well. This includes that you cannot refuse to sell, rent, or negotiate for the sale of a rental or dwelling in a discriminatory fashion towards those who have a source of income that, again, has been established pursuant to section 4. You also cannot charge more

for brokerage fees, deposits, or for services or facilities therein, or advertise an intention to make any preference, limitation, or discrimination based on the source of income. You would not be able to advertise and say, "No Section 8 vouchers permitted." You represent that any dwelling that is not available for inspection, sale, or rental to include that when it is available. There would be a prohibition on coercion, intimidation, threatening, or interference with a person in the exercise or enjoyment of that right. It also states that prospective tenants who are rejected must be provided with a written notice that states the reason for that rejection.

The rest of the bill also makes several conforming changes. I have already mentioned one previously, which includes a specific carve-out for a landlord with one rental property, and not more. When we say mom-and-pop landlords, that is what we are referring to. Hopefully, there is some sort of common language around what that means. With that, I am happy to answer or entertain any questions the Committee might have.

[Supporting materials, [Exhibit H](#), [Exhibit I](#), and [Exhibit J](#), were submitted but not discussed and will become part of the record.]

Assemblywoman Backus:

I have a couple of questions. It may be here somewhere or somewhere else in another area of law I am not familiar with. In section 5, subsection 2 that you covered, it states, "If a person refuses to rent a dwelling to a prospective tenant, the person must provide the prospective tenant with a written notice that states the reason for the refusal." Is this the first time we are putting this into Nevada law for when you do not rent to a person?

Athar Haseebullah:

To my knowledge, within the context of these types of denials, yes. This would be the reason why it is included. I do not believe in any of the other provisions under Nevada law at this point, if it falls within a characteristic denial, that would ever be shared. Obviously, it would be subject to litigation at that point. I do believe this is the first time it is included within this provision where that notice would need to be provided.

Assemblywoman Backus:

How I am reading it, it seems like you would have to do this every time you deny someone a space in whatever complex. I do not think people are doing that right now. It sounds like this law is going to start mandating it, so that is what I wanted to understand.

Athar Haseebullah:

Yes, I believe that is correct. We believe that would be a valuable thing, particularly because for many applicants whose application fees have also been collected, those individuals have not received any notice other than there has been a denial. If there is a denial based on a specific reason, such as this, that would need to be shared. If there is no availability or it was rented to another individual, normally there is a courtesy that is shared in that regard,

specifically when an individual's potential apartment or home has been rented out to another individual. In practice, it generally does happen, but with respect to this specific provision, it has not, and it would mandate it moving forward.

Assemblywoman Backus:

I wanted to just get clarity on one aspect. A lot of affordable housing is limited by the average mean income, and if someone was rejected a unit because they were above the average mean income, that is not what this bill regarding source of income is intending as a discriminatory practice.

Athar Haseebullah:

That is correct. It would not provide any of those provisions. Again, the other provisions that would still exist would not be modified through this bill, including past tenancies or the amount of income that is necessary. This does not modify any of that. I will say, of course, there are income restrictions in terms of the amount that a voucher might provide, if we are talking about an HCV voucher and the amount of income you can generate and bring in per household in order to qualify. With respect to everything else, no, that would not be modified and would not be a basis for preclusion or otherwise be impacted by this bill.

Assemblywoman Kasama:

I have a few questions or comments. When we talk about the source of income, for example, in Section 8 on the housing, the voucher is up to a certain amount. Then there is a difference. Let us say the voucher is for \$1,500 and somebody is applying for a \$2,000-a-month rental. The tenant would be responsible for the \$500 difference. How does that figure into this bill? I am a landlord, and if I am looking for the ability to pay—because I have a property management company and I am representing the owners of the property—I have a fiduciary responsibility to show they can meet the rent for 12 months if it is a 12-month lease. How is that taken into account? We do have some Section 8 we accept, and we accept vouchers. Frankly, we look at if a person has alimony or child support, and we count that as part of their income. We are already doing that because that is a steady stream. Would this say it does not matter what that difference is, and how can I confirm you can pay that difference for 12 months? I do not see that being addressed here. It is saying you cannot discriminate on source of income.

Athar Haseebullah:

That would not be included because the specific basis for this would be that the actual total amount of income necessary for that rental unit. For instance, if the annual amount of income that was necessary, or able to be shown, was \$24,000 in potential affordability, you take that as the aggregate, and you would include this portion within it. What this would not allow you to do would be to say, We are not going to consider any portion of this. We are not going to rent to anybody with Section 8. That actual utilization of that voucher cannot be the basis for denial, which was in fact the purpose of it. As a landlord myself, "mom and pop" definition per the American Civil Liberties Union, I can also mention I had a tenant before who had a subsidy, and who also had a portion of their rent that was covered by their own income. It did not rise to the level of the potential full rental payment. That offset was

paid in that form. What would not have happened—and what sometimes we are seeing right now in the community—is there are certain landlords that will simply state, I am not renting to someone who has Section 8. Much of that is rooted in stigma, but this bill would not modify. Again, the other qualifications that are necessary, as so deemed by the landlord, still must apply as long as they are congruent with the rest of the provisions under *Nevada Revised Statutes*.

Assemblywoman Kasama:

I used to rent in Washington State as well. With Section 8—it should not be because it is a federal U.S. Department of Housing and Urban Development program—it seems there are differences in how those programs are run in each state. I have owners who perhaps in one state will accept it and not in another because of how the programs are run. Currently, it is up to the owner if they want to be part of that program or not.

The other concern I have is some of the sources of income might not last for 12 months. Let us say there is unemployment, and if that is only going to last for 5 months, then if I rent for 12 months, I am not doing my duty to my owner to say I verified somebody can pay for 12 months.

Athar Haseebullah:

We are happy to tighten that language if necessary. I think that is a valid point. The intention is for the duration and period of the actual lease term, and to preclude that portion. Obviously, the positions in language with respect to ownership would not apply because that would be instant. With respect to that rental period, that language can certainly be modified at that point. The intention is to cover that period. When you are looking at someone's income in advance, that would not be preclusionary. If there is an expectation they would be able to reach the income threshold as necessary and determinative by the landlord, at that point, it should not be preclusionary.

The other item I would mention is much of this on the front end does become speculative. As we all know, income, as it stands, could also be lost six months down the road. The most we can do is when we set those parameters early on to preclude the ability to utilize that source of income as a basis for a denial when we recognize those types of funds are going to be coming in. Arguably, with respect to the majority of the items mentioned here, specifically with respect to housing choice vouchers and court orders that are extended beyond a period of time, those are far more stable than other forms of income because they are guaranteed. Effectively, there is an order that is requiring such.

Assemblyman Yurek:

I think I am following up on some of what my colleague was just asking. I see, at least I think I see, what your intentions are on this. I think it is horrible that based on some stigma there are landlords out there and certainly bad actors who might deprive somebody of a place to rent. There are discrimination laws on race and all of that would come into play. I guess my concern is landlords, like everybody else, have their own financial obligations. They

need to service their own debt. It would seem the vast majority of landlords out there truly are looking for somebody who can pay their rent so they can collect their revenue to offset their debt.

Tying along with my colleague's questions, considering source of income, it would seem to be a legitimate concern or question. I think you alluded to it in your last answer. Denial on Section 8 housing would purely be based on some stigma because that is a regular stream of revenue that would be coming in. As you said, there are times where they might lose their job and not be able to pay for it. I can think of, for example, people who have court orders for child support. I know there are a lot of fathers, but it could be mothers as well, who do not pay their child support obligations. There might be court orders or perhaps revenue that is derived from a contract where people do not do that. It would seem to me it would be appropriate to take all of that in consideration when calculating the risk for a potential tenant. Can you help me understand why some of those—in light of your greater concern on stigmas and maybe discrimination—are not legitimate concerns for a landlord when assessing the risk?

Athar Haseebullah:

I am glad to hear your support for at least the Section 8 portion of this bill. Again, if we need to get a bit narrower with respect to some of those parameters, we can do that. To the point about denials and summary denials of what effectively ends up being a source of income discrimination, at least the majority of these provisions—when we are starting to look at things like child support, a court order that has been in place, a voucher or subsidy of some sort, or another benefit—normally, those are ordered for a specific period of time. The financials associated there are also included when those determinations are made by a competent court.

If we run into a situation where there is not a stable or a steady source of income, it would not meet the qualifications of what occurs. This is not about, to your point, the vast majority of landlords who are simply trying to have their expenses covered. What it is doing is protecting against the slew, and a rising number, of landlords we are seeing who are choosing to specifically state, We do not want to rent to individuals who do not fit a specific category or characteristic of a tenant we trust, which generally comes in the form of people of color, people who are low income who receive a subsidy, and things of that nature. Low income, for purposes of rent in this specific space, does not mean your rent will not be paid. You have furnished proof there is a guarantee your rent, in fact, will be paid.

I think for some of the items you mentioned that are not necessarily coming in the form of the same guarantee as a federal subsidy, there is still a court of competent jurisdiction within the state of Nevada that has made that determination. Obviously at that point, if there are income parameters or any other qualifications a tenant does not meet, they would be subject to a potential denial based on that. It cannot be utilized based on the sources of income.

Assemblyman Yeager:

I have a clarifying question. I think I know the answer, but I want to get it on the record. Under section 4, with the source of income—kind of in line with what Assemblywoman Kasama was asking—a lot of these make sense to me, but then I see loan, judgment, decree, or order of the court. Obviously, child support normally is a regularly occurring thing. I wanted to confirm that when a landlord is doing the check of the financial status, they are allowed to take into consideration the amount of the judgment. If the judgment or the loan is not enough to cover what they would consider to be the term of the lease, they would be able to reject based on the fact that overall, you do not have enough funding. The intent of this bill is to say if you have enough and part of it is one of these things, you cannot reject based on one of the things listed under source of income here.

Athar Haseebullah:

Yes, that is correct. Specifically with respect to those items, the reason why we had that language included, including judgment, decree, or order of a court, is a tenant could furnish proof of what that order looks like. Again, that could be included within the aggregate sum necessary to determine whether or not there is sufficiency there with whether or not the rental obligation to be paid.

What it will not allow is for the opposite of that to happen, which is you furnish proof of it, and you still have that amount that is set. Let us say you have a judgment for \$2,000 total, and your rent for one month exceeds that. Nothing in this bill would permit or require that a landlord attempt to rent based on that characteristic. If you do have proof available that you have sufficient funds to pay, what a landlord would be unable to do would be to say, We are not going to honor that as a form of payment, and the only thing we will consider is your W-2 wages.

Chair Marzola:

Are there any additional questions? [There were none.] We will move to testimony in support of A.B. 176. Is there anyone wishing to testify in support?

Christine Hess, Executive Director, Nevada Housing Coalition:

The Nevada Housing Coalition is a statewide nonprofit to promote and advance housing solutions. Research shows Nevada has only 17 homes that are affordable for every 100 individuals or families looking in Nevada. This is the most severe shortage of affordable housing in the country. This means 83 of every 100 families, veterans, seniors, or workers will be facing multiple barriers to finding a place to live. Assembly Bill 176 will remove at least one barrier that sometimes does not even allow the dream of a home to begin because it may start with an advertisement—No Section 8. Yet housing choice vouchers, formerly known as Section 8, proved to be one of the most reliable sources of income for low-income households throughout the COVID-19 pandemic and its financial uncertainty. By eliminating source of income discrimination, our state can open doors for more housing options for our Nevadans.

The Coalition is committed to working with our private sector partners for education and awareness for the various programs along with our public partners for streamlining and improvements. We hope the Legislature will take action to do its part and make source of income discrimination illegal in Nevada. We fully support A.B. 176.

Elvira Diaz, Private Citizen, Sparks, Nevada:

I am going to talk about my neighbor Maria. Maria has Section 8. She has been threatened to be evicted three times. We have been neighbors for almost 13 years. Discrimination against tenants based on the income source is unfair, and it is unjust. Everybody deserves access to safe and affordable housing, regardless of how they make the money. No one should be denied housing because of their job, their government assistance program, or any other legal source of income. It is morally wrong to discriminate based on income. Also, by denying them housing, the landlords are missing out on potential long-term renters with stable income. Thank you so much for supporting my neighbor.

Mendy Elliott, representing Southern Nevada Regional Housing Authority; Nevada Rural Housing Authority; and Reno Housing Authority:

Section 8 vouchers are so important to the housing authorities. It is a vital tool, and we work well with our partners. Our partners are the Realtors and the Nevada State Apartment Association, and we understand there are some concerns and perhaps some tightening of the language of the bill. For content, the Southern Nevada Regional Housing Authority opened up their Section 8 voucher for applications. On the first day, they received 17,000 applications. The total number of vouchers the Southern Nevada Regional Housing Authority has is 11,500. The Southern Nevada Regional Housing Authority has 2,431 properties, so we have to work with our partners—the Nevada State Apartment Association, as well as the other mom and pops, and the other landlords in the valley. The Reno Housing Authority has 3,590 vouchers, and Nevada Rural Housing Authority has 1,400 vouchers. We do not have enough vouchers for our state. That is an issue, and it is a topic for another day.

I did want to let everyone know that there is such a need, and we are certainly supportive of this bill and appreciate the bill sponsor and the intent of this bill. We look forward to working with the opposition as well as the bill sponsor to see if we can come to some type of resolution that will meet the needs of, most importantly, the Nevadans.

Sarah Adler, representing National Alliance on Mental Illness-Nevada Chapter:

An important part of the support we provide in Nevada to the mentally ill—that National Alliance on Mental Illness provides and others, many of whom are homeless—is assisting them in gaining access to Social Security Disability Insurance, which unfortunately they are likely to retain forever, but disability benefits become a regular income stream. To prevent homelessness among this population, what they need next is stable, affordable housing. We very much appreciate that A.B. 176 includes disability benefits among those sources of income against which landlords may not use as a reason not to rent.

In closing, I want to reference to you that if we want to understand source of income discrimination and other forms of discrimination that have been perpetrated in our country, Richard Rothstein's book, *The Color of Law*, spells that out for us, and it is tragic. If we can remove source of income discrimination, we are taking a big step in the right direction.

Shelbie Swartz, representing Battle Born Progress:

[Read from written testimony [Exhibit K](#).] We are here in strong support of A.B. 176 for our own organization and as a member of the Nevada Housing Justice Alliance. This bill is necessary to combat the rent and housing crisis facing Nevadans. Currently, folks who are receiving federal affordable housing vouchers, social security, disability, or other types of state or federal assistance can be denied the ability to rent despite all of these things being stable, legitimate sources of income. Assembly Bill 176 will protect these tenants by ensuring landlords or rental agencies cannot simply deny them housing because they do not like the fact that they receive some type of federal assistance.

During the height of the COVID-19 pandemic, we and other groups helping people stay in their homes heard countless stories about landlords who were trying to evict people despite receiving or applying for rental assistance. It was a slap in the face to people who are just trying to avoid getting behind on rent. They were discriminating against people who were just trying to get by when folks were out of work, struggling with skyrocketing rental costs, and trying to keep a roof over their and their families' heads. Nevada should not let this continue to happen. It is disgusting, discriminatory, and yet one more example of the power imbalance between tenants and landlords. Please pass A.B. 176 to stop source of income discrimination.

Nicole Winckelmann, Policy Intern, Nevada Coalition to End Domestic and Sexual Violence:

I am here today in strong support of A.B. 176. Equitable access to housing and violence prevention are directly linked. A common question asked of victim-survivors is, Why does the victim not just leave? What this question does not acknowledge are the extremely limited affordable housing options in Nevada, further limited by discriminatory practices committed by landlords. Unfortunately, victim-survivors of violence are also victims of financial abuse—leaving them with stigmatized income like Section 8 housing or other financial resources and vulnerable to financial discrimination by landlords who disqualify them from otherwise accessible affordable housing. Victim-survivors are then often faced with the risk of homelessness or remaining in unsafe homes where they risk further abuse and even death.

Prohibiting the discrimination of those with limited income in securing housing is a crucial measure needed to eliminate the systemic perpetuation of violence. Landlords and housing providers must be held accountable for discriminatory practices and the part they play in reinforcing harmful stereotypes. Housing rights are human rights, and we urge your support of this bill.

John Solomon, Private Citizen, Reno, Nevada:

[Read from written testimony [Exhibit L](#).] I am in support of A.B. 176. I am a member of Faith in Action, and homelessness is an unacceptable blight on our society. We cannot allow it to become normalized. It is a tragedy unfolding in front of our eyes. The elderly are the fastest-growing demographic among the homeless. This bill would open up more viable options for elderly citizens for their housing needs, keeping them off the streets.

I am a landlord, and I am for A.B. 176 because discrimination of income type is used to discriminate racially, against people who are disabled, and the elderly. There is no good reason to discriminate against people on fixed income. It is a bad business model. A Section 8 housing voucher gives the landlord low vacancy rates, guaranteed income on prescreened tenants, and built-in advertising on empty units. If you own lower income housing, you want to minimize costs, and the biggest costs are caused by turnover and evictions for unpaid rents. Section 8 tenants minimize these costs. There are requirements using Section 8 that landlords keep the units in good repair, which is something that every landlord should do anyway. The unit is the landlord's capital investment and maintenance of the unit is preserving the investment.

Jamie Tadrzynski, Private Citizen, Las Vegas, Nevada:

To be honest, I did not intend on speaking on this. I moved here from Philadelphia eight years ago, and my little sister is a lawyer there. She went to Temple University Beasley School of Law, and she called me one night and she said, You are not going to believe this. She was in a contract law class, and they were talking about housing needs across the nation. They use Nevada as an example of what not to do. In law school in Philadelphia, they are using Las Vegas as an example of what not to do.

I also work for the Clark County School District. I was at Valley High School for three years, and I have been at Canyon Springs for five years, both of which are in traditionally underserved communities. When the COVID-19 pandemic happened, many of my students lost their homes. They had to consolidate. They moved three families into a single apartment. Some of them lost that completely when landlords realized there were 12 people living in an apartment, but 4 on the lease.

The school district also passed new regulations about housing and zoning. When families could not provide proof of where they were living, the students were not allowed to enroll. What ended up happening was you had elementary and middle school kids who missed a month of school because they could not prove they had a place to live. What happened at my high school is I had kids who just gave up and who had a job. They figured, I do not need high school anymore because you will not let me attend anyway because I cannot provide you a water bill to prove that my family actually lives there.

When our kids leave school, many of them are not going to go back. If you are not finishing high school, your quality of life is automatically going to start decreasing. It is going to contribute to that awful cycle of houselessness, of homelessness, of being home and food insecure. I am seeing that happen in my community. I work in North Las Vegas, but I live on the east side.

I want to give you that perspective that not only is it discriminatory for the families, but it is directly impacting our students. It is impacting our future because our kids are literally not being allowed to attend school in some cases because they cannot prove their living situation.

Jonathan Norman, Statewide Advocacy, Outreach, and Policy Director, Nevada Coalition of Legal Service Providers:

The sponsor had me at, "The ABA says" In preparing for this hearing, I read that same article the ABA published on source of income discrimination and how it harms our communities and how we can do better. Otherwise, I will ditto the previous commenters, except Las Vegas is awesome and Nevada is awesome. I am going to put that on the record.

Jeffrey S. Rogan, representing Clark County:

Clark County is in support of A.B. 176. During the COVID-19 pandemic, Clark County passed and approved an ordinance that prohibited discrimination against any prospective tenant based upon their identified source of income. That ordinance expired with the end of the state of emergency.

Clark County is supportive of the statewide effort to address this issue. The housing choice voucher program was designed to help low-income families secure affordable housing in the private market. However, funds from rental assistance like housing choice vouchers are not based on population. We have seen fast-growing areas like Clark County see expanded need and limited resources to match. With long wait lists, our Social Service Department has seen firsthand how difficult it can be to obtain housing choice vouchers for our community, only to be unable to find a landlord willing to accept them. We urge you to support A.B. 176.

Matthew Wilkie, Private Citizen, Carson City, Nevada:

I am here to express my strong support of A.B. 176 that would prohibit discrimination in housing based on source of income. Housing discrimination is a serious issue that affects many individuals and families, particularly those who rely on government assistance programs to pay for housing. This bill would ensure that individuals are not discriminated against based on source of income, such as Section 8 vouchers or other government assistance programs. This is an important step to promote fair and equal access to housing for all individuals regardless of their income source.

This bill would also require landlords who refuse to rent to a prospective tenant to give a written notice which states the reason of refusal. This provision is crucial in ensuring the transparency and accountability, and it provides a means for individuals to challenge these discriminatory practices.

Lastly, this bill provides penalties for violations of the law, which is important to deter discriminatory practices, and sends a message to landlords and property owners that discrimination will not be tolerated here in Nevada.

I urge your support of A.B. 176, as it will ensure all Nevadans safe, accessible, affordable, and stable housing regardless of their source of income. Discrimination has no place in our state. It is time we take action to address this issue.

Tony Ramirez, Government Affairs Manager, Make the Road Nevada:

We are a Nevada-based nonprofit that focuses to elevate the immigrant working class community. We are here in strong support of A.B. 176.

Alma Lozoya, Political Intern, Culinary Workers Union Local 226:

The Culinary Union supports A.B. 176 and would like to thank Assemblywoman González for bringing the bill forward. During the COVID-19 pandemic, tens of thousands of culinary members were forced to rely on rental assistance to stay in their homes as the government instituted a necessary shutdown of the gaming industry to protect Nevadans' lives. [Unintelligible] income discrimination in housing is unfortunately a necessary step to ensure that rental assistance programs instituted by the government actually have the impact of putting Nevadans in homes. The state has a responsibility to mean it when it tells people it will house them. The Culinary Union supports A.B. 176 and encourages the Committee to support and pass the bill.

Robin Collins, representing Nevadans for the Common Good:

[Read from letter in support [Exhibit M](#).] I am a member of Green Valley United Methodist Church, which is a proud member of Nevadans for the Common Good, a broad-based community organization with 30-plus member institutions and a constituency of over 100,000 individuals across the Las Vegas Valley.

Over the last several years, our members have heard countless stories in small group settings and during neighborhood walks. Housing has been, and continues to be, one of the main topics in these conversations. People tell us about the difficulty of finding and accessing housing, of the cost of housing, and the difficulty navigating the lease process, including discrimination related to source of income.

Many have told us that some landlords will not accept rental assistance. Others who have had a housing voucher stated landlords will not accept the vouchers. There is already a long waiting list for individuals with housing vouchers. There is a local effort to increase the number of vouchers, but this will have a minimal impact if landlords will not accept them.

Clark County did pass that emergency, time-limited ordinance against source of income discrimination during the pandemic. A law on source of income discrimination that includes all sources of legal income needs to be in place statewide on a permanent basis. Assembly Bill 176 provides this protection against discrimination and, importantly, requires landlords to provide an explanation to a prospective tenant if his application is denied for any

reason. This legislation would add an important protection for Nevada's renters, who make up nearly 50 percent of our community. Nevadans for the Common Good encourage you to support A.B. 176.

Jair Guigui, Housing Justice Organizer, Progressive Leadership Alliance of Nevada:

I am here in support of A.B. 176. Under current Nevada law, renters who are reliant on housing choice vouchers, rental assistance, disability incomes, and other benefits may currently be denied housing based on their legal source of income. Preventing discrimination based on source of income will protect vulnerable populations from housing instability and homelessness by removing discriminatory barriers to housing.

Nineteen U.S. states have source of income protections in their state fair housing laws. Over 100 cities across the nation have passed source of income ordinances. Source of income discrimination is institutional racism that is keeping lower-income families in cycles of poverty and trauma. Many of the families I talked to during last year's election cycle told me they were unable to relocate because they relied on rental assistance programs and/or were on very fixed incomes. Nevada tenants are barely surviving right now, and this bill would be a great step in helping Nevadans thrive and not just survive.

Andy Romero, Housing Justice Organizer, Make the Road Nevada:

I am here today to show support for A.B. 176. As the housing organizer, I speak to residents of Nevada every day. One of the most pressing issues we face is the inability of seniors and disabled people on fixed income to afford to live in Section 8 and affordable housing. These individuals are the most affected and least supported. I am here to give them a voice.

It is important to note the majority of those living with a limited source of income are elderly or on their own with no family and loved ones to lean on for support. For those who cannot find affordable housing, facing eviction is a reality. They are left with limited options. Either they move into a group home with no independence and freedom or are left out in the streets. The hard conditions of the Las Vegas weather put their lives in jeopardy, making it all the more important to have, protect, and secure changes for those who are left behind.

At Make the Road Nevada, we explore different avenues to bring affordable and accessible housing into Nevada. There is only so much we can do within our means. We write letters to our landlords and policymakers. We gather in an attempt to unionize, and we started a yard sale to keep each other afloat to pay rent. The reality is, we need a bill like A.B. 176 to ensure these individuals are protected from source of income discrimination. In conclusion, we urge each and every one of you to support A.B. 176. Let us work together to provide necessary protection for our seniors and people with disabilities who are greatly affected.

Marina Behana, Private Citizen, Las Vegas, Nevada:

[Testimony was translated.] I am a Las Vegas resident, senior citizen, and am living on a fixed income with my husband of 73 years. I am here to support A.B. 176, source of income discrimination, because just like many others like me, I am greatly affected.

I already cannot afford affordable housing. Having an additional hurdle like source of income discrimination makes it virtually impossible for me to find safe and affordable housing.

I am no stranger to living in poverty. As an immigrant living in a small town, I learned how to make a dollar out of 15 cents, but these are different times, and I am not as young and savvy as I used to be.

My husband of 73 years and I are living on a fixed income and have no ability to find additional work, not that anyone will hire us. We are struggling, just like many others, and ask each of you to take lead like other states have done in the past and pass this bill. You will be helping so many seniors find and stay in their forever home during their last moments here. Most of us do not have family or loved ones to ask for help. You are our last resort. Please support A.B. 176.

Manuel Cazarez, Private Citizen, Las Vegas, Nevada:

[Testimony was translated.] He had something written, but he spoke from the heart. He is asking to please support A.B. 176, since he has been here for many years and has worked for more than that. He has made Las Vegas his home for over 20 years. He and his wife are on a fixed income of \$800 a month from his pension, and their rent is \$700, which leaves them with \$100 to survive. That is something that is very difficult for him and his wife to do. He asks to please think of the seniors you would be helping, since this would be leaving them in great danger if it does not pass. He thanks you for your time and hopes you can go ahead in the system with supporting A.B. 176.

Tamara Favors, Private Citizen, North Las Vegas, Nevada:

I am in support of A.B. 176. I am a community member living in North Las Vegas since 2020. Like many people, I moved here during the global pandemic with my daughter. Since living in Nevada, I have heard many community members mention the poor living conditions, lack of affordable housing, and an inability to maintain a home due to the ever-increasing rent prices. Community members have received rent hikes upwards of \$600 yearly or even monthly.

Nevada used to be known for its consistent low rent but has changed across the state and now many families are being displaced from their own community. Many people are already working multiple jobs to afford other living expenses with no rental assistance to lessen the burden. It becomes a black hole of a downward spiral that impacts our community. Moreover, some of these barriers also include property owners and landlords who are not accepting other forms of income, such as tip/gig workers, small business owners, or those who receive social security or child support.

I was able to move into a stable home by moving into a family home. Unlike others, I did not have to worry about being thrown out or denied. I do receive other forms of income to support myself and my child. Currently as it stands, I will have to unfortunately be out of my family home this year. I know we are in a housing crisis, and I am terrified of looking for

a new home that will most likely deny me from renting due to having another form of income. I do not have a large support system here, and I do not know what will happen if I cannot find housing.

I am planting myself and my child in a community, and we cannot successfully plant ourselves here if Nevada struggles to foster a thriving community. Our state slogan is Home Means Nevada, and it is part of your job for Nevadans to truly feel like their home state will take care of them. I urge you to pass A.B. 176.

Anna Binder, Private Citizen:

I am calling in support of A.B. 176. I want to echo everything that has been said in support and know this is very close to my family. My mother is on a waiting list. She is elderly and has been waiting upwards of almost two years for affordable housing. My ex-husband, as many things as I can say about him, was also on the list for the three years leading up to his death. He died homeless, waiting on that list for a house that would accommodate him based on his social security income, and that day never came for him. I urge you to support it because there are so many people in our community, not just the elderly, but we also have a large demographic of disabled people who are on fixed incomes as well who need this help.

Adrian Lowry, Organizer, Northern Nevada Democratic Socialists of America:

We are a member of the Nevada Housing Justice Alliance. We have laws to protect people from housing discrimination based on race, gender, disability, and other protected statuses. Many landlords view source of income as a proxy for these statuses to continue discriminating against renters—whether it is based on personal bigotry or if it is due to having received financial harm—from having someone with a lower social status in their property is irrelevant. It is a harm to these communities and will continue to drive the extreme level of housing segregation we have in our state. I agree with the others in support of this bill.

Camarina Augusto, Health Equity Coordinator, Washoe County Health District:

We support A.B. 176. The Washoe County Health District leads two projects every three years: a community health assessment and a community health improvement plan, which I will refer to as the CHIP. The community health assessment assesses the needs in Washoe County, and the CHIP is a community plan that identifies initiatives based on need to improve the health of the community.

In the current CHIP, safe and affordable housing continued to rise to the top as one of the biggest needs. Public health research shows of the social determinants of health, nonmedical factors such as housing, education, and employment have more of an influence on health and health outcomes than health care. When we look at what affects our health, only 20 percent relates to health care, compared to the social determinants of health and physical environment that accounts for 50 percent of an individual's health. What this means for housing specifically is an individual zip code is more of a determining factor of their health than their genetic code. In closing, Washoe County Health District supports the passage of A.B. 176.

Andrew Clarke, Private Citizen:

Thank you to Assemblywoman González for working on this bill and bringing it to the floor. I am in strong support of A.B. 176. In Nevada, there are few legal constraints to stop the price hikes we have seen since the COVID-19 pandemic began. We have no guarantees the price will not hike up further. Low-income renters, including seniors and people of color, are the most vulnerable to the whims of the market.

Section 8 housing is already massively underfunded. Federal Section 8 housing vouchers, in theory, help low-income people keep their housing costs manageable, but only one in four households that qualify actually receive the assistance because politicians do not bother to adequately fund this program.

There is a woman named Jeanette Taylor from Chicago who applied for a voucher in 1993 when she was a single mom of three young kids, living in a too-small apartment with her mother and two siblings. Ms. Taylor did eventually receive a letter from the government informing her she made it to the top of the waiting list, but that was 29 years later when she was an older woman living in Chicago.

For the one in four who actually do get vouchers, I do not believe it is fair for them to be denied housing based on the fact they are paying the Section 8, which seems to be the majority. There is no barometer to being a landlord. I understand some people use that to make much-needed income. However, there are investment firms like BlackRock that are now renting and raising up our rents and the prices of housing.

The average income in Las Vegas is \$31,000. Most apartment complexes and property firms require three times the price of rent. The average rent in Las Vegas is now \$1,200, so our average income does not even line up with the average price of rent. I am in strong support of this bill.

Dora Martinez, Private Citizen, Reno, Nevada:

This is a commonsense bill for everyone. It is inclusive, it is diverse, it is equitable, and it is accessible. I sincerely hope it does pass so people with disability and elderly folks would be able to get affordable and livable housing in the city. Right now, they are in the outskirts of the city. It is really difficult for those people who cannot drive to come in and do grocery shopping, go to doctor appointments, and such because there is no public transportation available to the outskirts of the city.

[Letters in support, [Exhibit N](#), [Exhibit O](#), and [Exhibit P](#), were submitted but not discussed and will become part of the record.]

Chair Marzola:

Is there anyone else in support of A.B. 176? [There was no one.] We will move to testimony in opposition to A.B. 176. Is there anyone wishing to testify in opposition?

John Sande IV, representing Nevada State Apartment Association:

First, I want to thank the bill sponsor. She did reach out to me, and I appreciate the conversation and willingness to have open dialogue about this. I look forward to working with her. The purpose of screening potential tenants is multifaceted, but it is essentially to avoid evictions. We want to find a suitable dwelling for all tenants, and the screening process is an important way to accomplish that.

We have some concerns about the bill. I think there have been good conversations regarding some of the reasons why. For example, the job history is one of them. As we read this bill, it would prohibit looking at the job and the salaries that are associated with that job in screening a potential tenant. Does that mean you cannot look at the job history? A landlord will typically look at the job, the history, the stability of the job, and this is not a bad thing. Those are all important factors as to whether that job will continue for that tenant.

Similarly, housing providers should be able to look further into the overall ability to pay. I think spousal support is another good example. If you are not able to look at whether somebody is on spousal support, does that also mean that you cannot look at the payment history? Is the spouse who is obligated to pay the spousal support on time? Are they continuing to receive those payments? If these are not made on time, this could have a meaningful impact on the ability of the tenant to continue making rent payments.

Also, the judgment is another issue in there. If somebody has a judgment, they might have a million-dollar judgment. Are they not able to look and see whether that judgment is actually collectible? A landlord would typically look at something like that if somebody is using that as their source of income, and it would be important whether the likelihood of receiving that payment will continue.

All of these factors are important, and what this bill would be doing, as we see it as drafted, would be removing valid ways to screen potential tenants. The Nevada State Apartment Association wants to be a valuable partner in solving our housing issues. We look forward to continuing these important conversations to achieve meaningful solutions to all Nevadans. I look forward to continuing the conversation on this bill with Assemblywoman González and hopefully can find something we all can support.

Teresa McKee, CEO, Nevada Realtors:

Nevada Realtors represents over 21,000 Realtor members and over 2,000 property management permit holders. I would echo the testimony in opposition from the Apartment Association through Mr. Sande. I also come here today in opposition to A.B. 176. I will not repeat some of the arguments that were previously made, but I will address a couple of others.

Our property managers largely represent what are called mom-and-pop landlords. These homeowners carefully calculate the financial risk they are willing to take and whether they want to deal with government agency interference when choosing a tenant. The source of income provisions of this bill violate both of those property rights.

First, this bill would require a homeowner to accept funds that may have an expiration date. Many Section 8 housing voucher funds are limited in duration. A homeowner should not be required to fund a 12-month lease to a tenant with only six months of that guaranteed voucher income. It is very expensive to turn over tenants with cleaning, advertising, and a period of vacancy with no income for the property while a new tenant is found.

More importantly, however, is that Section 8 housing and housing vouchers come with a contract, and a contract with substantial homeowner obligations. Both of these programs require inspections, reports, and other duties imposed upon the landlord pursuant to a contract to accept those funds. A contract forced upon an unwilling landlord is not a valid contract.

If we get past the risk and credit issues, the objection is not to the actual source of funds, but the contractual obligations that come with those funds. Our property managers object not to where the funds come from, but the contractual obligations that come with those funds. We have had multiple conversations with the bill sponsor and thank her for those conversations, and we will continue to try to work with her. Thank you for the opportunity to testify in opposition to A.B. 176.

Cyrus Hojjaty, Private Citizen, Las Vegas, Nevada:

Even though there are things I do support because I have heard about how they want to go after big Wall Street firms like BlackRock for buying up housing and jacking up the prices. This is what we have seen after the foreclosure epidemic 10 to 15 years ago. This does not address the fundamental problems in the rental market.

I will ditto the comments made by the previous speakers in opposition. We have to look at why some other markets with physically a lot of land, such as Tulsa and Indianapolis, have much significantly lower rents than Las Vegas. We can learn from them. We have to make it easier to build housing. Not to mention the fact we have to figure out ways to build the kind of housing that is actually affordable. We have tens of thousands of hotel rooms in the Las Vegas Valley. We should use a very similar approach in terms of size and in terms of building housing. We should work with the latest technologies, such as Boxabl and 3D printers, to build thousands of casitas to make it affordable. It is not just the price, it is the type of housing that matters as well.

John Carlo, Private Citizen, Las Vegas, Nevada:

I would like to try to go as fast as I can. To the bill sponsor, she is a very respectable woman. In talking about landlords and the renters' ability to pay, please consider the renters' world in Nevada. Please consider the crime rate in Clark County, which raises the cost of living. Please consider the state's inflation rates for the average renter. In my understanding, Nevada had among the highest inflation rates at 14 percent. Some of the renters in Nevada will grow up in the state's public education. Teaching children in public school financial literacy is concerning this bill.

To the Democrats, would you please stop saying Black and Brown on almost every bill? As a Brown-skinned individual, it sounds degrading to my people to be almost always referred to as financially illiterate. I would like to hear legislators talk about bringing jobs to Nevada. Tell the federal government to stop funding wars. Remember the COVID-19 lockdown that came from Democratic policy.

Tracey Thomas, Private Citizen:

While I appreciate the sponsor's intent of the bill to address sources of lawful income, the text throughout the bill does not stipulate lawful income. Therefore, according to the requirements of this Committee of all or nothing, I cannot support this bill as written. Much like the presenter repeating of the word "lawful" in his presentation, this must be specified in each mention of source of income to keep it clean and clear and reduce any room for misrepresentation. It is also important to define the source of income as being consistent. Perhaps every instance of "source of income" can be amended to "steady source of lawful income."

Finally, these benefits must be reserved for citizens and migrants enrolled in the naturalization program only. Taxpayers cannot be expected to continue to bear the burden of an unmanageable migration into our communities. With that, the support of this bill could be increased.

[Letters in opposition, [Exhibit Q](#) and [Exhibit R](#), were submitted but not discussed and will become part of the record.]

Chair Marzola:

Is there anyone else in opposition? [There was no one.] We will move to neutral testimony. Is there anyone wishing to provide testimony in the neutral position to A.B. 176? [There was no one.] Assemblywoman González, would you like to give any closing remarks?

Assemblywoman González:

First, I want to say thank you so much for hearing this important bill. I appreciate all the stakeholders who have been working on this, and I hope we do get to a place where everyone is comfortable.

What I will say is that when voucher holders are denied the opportunity to rent near their places of work, near public transportation, or in school zones where their children can thrive, they are denied the opportunity to get ahead to the point where they no longer need housing assistance. At the end of the day, that is what A.B. 176 is about. If you would entertain him, Mr. Haseebullah has some closing remarks as well.

Athar Haseebullah:

To be clear, with respect to any opposition testimony that may have come through, this bill in no way, shape, or form, as we have explained, precludes the ability to vet or otherwise assess the ability for a potential tenant to pay their rent. What it does is preclude discrimination based on the source of income, and it cannot be read in any other way. We do not need to go

into the lawful portion because section 4 makes clear from a matter of statutory interpretation that this would apply only to lawful income. We believe, based on widespread community support and everything we have read and heard, that if this Committee does not work session this bill, move this forward, and this does not get passed into law, we are going to be back here two years from now with an even worse affordable housing crisis. The numbers are only continuing to increase. Again, this vetting process has already been spelled out. This is an antidiscrimination bill, and it cannot be, and should not be, taken in any other way.

Chair Marzola:

I will now close the hearing on A.B. 176. I will now open the hearing on Assembly Bill 250, which establishes provisions governing prescription drugs.

Assembly Bill 250: Establishes provisions governing prescription drugs. (BDR 40-782)

Assemblywoman Venicia Considine, Assembly District No. 18:

I want to thank you for your time and the opportunity to present Assembly Bill 250 to this Committee today. Presenting with me is Assemblywoman Natha Anderson, who represents Assembly District 30 in the heart of Sparks. Also, we have Jane Horvath, M.H.S.A., who is here to answer questions. Ms. Horvath has years of experience in health care financing. She was the executive director of Health Policy and Reimbursement at Merck for a decade, focusing on state and federal policy developments including Medicare prescription drug programs and Medicaid, among others. Prior to Merck, she was the deputy director of the Robert Wood Johnson Foundation project at Johns Hopkins Bloomberg School of Public Health. She has worked with state and federal officials, nonprofits, organizations, and commercial entities. Also, here to help answer questions is Kate Marshall, senior adviser to The Impact Project of the Hopewell Fund, who also has served as Nevada's State Treasurer from 2006 to 2014, the Lieutenant Governor of Nevada from 2019 to 2021, and as a special assistant to the president and senior adviser to governors in the White House Office of Intergovernmental Affairs.

The bill we are presenting today is about people. It is about taking an opportunity to provide relief to Nevadans who are dealing with significant health issues. Most, if not all, of us have dealt with life-altering health issues, whether personally or with family members. There was a woman who worked almost her whole life. She started feeling ill and struggled to get correctly diagnosed. She suffered a long time before she was finally diagnosed while in an emergency room. By then, she had stage 4 uterine cancer and was immediately admitted to the hospital for major surgery. Chemotherapy followed. During this time, she had to take a lot of time off from work, and because she took all this time off from work, she was let go from the job she had for over a decade because she could not work the schedules they wanted her to work. This also meant she lost her health insurance while she was going through cancer. Without a paycheck, she scrambled to find and pay for health insurance to keep getting health care until she was old enough to get Medicare. It was a lot for a widow and a grandmother to struggle with.

This has been on my mind a lot lately. I have had numerous conversations with stakeholders about this bill, listening to their worries about losing profits, the end of private research and development, cost shifting, it is not us, it is them, this system should be fixed first, now is not a good time, and there is too much going on already.

I am a movie buff, so at one point, I got this mental image in my head of Godzilla and King Kong fighting each other, ignoring the destruction going on all around them and the people below trying to stay alive, not get trampled, and trying to pay their bills and survive. This bill cuts through all of that noise and provides relief. This is a bill for people of all ages.

Assembly Bill 250 is designed to reduce the cost of certain high-cost, noncompetitive, and life-changing drugs by extending the benefits of federally negotiated Medicare drug prices under the Inflation Reduction Act to Nevadans who are not on Medicare.

The Inflation Reduction Act has a provision that allows Medicare to negotiate with pharmaceutical manufacturers to come up with a maximum fair price for ten specific drugs. Those drugs are life-changing drugs. They are designed to meet the needs of the Medicare population. Those first ten drugs come out in September, and that maximum fair price goes into effect in January 2026. What this act does is it does not leave anyone else behind in Nevada. If you are 14 years old and have cancer, you can pay the same price as somebody on Medicare with cancer. If you are 59 or 60 and have a life-sustaining issue where you need a drug that assists you with chronic obstructive pulmonary disease (COPD) or any of these, this allows you to get it at the same price as the person on Medicare. It is equitable.

Drug companies are reporting record earnings but still hiking prices that Americans pay for drugs we need to survive. Reuters reported that five of the largest drug companies in the world will hike prices of more than 350 drugs in 2023. While 565,000 Nevada seniors enrolled in Medicare will soon enjoy the benefits of the negotiated prices of some of the most expensive, noncompetitive prescription medicines, the rest of us will be left facing the full amount the pharmaceutical companies can charge us, which can put those lifesaving medicines we need out of reach, or you do not take them every day, or you ration them, or you cut your pills. Assembly Bill 250 can change that by applying the negotiated prices of pharmaceutical drugs and Medicare to Nevadans who need them.

Negotiations are underway now at the federal level to set a maximum fair price for Medicare patients nationwide for the first ten selected medicines to go into effect in January 2026. These maximum fair prices will apply to a limited set of additional prescriptions each year, focusing on expensive medicines that many people need that have already been on the market for at least 7 years, and at least 9 years to 12 years for biologics, with no competition during that time.

The negotiated prices have not been announced yet, but we expect the first one to be for drugs that treat blood clots, prevent strokes and aneurysms, diabetes, blood cancer, breast cancer, arthritis, asthma, chronic kidney disease, and COPD. In addition to the amendment Assemblywoman Anderson will go over [[Exhibit S](#)], the Committee should have received

two slides [[Exhibit T](#) and [Exhibit U](#)]. One of them lists the drugs that we believe will be the top 10 that are chosen in September [[Exhibit T](#)]. Many of these medications address the leading cause of death in Nevada. In fact, three of these medications are for the three of the top ten diseases that cause the most deaths in Nevada: COPD, stroke, and diabetes. Ibrance, for example, addresses the second-leading type of breast cancer and the type of breast cancer with the lowest survival rate.

In addition, the Committee should have received the timeline of the prescription drugs provisions in the Inflation Reduction Act [[Exhibit U](#)]. For the first ten drugs selected this September, those maximum fair prices will go into effect in 2026. In 2027, an additional 15 medications will go into effect. In 2028, another 15 will go into effect, and in 2029, an additional 20 will go into effect. This cuts through all of the noise and gives direct relief to the people in our state who need it the most. At this time, I would like to turn it over to Assemblywoman Anderson to go over the bill and amendments.

Assemblywoman Natha C. Anderson, Assembly District No. 30:

It is my honor to be able to present this information to you. I am going to start off with the information about the proposed amendment [[Exhibit S](#)], which you should have received this morning. You will notice under section 1 there is new language that states, "during the Price Applicability Period." That period is set and referred to again in the amendment under section 1, subsection 9, paragraph (g) [page 2, [Exhibit S](#)], which would mean "the period of time defined in Section 1191 of P.L.117-169 (2022)," which was adopted by the 117th Congress which met in 2022. That is in two areas of our bill.

The next section allows for a registered agent that is part of the state of Nevada in case there is a need for further litigation and/or discussion. Another area of the amendment has to do with the health plan being subject to collective bargaining opt-in. We recognize and realize how important employees are—especially when they have a recognized bargaining agent—and how important it is to have many areas to be negotiated. This allows for the unions to be able to opt in if they, in fact, do have a collective bargaining agreement that deals with a private health plan of some sort.

Finally, the rest of the information is in case there are any sorts of problems and/or concerns that might exist. There is a large amount of jargon in here. Let us be realistic. I am not a jargon-type person, so I am going to get straight to the point. I have been asked a few times why this is being brought forward this session. The timeline seems to be the item we have heard the most concerns around, understandably so. It is not going to be enacted until 2026. We are able to meet one more time. Looking at this amount of language, there is no way for us to be able to have the deep-dive conversations as well as the necessary policy changes and/or other conversations that need to take place.

We have all had to experience having a legislature that meets the difficult structure of our biennial sessions. This allows us to have a much more robust conversation, and more importantly, we are able to react to federal legislation in a positive and more optimistic way.

Since today is also the National Collegiate Athletic Association basketball tournament for men, it is time for us to play offense and stop playing defense, and that is too often what we do. This is an opportunity for us to play offense more.

In closing, I would like to refer back to language that has been in this bill for some time. It is at the end of the proclamation on page 3, line 12. It states:

WHEREAS, To protect residents of this State from the negative effects from excessive costs of prescription drugs, and to protect the safety, health and economic well-being of Nevadans, the Legislature finds that legislation regarding affordable access to prescription drugs is necessary for residents of this State to achieve and maintain good health.

Similar to education funding not being directly related to a zip code, good health is not related to the date you are born. This language is being brought forward to help all Nevadans of all ages. I ask for your support.

[An additional amendment, [Exhibit V](#), was submitted but not discussed and will become part of the record.]

Assemblywoman Considine:

Before we go to questions, I just want to point out a few things. If you read the bill, you have got this. For anyone who has not—and maybe reading the bill a couple of times is necessary—section 1 of the bill establishes that purchasers of a referenced drug shall not pay more than the maximum price for that drug during the price applicability period. That is very specific and immediately ties to the federal regulations, and that will be how this is worked. I bring that up because it says the purchasers of a referenced drug.

There is also another provision in this bill that is a deceptive trade practice. The way this bill is written, if you or the purchaser go to purchase this drug and you are charged more than what the maximum fair price is, there is a private right of action for monetary damages to ensure there is compliance with the price of these drugs for everyone. We are happy to answer any questions you have.

Chair Marzola:

I want to remind everyone, as I know there are a lot of people here to testify, I am going to give 30 minutes for support, 30 minutes for opposition, and 30 minutes for neutral. Of course, that will be broken down between Carson City, Las Vegas, and the phone lines. If for some reason, one set has additional time, I will come back. We will start with Committee members. Are there any questions?

Assemblywoman Kasama:

I have been looking through the bill, and I think you alluded to it, but you are talking about the referenced drug and the top ten. I do not see that in here. Am I missing it? I do not see it in your amendment [\[Exhibit S\]](#). How do I know what the top ten drugs are?

Assemblywoman Considine:

The final determination of those top ten drugs will not be known publicly until September. That is why they are not listed. However, you should have received a document [\[Exhibit T\]](#) that was sent to the Committee via email this morning. I apologize if that did not happen on both sides. I will get a copy of this to you. I do not watch much television, so I might mispronounce these names because I miss the commercials for them. Actually, if one of our panelists can pronounce them better, please let me know. One of the drugs is Eliquis, which is for blood clots. One is Xarelto, which is for strokes and blood clots. One is Januvia, which is an anti-diabetic. One is Imbruvica, which is for lymphoma and leukemia cancers. Another is Jardiance, which is an anti-diabetic. One is Enbrel, which is for rheumatoid arthritis. Another is Symbicort, which is for asthma and COPD. One is Ibrance, which is for HER2- breast cancer, which I believe is one of the deadliest cancers. One is Xtandi, which is for prostate cancer. The last one is Breo Ellipta, which is for asthma. I will make sure you all get this by the end of the day, if you have not already.

Assemblywoman Kasama:

When you say, "referenced drug," that is the list, correct?

Kate Marshall, Senior Advisor, The Impact Project, Hopewell Fund:

This list that was provided to you [\[Exhibit T\]](#) is a list of what the experts believe are likely to be the ten drugs that will be chosen. We will know the list in September 2023. The parameters on choosing which drugs are as follows: The federal government is looking at approximately 50 drugs. In order to be on the list, that drug must have been in the market at least seven years. If it is a biologic, up to 12 to 13 years. It must have no competition and no competition coming in the next two years. It must have a high spend rate of over \$200 million at a minimum of Medicare costs overall across the country. It must improve your life. It is not necessarily between death and living, but it will substantially improve your life. Let me give you an example: if there is a drug, but there is likely to be a competitor in the next two years, that drug will not be in the top ten. If there is a drug, but it has not been on the market for at least seven years, that drug will not be chosen. If there is a drug, but there has not been at least \$200 million in a year spent by Medicare on that drug, that drug will not be chosen. Does that help?

Assemblywoman Kasama:

Under section 1, subsection 8, paragraph (c), a "'Referenced drug' means a drug subject to a maximum fair price." Is that under federal regulations? Do we have to reference that is a federal definition?

Kate Marshall:

The legislation was written to refer to the Inflation Reduction Act for the identification of the drugs, that would be the "referenced drug." And for the time period for which that Medicare fair price will be in operation, that is the price applicability period that is in the bill.

Assemblywoman Kasama:

Also in this bill, it contemplates a private right of action against the manufacturer. Does that action extend to others on the food chain, such as the pharmacist?

Jane Horvath, representing The Impact Project, Hopewell Fund:

It should, yes.

Assemblyman Carter:

You answered half of my question. I was wondering about the whack-a-mole effect and whether we were going to see drugs where a manufacturer shifts to a different drug or a similar one. You answered that question already. Are we going to see cost shifting to make up for the reduced costs here and shifting it over either to other populations or other drugs?

Kate Marshall:

That is a critical question, and prior to the enactment of the Inflation Reduction Act, that was a very real concern. If you looked in any of the medical articles or research, they would raise that issue of whether there is cost shifting in hospitals with insurance or with pharmaceutical manufacturers. The Inflation Reduction Act specifically addresses that issue. What it says is in order to determine whether or not pharmaceutical companies and stakeholders will have to rebate money back to the federal government, they will look at the average market price of all medicine sold to all individuals on Medicare. The average market price, though, will include medicine sold to even people outside of Medicare.

The first thing to understand is the Inflation Reduction Act directly sought to address this issue of cost shifting. The second thing to understand is, if I may, in basic economics, if you are in a business, your job is to maximize your profits for yourself and your shareholders. To suggest you are not maximizing your profits today by lowering the cost of one drug and then seeking to maximize your profits in another drug tomorrow is to suggest you have not been doing your job to your shareholders. Perhaps some people might consider that a little aggressive, and quite frankly, it is economics 101.

Assemblywoman Considine:

In learning about this, there are 65 million people on Medicare. If these necessary drug prices are lowered, there is usually a tier system as to when somebody goes on the tier. For example, you try the lowest one first and you go up. If these drug prices are lowered, that means they can move up on the tiers. That means more sales. More sales means more value. You lower the price, but then your volume goes up, and you make that up in sales. Nevada is a very small state compared to 65 million people but adding the other 2.5 million in our state who are not under Medicare, and then a subset of that who might be eligible for this. That is more volume.

Assemblyman O'Neill:

I am still not sure I understand the need or the rush for this when the feds are working on it in 2026. We meet again in 2025 and 2027. With that said, as I remember, back in 2017 the

Legislature passed and the Governor signed a bill very similar to this that was litigated in federal court and overturned. It cost the state some money. I probably caught you by surprise on it. If you know by chance the difference between these two bills, so we are not duplicating and going back to court again. Can our Legal Division advise on some of that?

Kate Marshall:

I think it is important because we have memories here, and we are not sure. That particular bill was passed before the passage of the Inflation Reduction Act. That bill dealt with patents and was perhaps written in a way that allowed Nevada to get over their skis. Here, we are not getting over our skis because the federal government, with everyone at the table, has come to a place where they have agreed and passed for ten drugs to be negotiated for a Medicare fair price. Because they are doing that by referencing Medicaid prices, we are able to adopt those by reference here in Nevada at the point of service without having to be concerned legally about patents. The federal government has identified the patent length for each of the medications that will be identified for the ten drugs for the Commerce Clause or the Dormant Commerce Clause, because of the way the federal government has passed the Inflation Reduction Act.

I think it is important to add a couple of things to give some perspective. There are seven or eight states that are trying to do a much more aggressive and much more far-reaching bill where they are trying to establish a board and set prices for prescription drugs across the board. We are not doing that. Part of the reason we are not doing that is also the same reason why we are here today as opposed to in 2025.

During the COVID-19 pandemic, our state government was under such pressure. Their resources were decimated. They are so behind. If you have gone through the budget, you will hear about how behind the state is. We did not want this bill to add additional bureaucracy to pressure businesses or state entities with having to get something done in a very short order in order to implement it.

The one thing I hear when I talked to businesses is, Do not give me any surprises. This is a no-surprises bill. This gives the hospitals, the insurers, and the pharmaceutical manufacturers the same time the federal government is giving them to make sure they can include and correct the process so when the patient goes to buy the medication at the pharmacy, they will pay the Medicare fair price. It gives them time to negotiate so a drug that was not part of the formulary—now, because the price is lowered—it can be part of the formulary, which means it can be more accessible and prescribed earlier on in your treatment. It gives everyone an opportunity to incorporate that. It gives the state an opportunity to determine whether or not they are more likely to provide that for persons under their care—that includes incarcerated persons—and how to provide it in the state health plan.

Lastly, I will say the Legislature has 30 percent new members. You are here this time. I hope you are here next time. None of us can guarantee that. We are here in front of you.

Assemblywoman Considine:

If I could just quickly follow up on that. I am here right now. I promised the people in my district and the people of Nevada I would do my best to provide some relief to them. To me, this provides a way to cut through all of the noise and get relief to people. If I am not here next session, and some of us are not here next session, I do not know if that happens. If not me, then who? If not now, then when? This is why I am doing it.

Chair Marzola:

Assemblyman O'Neill, I am going to ask our Legal Division to answer the question you asked.

Sam Quast, Committee Counsel:

I do not know how much else there is to add. There have been other efforts that have faced constitutional challenges when it comes to pharmaceutical prices. We believe this bill has been drafted to avoid many of those constitutional issues. As Ms. Marshall said, with the Dormant Commerce Clause, this regulates in-state transactions rather than reaching out to the other states. As far as patent laws, there has been legislation that has been found to be preempted by federal patent law which related to the prices of prescription drugs. There, the legislation at issue specifically targeted patented drugs, which this does not do. Because the price is based on the maximum federal price negotiated with the manufacturers, that goes a long way to address those constitutional issues that were at issue with the 2017 bill as well as other challenges nationwide.

Chair Marzola:

Are there any additional questions? [There were none.] We have a commitment on the floor, as everyone is aware, that starts at 5 p.m. We are going to start support testimony here in Carson City for about 15 minutes. Is there anyone wishing to testify in support of A.B. 250?

Steven J. Horner, Private Citizen, Las Vegas, Nevada:

[Read from written testimony [Exhibit W](#)]. I am the president of Nevada State Education Association-Retired, a proud, retired special education and public education teacher, and a U.S. Army veteran. I promise to be brief. Drug costs are escalating exponentially almost yearly. Many seniors and those who need lifesaving drugs are often making decisions to either eat, pay rent, or take the necessary drugs that their doctors have prescribed.

Last year, due to the price of drugs I must take for my COPD and the drugs my wife must take for her asthma, our costs fell well over \$8,000. Why? I was in the donut hole by May. Why? Then I realized I saw drugs I needed advertised on television and in magazines. I never asked my doctors to please prescribe these drugs. I trusted their medical training to give the best medication to control my and my wife's conditions.

The average price for a television commercial is \$115,000 for a 30-second spot. Prime time is much more than that, all the way up to over a million dollars for a spot during the Super Bowl. Big Pharma's net profits for a ten-year period were \$1.9 trillion. That averages out to \$19 billion a year.

Assembly Bill 250 will begin to address some of the horrid inequities that are created to maintain a quality of life for retirees and others who need those drugs, and the draconian profits made by Big Pharma. No one is begrudging pharmaceutical companies making a profit, but never should a life be ruined or destroyed so they can advertise on television or sponsor a NASCAR team to make those huge profits.

This bill will make sure those individuals who have not yet qualified for Medicare will receive a well-negotiated price for necessary medicines. I ask you please support and pass A.B. 250. Help the people over the profits.

Mary Dungan, Private Citizen, Las Vegas, Nevada:

I am here in support of A.B. 250. The Affordable Medicine Act is a vitally important bill. Historically, prices of drugs have hurt the consumer and resulted in record profits for drug companies. Copays can be difficult for seniors, people with low income, and/or ongoing health conditions.

For decades, Americans have come up with ways to extend the use of necessary medications because it is hard to pay for refills. High prescription prices also affect health care in general for the individuals and the companies that employ them. Higher drug costs add to the burden to small businesses that provide health care to their employees.

Removing these burdens can, in turn, stimulate economic growth and create new jobs. I am very fortunate as most of my health care is covered by the U.S. Department of Veterans Affairs (VA) with much lower copays. However, sometimes I must go outside the VA for medications. Three weeks ago, I underwent cataract surgery. The pharmacy had a coupon for me, but I still had to pay \$81 as a copay for a tiny bottle of prescription eyedrops. When I asked him what the amount would be without the coupon, they said it would have cost me \$385 out of pocket. People should not have to try to make prescriptions last. I have been very careful when putting these drops in my eyes, so I make sure I have enough left when they operate on my other eye.

Medicine copays need to be held at acceptable levels so people can afford their medications. Drug companies make enough profit. Please put people's lives over this profit and support A.B. 250.

Donna West, Private Citizen, Las Vegas, Nevada:

I am here to support A.B. 250. At the age of 59, my husband was hospitalized with atrial fibrillation. Following his release from the hospital, we picked up his prescriptions and paid \$800. Today, my husband is on Medicare, and his prescriptions cost somewhat less. We expect at least one of those prescriptions to be on the first list negotiated by Medicare. Assembly Bill 250 would ensure all Nevadans have access to affordable prescription drugs, regardless of their age, their income level, or health insurance status. Nevada can, and should, provide equitable prescription pricing for all of our residents. Please pass A.B. 250.

Alexander Marks, Communications Specialist, Nevada State Education Association:

I am speaking in support of A.B. 250 to ensure all residents have access to affordable prescriptions. The Nevada State Education Association's national affiliate, the National Education Association, worked closely with the Biden Administration to help pass the Inflation Reduction Act to help families by making health care more affordable. We believe A.B. 250 is a great next step in this process to ensure all Nevadans have access to affordable prescription drugs and reduce health care costs overall.

Jim Dart, Private Citizen, Summerlin, Nevada:

I am on Medicare, and I have bought the most expensive supplemental insurance I could on top of that. One of my medications is what is proposed to be on that list, Symbicort. When my wife and I retired and when we started having some medical prices build up on us, we started saying, Well, we are not going to be able to afford this. We are blessed because we successfully started a home business to pay for those medical costs. The thing about the home business is we are banking money and not spending it in Nevada's economy for the time we have to buy more of my medications that are not covered. We know a lot of people in Sun City are doing the same thing.

Having really high drug prices is taking tons of money out of the economy. Without these medications, I cannot breathe. It is not a hypothetical thing. If I do not have this, I will not be around in a day or two. We do not spend that money. We take it out of the economy, and we bank it. That is how this bill affects things right now. A lot of us seniors are doing this, and a lot of the seniors are not adding to the economy. We are not spending on other things in Nevada.

Lisa Lynn Chapman, Private Citizen, Henderson, Nevada:

I am here in favor of A.B. 250. I live with psoriatic arthritis. This is very painful. It causes swelling in all my joints, and I get a very distinct rash. Living with the swelling and pain for several years, I was finally diagnosed when the rash appeared. Before it was brought under control, it covered over 60 percent of my body, including my face. I am very grateful my doctor could prescribe me a biologic medication that controls the rash and reduces the swelling and pain.

I would like to break down the costs of my medication. If I did not have insurance, it would cost me over \$11,000 every two months. That is more than I make in a year. I am grateful for my insurance. However, my copay would be \$350 every two months. Again, I am grateful the pharmaceutical company has a program that now reduces my cost to \$5. There is something exceedingly wrong where they can give me a program that reduces this to \$5 but not to everybody. The reality is, if this program is discontinued, I probably will not be able to afford my medication. This allows me to work, spend time with my friends and family, and generally have a quality of life. I thank you very much for considering this bill, and I encourage you to pass it.

Briana Escamilla, representing Planned Parenthood Votes Nevada:

We are in support of A.B. 250 because we believe all Nevadans, regardless of income level, deserve access to the medication they need to live healthy lives. Costs should never be a prohibitive factor in receiving lifesaving and medically necessary care.

Jamie Tadrzynski, Private Citizen, Las Vegas, Nevada:

I am type 1 diabetic. I have been since I was a child. My body does not authentically make any insulin whatsoever, so I am completely dependent on insulin injections. I take Humalog, and five of them a month cost \$714.87. I also take Toujeo, and three a month cost \$640.90. Another medication is about \$180 a month. This is not for diabetes but because I teach high school freshmen, and if you do, you understand. I wear a Dexcom, which monitors my blood sugar. Every three months, a new sensor costs \$285. Every month, the sensors cost \$400. I would show you, but it is on my stomach and I think you have laws against me showing that.

All together, my diabetes-related medications cost \$24,717 a year. I am a teacher in Clark County School District. We have Teachers Health Trust, which is sometimes like not having insurance. Almost every other month, I have been to the school board to testify about the issues I have in terms of receiving my medications.

I am hoping this bill will pass to support everyone. Health care should be a human right, just like housing as we discussed earlier. There is no reason we should have to decide between paying our rent, paying our car note, buying groceries, or paying for our medication. For so many Nevadans, including me, that is our lived reality. I ask you to consider the human aspect of this bill as you move forward with it.

Marlene Lockard, representing Service Employees International Union Local 1107:

Capping prescription drug costs at Medicare with negotiated rates can bring significant relief to thousands of Nevadans who struggle to afford their medications. High drug prices can be a financial burden on patients, particularly those with chronic or life-threatening illnesses who require ongoing treatment. By using Medicare-negotiated rates as a benchmark, drug manufacturers would have to compete with each other to offer the most affordable prices to Medicare beneficiaries, which would result in lower drug prices for all Nevadans. This would not only benefit patients but also help to reduce health care costs for government and private insurers. By capping drug costs, patients will be able to adhere to their prescribed medication regimes, reducing the likelihood of complications and hospitalizations. This can ultimately lead to better health outcomes and a healthier population. We urge your support.

Matthew Wilkie, Private Citizen, Carson City, Nevada:

I have worked here locally in a retail pharmacy for the last 13 years. I am here to express my support of A.B. 250, which would prohibit certain actions in pricing regarding these certain drugs mentioned. I can tell you every week I see my patients have to pick and choose between picking up that Eliquis, that Humalog that was mentioned, and the stuff in their carts. This bill would ensure that Nevadans are not overcharged for their medications. This is a crucial step in making health care more affordable and accessible to all Nevadans.

In addition, this bill would create a cause of action for violating such provisions, providing the means for individuals to seek legal recourse if they believe they have been unfairly charged for these medications. It is an important protection for these consumers, and it sends a message to the drug manufacturers that they cannot take advantage of vulnerable populations.

This bill requires certain entities to maintain a registered agent in the office in the state, which would increase transparency and accountability. This provision would ensure that manufacturers are held accountable for their actions and cannot operate in the shadows. I urge your support of A.B. 250, as it will help make health care more affordable and accessible to all Nevadans. It is time for us to take action to address the rising cost of prescription drugs, and this bill is an important step in the right direction.

Alexis Salt, Private Citizen, Las Vegas, Nevada:

I am here in support because I have been a teacher for 17 years, and I can tell you patients do not exist in a vacuum. Whenever we have conversations like this, we talk about the individual patient, but I want to talk to you today about the families of the patients. I teach kids whose parents cannot afford their medications. I teach children who go hungry because their parents have to make the decision whether or not they are going to pay for a medication that will allow them to breathe, or if they are going to eat that week.

We struggle with hunger in our community, and it is my lived experience that a large contributing factor to that hunger is prescription medication prices. If you are 13 or 14 years old, you know something is wrong at home. You know if your parent is struggling to afford a medication or if they are getting sick. This definitely has negative outcomes for academics. A kid comes to school for a test, but mom cannot afford her diabetes medication. That child's head is not where I need their head to be. Please, when considering this bill, remember that patients do not exist in vacuums. They are part of families, and we need to be taking care of families. We do a decent job taking care of children, but we need to make sure we are taking care of the entire family unit those children come from.

Chair Marzola:

We will now recess until the call of the Chair. [Meeting recessed at 4:40 p.m. and reconvened at 5:51 p.m.] We will continue with support testimony on A.B. 250.

Barbara Hartzell, Private Citizen, Las Vegas, Nevada:

I am here today as a parent in support of A.B. 250. My daughter, two years ago to this day, was diagnosed with type 1 diabetes. She was sent to the hospital on the verge of a diabetic coma, and we did not know if we were going to bring her home. It was one of the least concerns, but it was also very bittersweet because my daughter is now insulin-dependent and will be for the term of her life.

Having access to medications, especially affordable prescription drugs, is one barrier we could remove from those who are immunocompromised, like my daughter, who will continue to face many barriers in their lives by having type 1 diabetes. I am here to say how important

it is to have access to affordable prescription drugs, whether you are on Medicare or not. It helps lift some of the small concerns you have when you are taking care of a loved one who has to take this medication, and you cannot take the things away. I cannot take the shots for her. I cannot give her a kidney. I have to support and love her through this process that will go on.

Jarrett Clark, Private Citizen, Las Vegas, Nevada:

I strongly urge this Committee to approve A.B. 250. Simply put, this legislation will benefit countless Nevadans who rely on insulin and other medications for their well-being. Thirteen years ago, I was diagnosed with a rare genetic blood disorder that puts me at very high risk of developing life-threatening blood clots. Managing this condition requires regular doctor visits and a name-brand prescription drug, Xarelto, which has steadily increased in price because there is no generic version of it available. The out-of-pocket cost for this medication is upwards of \$700 per month without insurance, which is absolutely absurd since it literally saves lives by preventing strokes, embolisms, and heart attacks.

Fortunately, I have been able to maintain private health insurance to shoulder most of that cost, but there are many Nevadans who are not so lucky. As the bill sponsors referenced under the Inflation Reduction Act, Medicare is now empowered to negotiate drug prices for seniors, and it is expected the price for the medication I take will soon be negotiated to make it more affordable. Assembly Bill 250 will extend that negotiated price of specific prescription drugs to all Nevadans who need them.

In my work, I regularly speak with Nevadans of all ages who struggle with chronic health conditions, whether that is diabetes, respiratory illnesses, or blood disorders like mine, who have to choose between their life-saving medications and their rent or other bills. People have died. My best friend from college passed away from trying to ration his insulin. People's lives are on the line because they are having to ration their medications or skip them because of these exorbitant costs. This bill is a strong step towards reining in out-of-control prescription drug prices. Lives will be saved because of it. I urge you to pass A.B. 250.

Kristine Schachinger, Private Citizen, Las Vegas, Nevada:

To frame what I am about to say, when I added it up, if you take three of the bills I pay and add the taxes, I have to make \$52,000 a year just to cover them. One of those is a student loan, which is not that much. One is rent, which is really high, but the other is my health care costs. My insurance is \$907 a month, which I have to pay for myself. On top of that, I have usually about \$400 to \$700 a month in medical costs. I have a very long list of chronic diseases, heart failure, asthma, two autoimmune diseases, and diabetes. I have really bad genetics.

In March 2020 I got COVID-19, and I got long COVID-19. Among other things it did to me, such as liver damage and triglyceride issues, my diabetes went out of control. It had been under control for five years, and it spiked 3.2 points on my A1C, which put me very close to needing insulin. My doctor added 2 prescriptions to my regime of 12 prescriptions I already take—4 of those are for diabetes—and that was Farxiga and Ozempic. Insurance did not

cover them, so for six months, I had to get samples from the doctor every month, if they had them. Luckily, they did. Then I got news insurance was going to cover those medications. They did cover Ozempic at \$50 a month, and the Farxiga was supposed to be covered. I went to Walmart to pick it up, and they asked for \$585 for it because the insurance only covered \$60 of the medication.

I went home that night and posted on Facebook I needed this medication to get my diabetes under control from the long COVID-19, and I do not know what I am going to do. A friend said, I go to Mexico to get my drugs. I can get your drugs there. My friend goes to Mexico—and I have gone once—and picks up my drugs there. Farxiga in Mexico is \$60 a month. If I get three of them, I get one thrown in for free. It is \$585 here, or I have to go to Mexico myself or have a friend pick it up. If my friend had not offered to do that, I do not know what I would have done because there is no way I could afford—on top of my current medical costs, and even though I make good money—another \$585. My out-of-pocket expenses last year were \$20,000 because I also had two cancers. Every month, I shell out at least \$1,200 to \$1,500 a month in basic medical costs for my prescriptions and insurance. I have done that almost every year since I was 24 years old.

What I am saying is we need your help. As you can hear from everybody here, it is too expensive. We cannot afford to take our medications. We cannot afford to buy our medications. I have to go to Mexico to get mine, and I really should not have to do that. We need you to help us.

Ariel Guevara, Private Citizen, Las Vegas, Nevada:

Today, I am testifying on behalf of community member Elizabeth Yanez. She is an active registered nurse who lives in Assembly District 9. Without further ado, I will begin. [Reading from written testimony.] Hello everyone. My name is Elizabeth Yanez. I am currently a registered nurse who previously worked in case management for an active health care company. During my time as a case manager, I cared for the needs of numerous Medicare-eligible patients in southern Nevada. Many of my patients, even when covered through Medicare, would still have lapses in coverage that would require them to choose between paying for expensive treatment or resigning themselves to a poor physical quality of life.

Unfortunately, as many of my patients were disabled due to their conditions, this meant they were also living on fixed incomes and unable to reenter the workforce to make ends meet. Enacting a bill like A.B. 250 would drastically improve the lives of so many of my former patients who simply were not able to afford the unspeakably expensive prescriptions that Medicare plans or social services were unable to provide.

These medications are necessary to save lives. I have had patients take out personal loans just to be able to afford their life-saving medications. I felt powerless in the system that is meant to cherish life, not diminish it. This is wrong, and the state of Nevada should do

everything in its power to make these important medications accessible to those in the direst need of them. I urge this Committee to pass A.B. 250, and in doing so protect the needs of Nevada's most vulnerable communities.

Dora Martinez, Private Citizen, Reno, Nevada:

[Testimony was read by another caller.] Today in Assembly Commerce [audio was lost] 565,000 Nevada seniors, about 17 percent of the population, are enrolled in Medicare and will soon enjoy the benefits of the negotiated prices of some of the most expensive prescription medicines. About 2.5 million Nevadans are subjected to the full cost the pharmaceutical companies can charge us [audio was lost] for A.B. 250. [audio was lost] ensure all residents have access to affordable prescriptions. The cost of prescription drugs has been steadily increasing and has made it difficult for many people to access the medications they need. By adopting a law that requires the state to use the negotiated prices of pharmaceutical drugs in Medicare, Nevada can help make prescription drugs more affordable for all residents, regardless of their income level or health insurance status and help reduce health care costs. High prescription drug costs not only impact individual patients, but they also contribute to higher health care costs overall. By lowering prescription drug costs, Nevada can help to reduce health care costs for everyone in the state, including individuals, families, and businesses.

Ellen Eversole, Private Citizen, Las Vegas, Nevada:

I am an advanced practice nurse and a professor teaching our future nurses in southern Nevada. I have been a registered nurse since 1985, and in almost all of those 40 years in health care, I have witnessed the skyrocketing cost of prescription drugs and the tremendous profits the pharmaceutical companies are making. While this is happening, many of my patients have no choice but to pay bills in lieu of buying much-needed medications to live on; some even ration medications.

There are 65 million Medicare enrollees, and since Medicare has the power to negotiate the price of life-saving medications, by passing A.B. 250, we can definitely ensure that fairly negotiated prices will benefit all Nevadans who need drugs to live another day.

On a side note, just recently in the clinical setting, I witnessed a little boy come into the emergency room seizing. The father was very upset; he was distraught because he did not have the money to pay for antiseizure medications. Please pass A.B. 250. It is really important.

John Able, Director, Governmental Affairs, Las Vegas Police Protective Association:

I am speaking on behalf of our retirees who are made to leave our health trust when they are 65 and have to go onto Medicare. Thank you for supporting A.B. 250.

Maria-Teresa Liebermann-Parraga, Deputy Director, Battle Born Progress:

We are in strong support.

Tessyn Opferman, representing Human Services Network:

We are also strongly in support.

Eric Jeng, Acting Executive Director, One APIA Nevada:

Among disaggregated health care cost data nationally, Filipino Americans have the highest cost for prescription drugs and over half of our Asian Pacific Islanders here are Filipinos. We urge your support for A.B. 250.

[Letters in support, [Exhibit X](#), [Exhibit Y](#), [Exhibit Z](#), [Exhibit AA](#), [Exhibit BB](#), [Exhibit CC](#), and [Exhibit DD](#), were submitted but not discussed and will become part of the record.]

Chair Marzola:

We will now move on to testimony in opposition to A.B. 250. Is there anyone wishing to testify in opposition?

Paul Catha, representing Culinary Workers Union Local 226:

The Culinary Workers Union is opposed to A.B. 250 this session, and the union was not involved in crafting the amendment [[Exhibit S](#)]. We do not understand exactly why it is being presented. We would like to work on the issue next session when we have clear direction from the federal government about this law, which goes into effect in 2026. The Culinary, and its parent union, Unite Here, the AFL-CIO, and many other unions have long supported state and federal policies to address the prescription drug price gouging and ensure patients can access affordable prescription medications.

The union knows there are a lot of new legislators, and we will make sure to share our past work on prescription drugs. The Culinary Union was the primary force behind the first insulin transparency law in the nation here in 2017, expansion of that to all drugs in 2019 and 2021, and we are partners in five bills coming out of the 2019 drug cost study—two of which have been enacted and one of which is being considered this session.

The Culinary Union agrees that drug prices need major reform, but the process to do so needs to include those in Nevada that are responsible for providing prescriptions to patients. The process being used here does not. The union is currently involved nationally and pushing for prescription drug price reform and has been part of consumer voices supporting last year's Inflation Reduction Act, which includes this new Medicare negotiating role. The Culinary Union is currently working to improve the law, including supporting bills that Senators Catherine Cortez Masto and Amy Klobuchar released this week—the Lower Drug Costs for Families Act.

As some of you know, the Culinary Health Fund operates two of the busiest pharmacies in the state and provides comprehensive prescription drug benefits for 125,000 people in Nevada. This bill has had no stakeholder involvement that the union is aware of. This is similar to the launch of another health care coverage experiment last session introduced late

in the session in the first house without stakeholders in the state who actually have to manage the experiment. Working people will not feel the impact of this bill at least until 2026, and the union feels this bill will not build Nevadans' confidence in their government.

The union would ask your support in allowing us and others who are involved in helping Nevadans get their prescription drugs to include stakeholders and to carefully consider the impact of introducing this and future complex health care legislation.

Bobbette Bond, Vice President, Health Policy, Culinary Health Fund:

I worked on this bill nationally and was part of getting Medicare negotiation started. I am uncomfortably on this side of the table. I hope I see on the flip side of the table by next session. This is the first time I have ever had to oppose a prescription drug reform bill, and I am sorry to be here.

To talk to Assemblyman O'Neill's question, which was regarding some statements made by Ms. Marshall at the table, I would like to say the 2017 bill on insulin did not reach into other states. It did not put Nevada ahead of its skis. It did not trigger anything on patent law and did not trigger anything on commerce law. It actually was held up in court. We had a fight about the trade secret piece in the end, but that bill lived on, and we were the first ones to work on insulin. Now, six years later, insulin companies are lowering their prices.

It does go to our next point, which is our concerns. Why are we not just trying to protect Nevada? It would be much better if the legal challenges could be followed by another state. We do not need to be first in nation. There is no gain in it, and no one can say that Pharma will not sue. To my previous comments, all of those things were true about the insulin bill. The Legislative Counsel Bureau helped write the insulin bill, and they vetted it. We still got sued. I want to make sure we understand what might be happening next.

The federal Medicare bill does not take effect until 2026, which we have talked a lot about. I want to make sure everybody understands the drug prices will not even be known until September 2024, and we come right back into session in the beginning of 2025. What are we trying to do? We do not include all the patients. We have not had conversations with patients, but they are here today, thank goodness. We do not know what the pharmacy benefit managers (PBMs) are going to do about this. We do not know how it is going to affect the 340B Drug Pricing Program. We do not know how it is going to affect negotiations. What happens if we do not include all patients?

Today was the first time we saw the amendment [[Exhibit S](#)]. It is a good example of the rest of this process. It appeared this morning. We have never seen a definition for "private health plan" that is in the amendment. I do not know what a private health plan is supposed to be, and we are not interested in solving this only for our plans anyway, if that was the attempt. What happens if prices that could be negotiated are now off the table because the state law gives the manufacturers an excuse to charge more? We have frankly never seen a ceiling price that is not a floor price.

Finally, this is entirely possible because the Centers for Medicare and Medicaid Services (CMS) is running into trouble federally, and I can provide information for the Committee about what is going on in the federal fight to try to make these drug prices more manageable. We do not know what the price applicability period is. You heard a little bit about that in the amendment. The drugs can be moved back out of maximum price after being part of maximum price for a while. How do we tell the patients that? This bill is going to be led by Nevada and not CMS, but CMS is going to talk to Medicare. We are going to have to talk to everybody else.

Our problem is with the process. We want to stop launching large health care experiments in the Nevada legislative session, halfway through the session. We would appreciate not having round three of this next session. We would really like a participation process where everybody gets to come to the table to create great legislation.

Brian Warren, Director, State Government Affairs, Western Region, Biotechnology Innovation Organization:

[A letter in opposition was submitted [Exhibit EE](#).] We are a national trade association representing small and large biotech companies. We have a number of concerns with this bill. I think, first and foremost, the maximum fair price is being used in a very different way in this bill than it is being used at the federal Medicare program. This bill does not reflect the realities of the prescription drug supply chain, and it could unintentionally risk access to medicines patients are currently using. Pharmacies, hospitals, and doctors that provide medicines to patients in Nevada have to buy those medicines. Most of those transactions are not in-state transactions, but they are purchased from national distributors or through regional and sometimes multistate purchasing consortiums. Even if you had an in-state distributor that was able to have an in-state transaction with a provider, that in-state distributor was buying it from a national price. Either way, somebody is going to be buying it based on the national price and then told, You cannot sell it for the same price that you bought it for. These are providers that are going to be put in an untenable position of saying, Do I lose money every time I give this drug to a patient, or do I not stock this prescription drug at all? That is a big problem we see with this.

Secondly, this bill misapplies the maximum fair price (MFP) as a cap on consumer spending. The MFP is supposed to be an upper limit for what a Medicare Part D plan can pay for a drug, not an out-of-pocket cap. Assembly Bill 250 is not for Medicare patients, but it is supposed to be for everyone else. However, most patients with some type of coverage in Nevada right now should already be paying less for their prescription drugs than what these MFPs likely will be. The MFP is likely going to be somewhere based on the benchmarks in federal law. I would say roughly around 40 percent of list price, for example. If you are talking about a \$2,000 drug, you are still talking about maybe an \$800 out-of-pocket cost for the patient, which is more than what their out-of-pocket costs may be now.

Our third overarching concern has to do with price controls in general and what those do for the impact on investment in future innovations. Because of that, we oppose this bill.

Elizabeth MacMenamin, Vice President of Government Affairs, Retail Association of Nevada:

I appreciate and understand the position Assemblywoman Considine is bringing forward with this bill. I understand prescription drugs are at an all-time high for patients in Nevada and nationwide. The Retail Association of Nevada (RAN) believes this issue begins with oversight, regulation, and transparency of the prescription benefit managers. That matter is being addressed by this Committee in another bill.

However, RAN believes A.B. 250 will not have the effect the sponsor is trying to address. I appreciate her willingness to work with us. This bill takes benchmarks on drugs established at the federal level that are not even fully defined yet, nor are they even in effect. The MFP, as we were talking about today, may not align with the acquisition costs our pharmacies have had to pay for the drugs. Reimbursement to a pharmacy may put patients in Nevada at risk of not even being able to obtain their medications in our state with this bill.

There are no further definitions or descriptions of the dispensing fee that would need to be calculated differently. The MFPs are specifically designed and calculated with value points for the Medicare population. These values will not necessarily apply to the other populations in our state. I heard a lot of that today, thinking this might work. If the pharmacy is unable to acquire the medication at the government price, the medication will not be available to the patient in Nevada.

For these reasons and others, RAN opposes A.B. 250. We look forward to working with the sponsors, and I appreciate that. It would be nice to be part of the stakeholders group.

Dharia McGrew, Ph.D., Director, State Policy, PhRMA:

We are the trade group representing the country's leading biopharmaceutical companies. I am here today in respectful opposition to Assembly Bill 250. We can all agree that patient out-of-pocket costs are too high, and we need to come together to make changes in order to ensure patients can afford their medications. I know you are sick of finger-pointing, and this is an important conversation.

There is simply no evidence this type of policy will lower the price of drugs for patients. The data shows drug prices are down, growing slower than inflation for five years now. I know it does not feel that way to the patients. The stories we have heard today and you hear from your constituents are heartbreaking.

Nearly every story you have heard today is about insurance. Insurance does not work the way it used to. Plans and PBMs have been shifting more cost to patients for years through high deductibles, coinsurance, specialty tiers, and exclusions. You have to remember the plans and PBMs control what patients pay out of pocket, not the manufacturers. Unfortunately, nothing in this bill requires plans to reduce your copay. It does not make plans give everyone the Medicare copay. As was mentioned, MFP is not the same as the Medicare copay. They are different things.

Next, the bill is premature. It skips right past transparency, data collection, and analysis. Nevada's All-Payer Claims Database is just getting launched, and the transparency program, by its own account, is drastically underfunded, and this bill does not address that. The MFP determination is underway and is in the very first stages of implementation. Complex operational and legal issues remain to be worked out.

It was noted that the Inflation Reduction Act is focused on Medicare, and that is a key point to return to. The Medicare population is significantly older and more disabled than Nevada at large. On top of that, the demographics here, the third-most diverse state in the country, are different from the U.S. Medicare population. Centers for Medicare and Medicaid Services will not just be looking at prices and setting a price, they will also be evaluating datasets. They will be evaluating datasets based on a lens of looking at Medicare population, and that may work counter to what the needs are in Nevada.

Assembly Bill 250 defers all decisions and power to CMS without any input from health care experts who know the needs and disparities here in Nevada. There are no mechanisms to change or override those decisions if there are regional or demographic needs different from the Medicare population at large.

We do feel the bill does still raise constitutional concerns, many of which were the same in previous bills that set state price caps. We have concerns about the Inflation Reduction Act in general, and state prices reducing access to care and innovation. In every country that sets prices for medicines, it has led to lower access to treatment and care. This bill could exacerbate equity gaps and put new medicines at risk. PhRMA respectfully requests you not pass A.B. 250. [Testimony in opposition was submitted [Exhibit FF](#).]

Danny Thompson, representing Pharmaceutical Industry Labor-Management Association:

[A resolution in opposition was submitted [Exhibit GG](#).] The union trustees on the Association are the International Brotherhood of Electrical Workers, the International Brotherhood of Boilermakers, International Union of Police Associates, the International Union of Sheet Metal, Air, Rail and Transport Workers, the International Association of Fire Fighters, Ironworkers International, the International Union of Operating Engineers, and United Association of Plumbers and Pipefitters.

The U.S. biopharmaceutical industry discovers and manufactures medicines that enhance the quality of life and longevity. The U.S. industry is the global leader in scientific research, innovation, and manufacturing. It provides hundreds of thousands of high-paying jobs and contributes over \$200 billion to the gross domestic product. On average, it costs \$2.6 billion and takes ten years for a medicine to go through the entire research and development process. We are concerned that A.B. 250 could threaten that progress made in research and development and put the development of new cures at risk. For those reasons, we are opposed to this bill.

Peter Guzman, President, Latin Chamber of Commerce, Las Vegas, Nevada:

The Latin Chamber of Commerce echoes many of the opposition's comments. Further, we are in opposition to this bill because we believe it could have opposite effects of what we are trying to do. This could limit access to needed medicines, discriminate against patients, disincentivize the innovation of new medicines, and raise constitutional concerns. For those reasons and many more that have been already spoken here, the Latin Chamber of Commerce is in opposition to A.B. 250.

[Letters in opposition, [Exhibit HH](#), [Exhibit II](#), [Exhibit JJ](#), [Exhibit KK](#), [Exhibit LL](#), [Exhibit MM](#), and [Exhibit NN](#), were submitted but not discussed and will become part of the record.]

Chair Marzola:

Is there anyone else in opposition? [There was no one.] We will move to neutral testimony. Is there anyone wishing to provide testimony in the neutral position to A.B. 250? [There was no one.] [Letters in neutral, [Exhibit OO](#) and [Exhibit PP](#), were submitted but not discussed and will become part of the record.] Assemblywoman Considine, would you like to give any final remarks?

Assemblywoman Considine:

I do not want to go through all the opposition. Ms. Marshall will tackle some of them. I want to reread something when we started. I have had numerous conversations with stakeholders, listening to the worries about losing profits: the end of private research and development; cost shifting; it is not us, it is them; the system should be fixed first; not now, there is too much going on; it is not us, it is the PBMs; and it is not us, it is the insurers. What I keep going back to is, this is about people. This is about giving relief to people. The Inflation Reduction Act gives us the opportunity to stop those barriers. Cut right through it; cut through all of the noise and provide relief. I am open to work with everyone who wants to work on this. I would like to see this happen. I will work to make this happen, but I want to start with people and work from there.

Kate Marshall:

I know probably what you saw was a lot of people for this and a lot of people against this. What I saw was a lot of people for this and a lot of people attempting to relitigate the Inflation Reduction Act. This is not the place to relitigate the Inflation Reduction Act. This is the place to incorporate it by reference, so the other 83 percent of people in Nevada can take advantage of the maximum fair price established by Medicare.

A lot of the things you heard today are solved in the Inflation Reduction Act. It does not affect 340B. We have had caps on prices in the VA, in Medicaid, and in 340B things. A lot of these things you heard are ways to try to throw pasta against the wall and see what sticks.

I was a little disturbed by the notion we have not gone to stakeholders. We have had stakeholder meetings, and we have called all of them. We have had numerous calls and, indeed, you saw an amendment [[Exhibit S](#)] today to try to address some of the issues, so if

you have a collective bargaining agreement, you could choose to opt in. It gives you maximum flexibility for whatever is going on. It is important they have maximum flexibility.

I would like to say you heard that all the people here are already at the table in Washington, D.C. That is one of the reasons we wrote the bill the way it is. They are doing all the heavy lifting in Washington, D.C. That is why we have three fiscal notes that have a zero. We are not doing it here. We are not burdening our state or adding more bureaucracy.

The last thing I will say is there was a comment made that Nevada does not want to be first in the nation. We are first in the nation. We are first in the nation in terms of how bad our health care is. We are first in the nation on so many lists with respect to how our patients are doing. I would like us to get off that first-in-the-nation list.

Chair Marzola:

Thank you for your presentation. I want to remind anyone who did not get to testify today, whether in neutral, opposition, or support, you can always provide your testimony in writing to the Committee. With that, I will close the hearing on A.B. 250. I will now open up public comment. Is there anyone wishing to provide public comment? [There was no one.] This concludes our meeting for today. Our next meeting will be Wednesday, April 5, 2023, at 1:30 p.m. This meeting is adjourned [at 6:29 p.m.].

RESPECTFULLY SUBMITTED:

Julie Axelson
Committee Secretary

APPROVED BY:

Assemblywoman Elaine Marzola, Chair

DATE: _____

EXHIBITS

[Exhibit A](#) is the Agenda.

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

[Exhibit C](#) is a proposed amendment to [Assembly Bill 332](#), submitted by Assemblywoman Sarah Peters, Assembly District No. 24.

[Exhibit D](#) is a letter submitted by Shelbie Swartz, Private Citizen, Las Vegas, Nevada, in support of [Assembly Bill 332](#).

[Exhibit E](#) is a letter submitted by Jorge Martinez, Private Citizen, Las Vegas, Nevada, in support of [Assembly Bill 332](#).

[Exhibit F](#) is a letter submitted by Martin Fitzgerald, Executive Director, a New Day Nevada, in support of [Assembly Bill 332](#).

[Exhibit G](#) is a letter dated March 30, 2023, signed by Yvette Machado-Tuinier, President, Associated Students of the College of Southern Nevada, College of Southern Nevada, in support of [Assembly Bill 332](#).

[Exhibit H](#) is document titled "[Assembly Bill 176](#): Source of Income Discrimination," submitted by Lilith Baran, Policy Manager, American Civil Liberties Union of Nevada, regarding [Assembly Bill 176](#).

[Exhibit I](#) is a document titled, "Assembly Bill 176-Source of Income Discrimination," submitted by Lilith Baran, Policy Manager, American Civil Liberties Union of Nevada, regarding [Assembly Bill 176](#).

[Exhibit J](#) is a document titled, "Racial Justice and Source of Income Discrimination," submitted by Lilith Baran, Policy Manager, American Civil Liberties Union of Nevada, regarding [Assembly Bill 176](#).

[Exhibit K](#) is written testimony submitted by Shelbie Swartz, representing Battle Born Progress, in support of [Assembly Bill 176](#).

[Exhibit L](#) is a letter submitted by John Solomon, Private Citizen, Reno, Nevada, in support of [Assembly Bill 176](#).

[Exhibit M](#) is a letter dated April 3, 2023, submitted by Robin Collins, representing Nevadans for the Common Good, in support of [Assembly Bill 176](#).

[Exhibit N](#) is a letter dated April 3, 2023, signed by Victoria Ruiz-Marin, Public Affairs Manager, Planned Parenthood Votes Nevada, in support of [Assembly Bill 176](#).

[Exhibit O](#) is a letter dated April 3, 2023, signed by Anna Boone, Senior Manager, Government Relations and Public Affairs, Zillow Group, in support of [Assembly Bill 176](#).

[Exhibit P](#) is a letter dated April 3, 2023, signed by Jamelle Nance, Director, Prenatal to Three Initiatives, Children's Advocacy Alliance, in support of [Assembly Bill 176](#).

[Exhibit Q](#) is a letter signed by Ron M. Aryel, Private Citizen, Reno, Nevada, in opposition to [Assembly Bill 176](#).

[Exhibit R](#) is a letter signed by Reva Crump, Private Citizen, Reno, Nevada, in opposition to [Assembly Bill 176](#).

[Exhibit S](#) is a second proposed conceptual amendment to [Assembly Bill 250](#), submitted by Assemblywoman Venicia Considine, Assembly District No. 18.

[Exhibit T](#) is a document titled, "RX Drug Cost Stability Act," submitted by Assemblywoman Venicia Considine, Assembly District No. 18, regarding [Assembly Bill 250](#).

[Exhibit U](#) is a document titled, "Implementation Timeline of the Prescription Drug Provisions in the Inflation Reduction Act," submitted by Assemblywoman Venicia Considine, Assembly District No. 18, regarding [Assembly Bill 250](#).

[Exhibit V](#) is a proposed conceptual amendment to [Assembly Bill 250](#), submitted by Assemblywoman Venicia Considine, Assembly District No. 18.

[Exhibit W](#) is written testimony presented by Steven J. Horner, Private Citizen, Las Vegas, Nevada, in support of [Assembly Bill 250](#).

[Exhibit X](#) is a letter submitted by Mathilda Guerrero, Private Citizen, Henderson, Nevada, in support of [Assembly Bill 250](#).

[Exhibit Y](#) is a letter signed by Daniel Lide, Private Citizen, Las Vegas, Nevada, in support of [Assembly Bill 250](#).

[Exhibit Z](#) is written testimony dated April 3, 2023, signed by José Maria Partida Corona, Private Citizen, Las Vegas, Nevada, in support of [Assembly Bill 250](#).

[Exhibit AA](#) is a letter submitted by Martin Fitzgerald, Executive Director, a New Day Nevada, in support of [Assembly Bill 250](#).

[Exhibit BB](#) is a letter dated April 3, 2023, submitted by Kelsey Wulfschle, State External Affairs Manager, United States of Care; and Liz Hagan, Director of Policy Solutions, United States of Care, in support of [Assembly Bill 250](#).

[Exhibit CC](#) is a letter dated April 3, 2023, signed by Sarah Gleich, Chief Executive Director, Nevada Diabetes Association, in support of [Assembly Bill 250](#).

[Exhibit DD](#) is a letter dated March 30, 2023, signed by Connie McMullen, President, Senior Coalition of Washoe County, in support of [Assembly Bill 250](#).

[Exhibit EE](#) is a letter dated April 1, 2023, signed by Brian Warren, Senior Director, State Government Affairs, Biotechnology Innovation Organization, in opposition to [Assembly Bill 250](#).

[Exhibit FF](#) is written testimony dated March 14, 2023, submitted by Rocky Finseth, representing PhRMA, in opposition to [Assembly Bill 250](#).

[Exhibit GG](#) is a resolution submitted by Danny Thompson, representing Pharmaceutical Industry Labor-Management Association, in opposition to [Assembly Bill 250](#).

[Exhibit HH](#) is a letter dated April 4, 2023, submitted by Annabel Barber, M.D., FACS, President, Nevada Oncology Society; and Lori J. Pierce, M.D., FASTRO, FASCO, Chair of the Board, Association for Clinical Oncology, in opposition to [Assembly Bill 250](#).

[Exhibit II](#) is a letter dated April 4, 2023, signed by Patrick D. Kelly, President and CEO, Nevada Hospital Association, in opposition to [Assembly Bill 250](#).

[Exhibit JJ](#) is letter dated April 1, 2023, signed by John Laub, President, Nevada Biotechnology and Health Science Consortium, in opposition to [Assembly Bill 250](#).

[Exhibit KK](#) is a letter dated April 3, 2023, signed by Leah Lindahl, Vice President, Healthcare Distribution Alliance, in opposition to [Assembly Bill 250](#).

[Exhibit LL](#) is a letter dated March 30, 2023, signed by Shane P. Desselle, President, Applied Pharmacy Solutions, in opposition to [Assembly Bill 250](#).

[Exhibit MM](#) is a letter signed by Ron M. Aryel, Private Citizen, Reno, Nevada, in opposition to [Assembly Bill 250](#).

[Exhibit NN](#) is a letter dated March 30, 2023, signed by Rod Hamson, Executive Director, Region Teams, Epilepsy Foundation Nevada, in opposition to [Assembly Bill 250](#).

[Exhibit OO](#) is a letter dated April 4, 2023, signed by Tom McCoy, Executive Director, State Government Affairs, Nevada Chronic Care Collaborative, neutral on [Assembly Bill 250](#).

[Exhibit PP](#) is testimony submitted by Drew Gattine, Senior Policy Consultant, National Academy for State Health Policy, neutral on [Assembly Bill 250](#).