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

Eighty-Third Session
April 25, 2025

The Committee on Commerce and Labor was called to order by Chair Elaine H. Marzola at 12:02 p.m. on Friday, April 25, 2025, in Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 1 of the Nevada Legislature Hearing Rooms, 7120 Amigo Street, 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/83rd2025.

COMMITTEE MEMBERS PRESENT:

Assemblymember Elaine H. Marzola, Chair
Assemblymember Sandra Jauregui, Vice Chair
Assemblymember Natha C. Anderson
Assemblymember Max E. Carter II
Assemblymember Lisa K. Cole
Assemblymember Heidi Kasama
Assemblymember Brittney M. Miller
Assemblymember Daniele Monroe-Moreno
Assemblymember PK O'Neill
Assemblymember Erica P. Roth
Assemblymember Selena Torres-Fossett
Assemblymember Steve Yeager
Assemblymember Toby Yurek

COMMITTEE MEMBERS ABSENT:

Assemblymember Melissa R. Hardy (excused)

GUEST LEGISLATORS PRESENT:

Senator Michelee Cruz-Crawford, Senate District No. 1
Senator Melanie Scheible, Senate District No. 9

STAFF MEMBERS PRESENT:

Marjorie Thomas, Committee Policy Analyst
Sam Quast, Committee Counsel

Daniel Peinado, Committee Counsel
Logan B. Service, Committee Manager
Denise Dimarzo, Committee Secretary
George Whalen, Committee Assistant

OTHERS PRESENT:

Adam Brackemyre, Vice President, Government Affairs, Surety & Fidelity Associates of America, Washington, D.C.
Mark Sektnan, Vice President, State Government Relations, American Property Casualty Insurance Association
David Behar, Executive Officer, State Contractors Board
Bree Welch, Licensing Supervisor, State Contractors Board
Ann Barnett, Chief Executive Officer, Contractors Association
Lisa Stevens, Board Member, Surety & Fidelity Association of Nevada
Adam Plain, Insurance Regulation Liaison, Division of Insurance, Department of Business and Industry
Jessica Munger, Programs Manager, Silver State Equality
Brooke Maylath, Private Citizen, Carson City, Nevada
Joshua Skaggs, Legislative Affairs Director, Nevada Republican Party
Kimberly Fergus, Private Citizen

Chair Marzola:
[Roll was called, and Committee rules and protocols were explained.] Welcome everyone. Today, we will hear two bills, Senate Bill 327 and Senate Bill 352 (1st Reprint). We will move to our first agenda item. I will now open the hearing on Senate Bill 327. This measure revises provisions relating to contractors. Welcome, Senator Cruz-Crawford. You may begin when you are ready.

Senate Bill 327: Revises provisions relating to contractors. (BDR 54-1025)

Senator Michelee Cruz-Crawford, Senate District No. 1:
I am pleased to present Senate Bill 327 today, which revises certain bond requirements for contractors. I was looking for a small-business bill and found this need.

My husband and I started a construction business years ago, and it was very difficult to get insured and bonded starting off. I was happy to pick up this idea. My copresenter today is Adam Brackemyre. He is the Vice President of Government Affairs for Surety & Fidelity Associates of America, and he is going to walk through portions of the bill.

Adam Brackemyre, Vice President, Government Affairs, Surety & Fidelity Associates of America, Washington, D.C.:
The purpose behind our bill is that last year there was a surety bond company whose rating was downgraded from A to A-. Under Nevada law, all the contractors who had bonds with this company had to get new bonds, even though it did not appear there was any solvency concern about the bonds.

We looked at this entire process: the State Contractors Board notified the contractors, and the contractors would have to provide new bonds within 30 days. We thought, what public policy or what public protection is this process providing? There does not seem to be one that anyone has been able to articulate or define. Maybe there is a different way to provide a secondary screening of sureties. During our conversation with contractors and licensing boards, one of the ideas suggested was Treasury Listing, or T-Listing.

A neighboring state, Utah, uses this as a requirement for contractor bonds. There is a viable contractor bond market there. I pulled data for the contractors' bonds issued in the state, and all of them are Treasury listed. There would not be any disruption. Dealing with the current process would require the State Contractors Board to evaluate all these rating requirements on probably 40 or 50 different surety companies, monitor that, and then notify contractors that their bond needs to be replaced when there is no threat of insolvency. We think there is a better process, and that would be T-Listing. That is the purpose of the bill today. I would welcome any questions you have.

Senator Cruz-Crawford:
I do have a few more specific details about this bill that I would like to share. This bill revises two *Nevada Revised Statutes* (NRS) sections, NRS 624.270 and NRS 624.276, respectively, regarding the work requirements for an applicant for a contractor's license or contractor to obtain bonds in certain circumstances. Such bonds must currently be provided from a person whose long-term debt obligations are rated A or better by a nationally recognized rating agency. Instead, this bill requires the bond to be provided by a person who is, at the time of the execution of the bond, listed as a certificate-holding company in the United States Department of Treasury Circular 570, published pursuant to certain federal regulations set forward in this bill. I stand for any questions.

Chair Marzola:
Before I ask the Committee members if they have any questions, I have a quick one. I know that in your presentation, you stated that Utah uses T-Listing. How many other states use the T-Listing as well?

Adam Brackemyre:
Chair, to my knowledge, there is no state other than Utah that requires T-Listing. Generally speaking, states do not require a secondary screening of sureties. Licensure is good enough.

Chair Marzola:
Committee members, are there any questions?

Assemblymember Cole:
My day job involves working with contractors who have to get these kinds of insurance policies. I think it might be helpful, for all the Committee members, for you to explain what a surety bond does and how it protects the underlying consumer to make sure the contractor does their job and does it properly.

My other question is on the sureties. Have there ever been sureties that have gone out of business? If that makes sense? Have they lost that underlying ability to do what they need to do? My concern is that we are going to have consumers who are not protected as much as if you have an A or an A- rating. An A- still qualifies under the Board, correct?

Adam Brackemyre:
A surety bond is a financial guaranty made by a financial institution and the amount of the bond is required by the Board. It can be anywhere between, I believe anywhere from $5,000 to $500,000. It is at the Board's discretion for how much the bond is to be.

The contractor provides a premium for the bond which is due every year. That money is available for consumers in the event there needs to be access to funds in case the consumer is harmed. If the contractor were to go to your house, say, cut some pipes, your house floods, then there is a pool of money available if the contractor is not willing to fix the problem and make the consumer whole again. The short answer: It is a pool of money available for consumers.

In the event a surety does go insolvent—there are occasions when sureties go insolvent, just like banks and other financial institutions. In the event that the surety goes bankrupt, there is a liquidation process where some consumers are made whole, but until there is some provision that allows for either a public backstop or some assessments on the surety industry, just like any bankruptcy, some claimants will receive as much as they can.

Chair Marzola:
Committee members, any additional questions? [There were none.] I will give you a couple of seconds to step back before we start support testimony. Is there anyone in Carson City wishing to testify in support of S.B. 327?

Mark Sektnan, Vice President, State Government Relations, American Property Casualty Insurance Association:
We are in support of the bill.

Chair Marzola:
Is there anyone else in Carson City wishing to testify in support? [There was no one.] Is there anyone in Las Vegas wishing to testify in support of S.B. 327? [There was no one.] Is there anyone on the line? [There was no one.] We will move to testimony in opposition. Is there anyone in Carson City wishing to testify in opposition? [There was no one.] I see people in Las Vegas. You may begin when you are ready.

David Behar, Executive Officer, State Contractors Board:
I am here today in opposition to S.B. 327. The State Contractors Board currently regulates more than 18,000 licensed contractors across our state, and we are responsible for protecting their health, safety, and welfare. One of our responsibilities is to ensure that licensed contractors in our state maintain a bond rated A or better by a nationally recognized rating agency pursuant to NRS 624.270.

To explain why the State Contractors Board requires this rating, I will briefly explain the history of how our existing standards came to be. In the late 1990s and early 2000s, numerous surety companies became insolvent. In early 2001, Amwest Surety Insurance Company, a surety-conducting business in Nevada, went bankrupt. As a result, Nevada contractors who held their bonds suddenly had them canceled, and the company became insolvent. The downfall of Amwest was triggered by the company writing large, low-rated surety bonds to contractors while simultaneously placing minimal emphasis on collateral to financially support them. Shortly thereafter, another surety, Frontier Pacific Insurance Company, also became insolvent, leading to thousands of additional contractors across our state being impacted.

To address that issue, our Board worked tirelessly with legislators back in 2001 and required sureties that did business in Nevada to be rated A or better by a nationally recognized agency. I am proud to say the enactment of that legislation remains the industry standard for our contractors and has been ever since.

In closing, because history often repeats itself, the State Contractors Board feels that lessening the current standards that have been in place for decades would be a considerable step backward and significantly reduce the protections that currently exist for both our industry and the members of the public.

Bree Welch, Licensing Supervisor, State Contractors Board:
I am here today in opposition to S.B. 327. I have been with the Board for over 20 years, and I only recall the rating of surety companies who write surety bonds for our licensees falling under an excellent rating on two separate occasions.

We currently accept bonds with an excellent or higher rating. These ratings mean that the insurance companies have the superior or excellent ability to meet ongoing insurance obligations. Based on the best financial strength rating, any rating below an A or an A- indicates that the financial strength of the insurance company could be vulnerable to adverse changes in underwriting and economic conditions, which could impact their ability to meet ongoing insurance obligations, thus impacting public protection.

If a licensed contractor surety bond does fall under an excellent bond rating, they are provided with a 30-day grace period to get a new bond in place or provided with the opportunity to post a cash bond, although failure to get a new bond in place within that 30-day requirement could result in a temporary suspension. This is crucial for the public's protection.

In the time I have been with the Board, it is rare that we would hear of a contractor having an issue obtaining a new surety bond, especially if they have already held a bond with no claims or lapse in coverage. The contractors who would typically have issues obtaining a new bond would be the ones that do not meet the credit or financial wherewithal required by the bonding company.

In order to protect the health, safety, and welfare of the public, we feel the bond rating requirement on surety bonds is crucial. This protection provides reassurance to the public that bonding companies have the ability to meet their ongoing insurance obligations, and for these reasons, we oppose S.B. 327.

Ann Barnett, Chief Executive Officer, Nevada Contractors Association:
The Nevada Contractors Association (NCA) represents the commercial construction industry in southern Nevada, including general contractors, subcontractors, suppliers, and businesses that are affiliated with the industry.

First, I want to acknowledge the NCA did testify in support in the Senate. Support was based on information that we had at the time. However, since the hearing, NCA members have raised concerns about revising the standards for bonding companies. We do want to thank the bill sponsor and the proponents for discussing this with us this week.

Lisa Stevens, Board Member, Surety & Fidelity Association of Nevada:
I am testifying in opposition to S.B. 327 as currently written. I have been a licensed broker in Nevada since 1996, and I am speaking today as a board member of the Surety & Fidelity Association of Nevada. While we generally align with the National Surety & Fidelity Association of America, we respectfully disagree with their support of this bill. Senate Bill 327 proposes replacing the longstanding AM Best rating requirement for contractor license bonds with the U.S. Department of Treasury listing. We believe this change does not serve Nevada's contractors, consumers, or economy. It benefits only a select part of the surety industry.

The claim that a current A rating requirement restricts access to bonding simply is not supported by the data. Only 36 of over 18,000 licenses had to be rewritten due to a rating downgrade, which is less than 0.2 percent. Those contractors found new bonds quickly, showing that the system works.

Nevada currently has 212 licensed sureties rated A- or better. We are not facing a shortage of bonding options. Unlike T-Listings, which are updated once a year, AM Best ratings are monitored continuously, offering real, transparent financial insight. This is critical for protecting the public, property owners, employees, subcontractors, and suppliers, all who rely on contractor bonds for protection.

In 2010, Western Insurance Company, based in Nevada, was downgraded by AM Best before being placed into liquidation in 2011, leaving contractors and bondholders with little recourse for claims. That downgrade served as a vital warning, something a T-Listing alone would not have provided.

If a change is needed, we recommend including A- sureties in the NRS, which are still considered excellent. Removing AM Best entirely would reduce oversight and consumer protection. AM Best remains the most reliable indicator of a surety's financial strength to pay claims, and we urge you not to discount that. Thank you for your time and your commitment to protecting Nevada's public and business community.

[Letters in opposition, Exhibit C and Exhibit D, were submitted but not discussed and will become part of the record.]

Chair Marzola:
Is there anyone else in Las Vegas? [There was no one.] Is there anyone on the line wishing to testify in opposition? [There was no one.] We will move to neutral testimony. Is there anyone here in Carson City wishing to testify in neutral? You may go when you are ready.

Adam Plain, Insurance Regulation Liaison, Division of Insurance, Department of Business and Industry:
I was planning on sitting this one out. The Division has no horse in the race on what rating organization the state uses. I did want to clarify, though, because Assemblymember Cole asked the question. Surety companies are licensed insurers in NRS 679A.100, but under NRS 687A.020, surety and fidelity bonds are explicitly excluded from the guaranty association coverage as backstop in case of an insolvency. I just wanted to put that out there to answer the question.

Chair Marzola:
Is there anyone else in Carson City, Las Vegas, or on the line wishing to testify in neutral? [There was no one.] Senator, would you like to give any final remarks?

Senator Cruz-Crawford:
A lot of the opposition came at the very last minute. We will continue to work with them so that we can get something that will work for all Nevadans.

Adam Brackemyre:
Our members work with the U.S. Department of the Treasury. The Treasury has ongoing monitoring of all sureties' public financial data, and they have regular meetings to examine their financial solvency because the Department of Treasury is meant to guaranty the many millions and billions of dollars of construction that is backed by sureties. They provide a significant overview of surety companies.

I talked to one of our members who was meeting with the Treasury last week. These meetings occur throughout the year. The meetings are not necessarily public because they are

discussions between a private organization and the government. I describe them more as negotiations. They may not be as public as rating agency discussions when announcing a meeting or some type of rating review. Treasury, in our members' view, does an excellent job of screening the finances of sureties. I just wanted to point that out and I did not raise that in my initial testimony.

Chair Marzola:
I will close the hearing on S.B. 327. I will open the hearing on Senate Bill 352 (1st Reprint). This measure revises provisions relating to health care. You may begin when you are ready.

Senate Bill 352 (1st Reprint): Revises provisions relating to health care. (BDR 57-712)

Senator Melanie Scheible, Senate District No. 9:
I am very pleased to be here today to present Senate Bill 352 (1st Reprint) to you. When you look at this bill, which is about six or seven pages long, you are looking at a one-page bill that repeats six times because, as you all know as members of the Commerce and Labor Committee, when you change something for insurance policies, you have to do it in all six sections of the *Nevada Revised Statutes*.

What S.B. 352 (R1) does is it ensures that we put into state law the protections that currently exist at the federal level for nondiscrimination. Those include protected characteristics, including age, sex, national origin, race, and we have added, for Nevadans, gender and gender identity. When I say we have added, I mean we added, gender identity and gender for Nevadans back in 2023, but we did not realize at the time we might be living in a world where those federal protections were no longer guaranteed for everybody who is seeking health insurance on the Silver State Health Insurance Exchange or in the open market.

The purpose of S.B. 352 (R1) is to place into state law the current federal protections. Frankly, in case those go away, so when Nevadans go to purchase health care on the open market, they cannot be discriminated against based on their race, sex, gender, religion, gender identity, or sexual orientation. We have worked hard to get this bill to a place where insurers could be in agreement with it and to address concerns that came from industry. I would like to pass it over now to my partner, Jessica Munger from Silver State Equality, to speak a little bit more to the policy.

Jessica Munger, Programs Manager, Silver State Equality:
Silver State Equality is Nevada's statewide LGBTQ+ civil rights organization. Health insurance coverage directly relates to the quality of life for most people, determining if and how our medical needs are met and how much the meeting of those needs will impact our financial future.

Unfortunately for LGBTQ+ people, health care and insurance coverage are often fraught with discrimination, inaccessibility, stigma, and misunderstanding. However, the Affordable Care Act (ACA) helped to change some of that by increasing coverage for LGBTQ+ people and our unique health care needs.

LGBTQ+ individuals often face disparities in health insurance coverage and access to care, which can lead to poor health outcomes and increased rates of certain chronic conditions. These disparities are linked to stigma, discrimination, and socioeconomic factors, as well as policies that may not adequately address the specific health needs of our community.

The federal ACA prevents discrimination based on race, color, national origin, age, disability, and sex, but protections for LGBTQ+ people have needed strengthening. For example, in 2020 the *Bostock v. Clayton County* ruling by the U.S. Supreme Court upheld that Title VII of the Civil Rights Act of 1964 prohibits employment discrimination based on sex, which includes discrimination based on sexual orientation and gender identity. As a result of this ruling, the Office of Civil Rights under the Biden Administration interpreted section 1557 of the ACA to prohibit discrimination based on sexual orientation and gender identity.

Unfortunately, however, this year the new Trump Administration issued an executive order rescinding the Biden executive order preventing and combating discrimination on the basis of gender identity and sexual orientation as applied to the ACA. It also issued another executive order removing affordable care health coverage specifically for transgender young people at the federal level.

Thankfully, last session, as Senator Scheible stated, this Legislature signed Senate Bill 163 of the 82nd Session into law, preventing certain insurance companies, including Medicaid, from discriminating against covering someone based on their perceived or actual gender identity and expression.

We need to enshrine into law in Nevada those same protections based on sexual orientation so that whatever happens at the federal level, there is coverage in Nevada. It is imperative that this language related to sexual orientation be added for insurance coverage, including Nevada's ACA Exchange. Ultimately, we need to make sure that whatever happens at the federal level with the slew of anti-LGBTQ+ executive orders and how laws are interpreted, there are consistent, nondiscrimination protections for all Nevadans.

Chair Marzola:
Are you going to go through the bill?

Senator Scheible:
I can go through the bill if you would like. If you are looking at section 1, subsection 2, paragraphs (a)-(d), what we have done is, where the current law protects anybody based on gender identity or expression, we have substituted the term "protected characteristic." That would address whether the insurer is issuing a policy in subsection 1.

Subsection 2, paragraph (a) would be about the denial of health care and canceling a policy. Section 2, paragraph (b) would be about increasing the premium based on a protected characteristic. Paragraph (c) is preventing a family member from joining the policy based on their membership in one of those protected classes, so an insurance company cannot say they

are not going to cover your kid because of their disability status or because of their gender orientation, sexual orientation, or gender identity.

Subsection 2, paragraph (d) is the participation of the primary insured person. That is in existing law but replacing the gender identity or expression language with protective characteristics, which are then defined in section 2, subsection 4, paragraph (a) to include race, color, national origin, age, physical or mental disability, sexual orientation, gender identity or expression, or sex, including without limitation, sex characteristics, intersex traits, pregnancy, or related conditions.

Section 1, I believe if I will refer back to my NRS [*Nevada Revised Statutes*], applies to private health insurers, and then I may get these wrong; I would be happy to follow up with the Committee, but I think section 2 repeats the same language for public health insurance. Section 3 repeats it for NRS Chapter 689C, which refers to small employers. Section 4 is NRS 695A.198, which refers to fraternal organizations that provide health insurance coverage. Section 5 applies to hospitals and other medical service corporations. Section 6 applies to health maintenance organizations. Section 7 applies to managed care organizations. You are quizzing me here.

Finally, section 8 applies to Medicaid, and section 9 adds an additional section to clarify if there are other types of health insurance coverage that are not covered under one of those particular sections, they would still be subject to the same antidiscrimination requirements. I would be happy to answer any questions.

Assemblymember Yeager:
It is a little bit disconcerting. Well, it is very disconcerting to me that historically, the federal government has been at the forefront of protecting its citizens when it comes to matters like this and a lot of other matters. We are not in that world anymore; we are in a world where those protections are being intentionally eroded.

I think this provides an opportunity for the states, and I do think it highlights the importance of what state legislatures do—that we no longer can count on the federal government to step in and make sure people are being treated fairly. I want to thank you for bringing the bill.

The question I have is not just in this area, but there are a lot of areas of federal law that certain states are attempting to put into their state law on the belief, probably a legitimate belief, that federal protections are going away. Have other states done this that you know of, or are we going to be the first one this legislative season to put this into our state law?

Senator Scheible:
I am not aware of any other states that are taking this step. I do not want to say we would be the first because I cannot confirm that, but I have not been able to find any legislation proposed elsewhere that does the same thing.

Assemblymember Yeager:
I just have a follow-up—not a question, but a comment. Is there anything you can do to share this concept with other states that might still be in legislative session, find this to be an appropriate way to protect their citizens and make sure they get health care? I think we should try to get the message out while folks are still in session, and hopefully, we are the first because it is nice to be the first when we do something good, but I would love to see other states follow suit. If you can get the word out to other states, they may want to take a look at this in anticipation of harmful federal decisions that will likely be coming down.

Assemblymember Cole:
My question is in relation to adding age into the protected characteristic. I happen to know my insurance premiums go up every year, and my husband who is 13 years older than I am, his rates are much higher than mine. My question is, by including the word "age" here, are we making this a flat premium? Are my 24-year-old's insurance premiums going to go up to cover my 65-year-old husband?

Senator Scheible:
Great question; it was our friend Mr. Plain from the Division of Insurance who helped us write language that addresses that question. It is in section 1, subsection 3 that says that the insurer can still take age into account when setting the premium level within the confines of other federal laws. The reason age is included in there is because it is included in the ACA in section 1557 of Chapter 42. Hopefully, we would never have to litigate a claim, but I guess the purpose, then, would be to thread that needle. Of course, an insurance company can raise premiums with age, but they cannot refuse to cover everybody under the age of 60, or if you are 50 and married to somebody who is older than you, they cannot refuse to cover your spouse because they have exceeded that age of 60.

Assemblymember O'Neill:
I have two questions; hopefully, they are quick and more or less easy. Senator Scheible, I appreciate your bringing this forward. In your presentation, did I understand you correctly that you said the insurance companies actually asked you to carry this or present this at their request?

Senator Scheible:
No, I meant that we worked with insurance companies to ensure they were comfortable with the language, that it mirrored the federal protections and the current protections, and state law, which included gender identity or expression, which is not at the federal level. On the whole, for Nevada insurance companies, this will not change the nondiscrimination they have already been practicing. Going forward, if things change at the federal level, they will stay the same at the state level.

Assemblymember O'Neill:
I appreciate that clarification. On some of the insurances, particularly under the ACA, will that change any of the reimbursements? If the federal level does not mirror our protections, will that change what they will pay for? Can they have any other financial influence on us?

Senator Scheible:
I think what you are asking is, if portions of the ACA were repealed or reinterpreted to no longer require everybody to practice this kind of nondiscrimination. That is not a question that I have asked the Insurance Commissioner or insurance companies, but I suppose potentially it could. If everybody is allowed to shrink their universe to only the people they want to cover because they are cheaper to cover, then I guess insurance companies, hopefully, would not, but they could start doing that in other states.

Assemblymember O'Neill:
When you were going through the bill, are religious organizations that offer insurance exempt? Did I understand correctly?

Senator Scheible:
They maintain the current exemptions they have. There is no exemption in the ACA except for, of course, the First Amendment. They would maintain that same status.

Assemblymember O'Neill:
So, they would have to provide the coverage, or the protections included in their issuance of insurance?

Senator Scheible:
Yes, they would have to cover anybody. That means allowing them to purchase an insurance policy or be added to an insurance policy. That does not speak to the actual medications, procedures, or treatments they would have to cover. That is covered by a different area of law.

Chair Marzola:
Committee members, any additional questions? [There were none.] We will move to support testimony. Is there anyone in Carson City wishing to testify in support of S.B. 352 (R1)?

Brooke Maylath, Private Citizen, Carson City, Nevada:
I cannot tell you how important this bill is for marginalized communities. There are several marginalized communities, including one that I have often represented in these chambers, the transgender community, those who are experiencing gender variability and do not fit the gender binary.

I happen to work for the state. I am not here in any sort of official representation of my role in the state, but I will say on a personal level, I look out for the best interests of all Nevadans. There is no separation because of color, gender, religious beliefs, or anything. It is universal.

I look after human life and the protection of human life. That is what medical care is. It is the ability to go through life in a healthy manner, and having access to health care and health insurance is critical for the contribution of our citizens to be fully engaged citizens of the state of Nevada. This is a moral line as much or more than it is a financial line. Do we include people who may be a little different from your experience? I say, yes, we do. That is what this is about.

Unfortunately, in these political times, the transgender community, in particular, is being used as a wedge issue to motivate votes. The science behind it is supporting us, and the cockamamie expectations that are put forth in misinformation that deliberately attacks our humanity, our ability to survive, our visibility, and just our mere existence, are categorically unjust. I urge you to support this bill, support the moral equation of supporting Nevada citizens, and not buy into the insanity that is being professed through misinformation channels and propaganda that are trying to make us the enemy. I thank you for your time and consideration.

Chair Marzola:
Is there anyone else in Carson City wishing to testify in support? [There was no one.] Is there anyone in Las Vegas? [There was no one.] Is there anyone on the line wishing to testify in support? [There was no one.] We will move to testimony in opposition to S.B. 352 (R1). Is there anyone in Carson City wishing to testify in opposition? You may begin when you are ready.

Joshua Skaggs, Legislative Affairs Director, Nevada Republican Party:
We are here today in opposition to Senate Bill 352 (R1). The Nevada Republican Party opposes S.B. 352 (R1) on the grounds that it is both unnecessary and legally redundant. Senate Bill 352 (1st Reprint) appears to reinforce Senate Bill 163 of the 82nd Session, which was opposed by all Republicans in both the Senate and Assembly and required all providers of health insurance to cover treatment of conditions relating to gender dysphoria.

Current federal and state laws already provide strong protections against actual discrimination in health insurance based on sex and gender. But of course, this bill, like S.B. 163 of the 82nd Session, is not really about discrimination but rather about forcing consumers and taxpayers to pay for optional gender transition surgeries.

We call attention to President Donald J. Trump's Executive Order 14168, signed on January 20, 2025, titled "Defending Women from Gender Ideology Extremism and Restoring Biological Truth to the Federal Government." This executive order reaffirms that the federal government recognizes only two sexes, male and female, based on immutable biological characteristics. It explicitly defines sex as a biological classification and excludes gender identity from legal recognition.

Senate Bill 352 (1st Reprint)'s inclusion of gender identity as a protected category directly contradicts this federal directive. The resulting conflict between state and federal policies could create significant legal and administrative complications, particularly for federally funded programs in Nevada that must comply with both sets of regulations. For these reasons, we respectfully urge members of the Legislature to vote no on S.B. 352 (R1).

Chair Marzola:
Is there anyone else wishing to testify in opposition? [There was no one.] I do not see anyone in Las Vegas. Is there anyone on the line?

Kimberly Fergus, Private Citizen:
I rise in strong opposition to S.B. 352 (R1). It is an overreaching, ideology-driven mandate disguised as an antidiscrimination law. This bill is not about fairness; it is a Trojan horse to force controversial transgender ideology onto insurers, providers, and taxpayers.

First, it mandates coverage for gender transition procedures regardless of medical judgment, even when similar services would not be covered otherwise. Second, it weaponizes licensing boards, creating vague, subjective standards and opening the door to activist-driven discipline against good doctors. Third, it places science with politics. Terms like sex characteristics and perceived gender ideology are legally undefined, forcing providers to practice based on ideology, not evidence. Fourth, it creates unfunded mandates, pushing costs onto already strained local systems and working families. Finally, it chills free speech and professional discretion, threatening licensees' licenses if providers disagree with shifting political definitions.

Nevada's health care must be grounded in biology, ethics, and professional integrity, not coerced by social engineering. I urge you to vote no on S.B. 352 (R1). Lastly, it is not about color, race, gender, creed, or anything. I mean, this is just protecting us law-abiding citizens' taxes.

[Letters in opposition, Exhibit E and Exhibit F, were submitted but not discussed and will become part of the record.]

Chair Marzola:
Is there anyone else on the line? [There was no one.] We will move to neutral testimony. Is there anyone in Carson City wishing to testify in neutral?

Adam Plain, Insurance Regulation Liaison, Division of Insurance, Department of Business and Industry:
We did submit written comment on S.B. 352 (R1) [Exhibit G]. I want to thank Assemblymembers Cole and O'Neill because their questions touched on exactly what we had submitted, if you care to read it for more in-depth to Assemblymember Cole's question. We did have a concern about the age banding issue. We worked with Senator Scheible on

amendment 208, to correct that particular item, and in our view, as long as the federal age rating bands under 45 CFR § 147.102 remain, then the Nevada state law would comply with that and allow age banding to continue.

To Assemblymember O'Neill's question, we did raise the specter, as has been discussed recently today, that the Centers for Medicare and Medicaid Services (CMS) published a proposed market stabilization rule in early March 2025. The market stabilization rule does cite Executive Order 14187 as impetus for explicitly barring "sex-trait modification" from consideration as an essential health benefit. Long story short, if that market stabilization rule is finalized as proposed, any treatment relating to "sex-trait modification" would be explicitly barred as an essential health benefit regardless of how the state categorized it originally, and it would potentially trigger federal defrayal provisions. I would be happy to answer any questions.

Assemblymember Cole:
My question for you is the timing. If this bill were to pass and get signed into law tomorrow, and then the federal government does something different in three days, does that still trigger defrayal, or does it have to be the opposite timing?

Adam Plain:
That is a good question; we do not a hundred percent know. The proposed market stabilization rule was published on March 10, 2025. It did publish with a 30-day comment period, which has since elapsed. We have no idea when that rule might be finalized. We also do not know what position CMS might take if they do finalize the rule as proposed, whether they would finalize it for the next policy year, meaning January 1, 2026, or they might finalize it immediately with retroactive repercussions. It would be impossible to say, really.

Chair Marzola:
I do not believe we have any other questions. I do not see anyone else walking up for neutral testimony in Carson City. I do not see anyone in Las Vegas. Is there anyone on the line wishing to testify in neutral on S.B. 352 (R1)? [There was no one.] Senator, would you like to give any final remarks?

Senator Scheible:
I am not sure I need to clarify, but since we are making a record here, I just want to make sure everybody understands this does not affect the procedures, treatments, or what is covered by an insurance plan. This puts into state law what already exists at the federal level to ensure that people are not discriminated against when it comes to obtaining health care in Nevada.

I also failed to mention one requested amendment from the Department of Health and Human Services. We did work with a lot of stakeholders on this. There was an amendment I agreed to make but forgot to present to you. It would include language stating that the provisions of

this section do not prohibit the Department from determining eligibility for participation or coverage under Medicaid in a manner that is otherwise authorized by state or federal law. I hope that you will consider including that amendment.

Chair Marzola:
I will close the hearing on S.B. 352 (R1). We will take a one-minute recess.

[The Committee recessed at 12:51 p.m. and reconvened at 12:52 p.m.]

I will pass it to Speaker Yeager.

Speaker Yeager:
I think this discussion has been a good one on this bill, and I am glad that we got some clarification on what I think were some inaccuracies presented in the opposition testimony. I did want to let the Committee know as well that I looked, and the Senate passed this out on a bipartisan vote of 17 to 4.

Given the importance of this issue and the fact that the federal government is engaging in what can only be described as a severe whiplash at this point, I would be willing, with your permission, Chair, if you would allow it, to waive Assembly Standing Rule No. 57, subsection 4, which requires a 24-hour waiting period before we vote this legislation out. With your permission, Chair, I would love to do that and make a motion to amend and do pass with the amendment as presented by the sponsor.

Chair Marzola:
I will absolutely allow that. We will take a quick recess.

[The Committee recessed at 12:52 p.m. and reconvened at 12:53 p.m.]

We will now conduct a work session to take measure on what the Committee has heard in today's hearing. We will work session Senate Bill 352 (1st Reprint), which revises provisions relating to health care.

Senate Bill 352 (1st Reprint): Revises provisions relating to health care. (BDR 57-712)

Assemblymember Yeager:
Chair, with your permission, I would move to amend and do pass S.B. 352 (R1) with the following language amended that was referenced and that would be, "The provisions of this section do not prohibit the Department from determining eligibility for participation or coverage under Medicaid in a manner that is otherwise authorized by state or federal law."

> ASSEMBLYMEMBER YEAGER MOVED TO AMEND AND DO PASS SENATE BILL 352 (1ST REPRINT).
>
> ASSEMBLYMEMBER MONROE-MORENO SECONDED THE MOTION.

Chair Marzola:
Is there any discussion on the motion?

Assemblymember Yurek:
I certainly appreciate the intent of this bill and the discussion that has occurred on this motion to suspend the rules. Until I have a chance to personally do a little bit more research, I am going to vote no today with the hopes that the additional research will substantiate, on my own, what has been professed here. I am going to reserve the right, and just to let you know that is the reason why I am going to vote no today.

Assemblymember O'Neill:
I want to be voting no because I want to talk with Senator Scheible more about the bill to make sure I understand it, as well as with our insurance commissioner. I read his letter he put in during part of the discussion, and I still have more questions. I do not see the rush to get this out and get it done today. I will be a no for now.

Assemblymember Cole:
I would like to ditto my colleague's comments and also just note for the record that I am very concerned about the potential for defrayal and our concerns with the budget overall. That will be why I am voting no.

Chair Marzola:
Committee members, any further discussions or questions?

Assemblymember Monroe-Moreno:
And after that comment, I have to make a comment as the Chair of the Ways and Means Committee. This will have no impact on our state budget.

Chair Marzola:
Committee members, any further discussion or questions? [There were none.]

THE MOTION PASSED. (ASSEMBLYMEMBERS COLE, O'NEILL, AND YUREK VOTED NO. ASSEMBLYMEMBERS HARDY AND KASAMA WERE ABSENT FOR THE VOTE.).

Remainder of page intentionally left blank; signature page to follow.

I will assign the floor statement to Assemblymember Monroe-Moreno. That is it for our work session today. I will now open for public comment. Is there anyone here in Carson City wishing to give public comment? [There was no one.] I do not see anyone in Las Vegas. Is there anyone on the line? [There was no one.] Members, are there any questions or discussions before I adjourn? [There were none.] This will conclude our meeting for today. Our next meeting will be on Monday, April 28, 2025.

This meeting is adjourned [at 12:57 p.m.].

RESPECTFULLY SUBMITTED:

_____
Denise Dimarzo
Committee Secretary

APPROVED BY:

_____
Assemblymember Elaine H. Marzola, Chair

DATE: _____

EXHIBITS

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
S.B. 327	C	Jeric Leavitt, Commercial Insurance Broker, Principal, Leavitt Insurance Agency	Letter in opposition
S.B. 327	D	Roxann Robinson, Director of Agency Operations, Leeds and York, LLC	Letter in opposition
S.B. 352 (R1)	E	Reva Crump, Private Citizen, Reno, Nevada	Written testimony in opposition
S.B. 352 (R1)	F	MJ Dodson, Private Citizen, Fernley, Nevada	Written testimony in opposition
S.B. 352 (R1)	G	Adam Plain, Insurance Regulation Liaison, Division of Insurance, Department of Business and Industry	Letter in neutral