MINUTES OF THE
SENATE COMMITTEE ON COMMERCE AND LABOR

Eighty-third Session
March 17, 2025

The Senate Committee on Commerce and Labor was called to order by Chair Julie Pazina at 8:10 a.m. on Monday, March 17, 2025, in Room 2134 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 5 of the Nevada Legislature Hearing Rooms, 7120 Amigo Street, Las Vegas, Nevada. Exhibit A is the agenda. Exhibit B is the attendance roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Julie Pazina, Chair
Senator Skip Daly, Vice Chair
Senator Roberta Lange
Senator Edgar Flores
Senator John Ellison
Senator Lori Rogich
Senator John C. Steinbeck

COMMITTEE MEMBERS ABSENT:

Senator Melanie Scheible (Excused)

GUEST LEGISLATORS PRESENT:

Senator Fabian Doñate, Senatorial District No. 10

STAFF MEMBERS PRESENT:

Patrick Ashton, Committee Policy Analyst
Jeff Koelemay, Committee Counsel
Bryan Fernley, Committee Counsel
Madison Zajac, Committee Secretary

OTHERS PRESENT:

Pete Goicoechea, Goicoechea Ranches
David Little, President, Nevada Wool Growers Association
Bonnie Little, Nevada Sheep Industry
Doug Busselman, Nevada Farm Bureau Federation
Jim DeGraffenreid, Nevada Republican Party
Janine Hansen, Nevada Families for Freedom
J.J. Goicoechea, Director, State Department of Agriculture
John Gavin, Borda Land & Sheep Company
Alex Cannito
Jessica Glover
Bryan Wachter, Retail Association of Nevada
David Dazlich, Consumer Data Industry Association
Amy Shogren, Vegas Chamber
Misty Grimmer, Nevada Resort Association
Matt Schriever
Sean Sever, Deputy Administrator, Division of Research and Project Management, Nevada Department of Motor Vehicles
Connor Cain, Nevada Bankers Association
Shelly Capurro, Nevada Association of Health Plans
Adam Plain, Insurance Regulation Liaison, Division of Insurance, Nevada Department of Business and Industry
Peter Guzman, Latin Chamber of Commerce NV
David Behar, Executive Officer, Nevada State Contractors Board
Alexis Motarex, Nevada Chapter AGC
Caden Grogan, Nevada Contractors Association
Jordan Krahenbuhl, Executive Director, Plumbing Heating Cooling Contractors of Nevada
Wiselet Rouzard, Americans for Prosperity Nevada
Debbie Holloran
Mikey Salazar
Alana Ariel
Eddie Diaz, The LIBRE Initiative

CHAIR PAZINA:
We are taking our bills out of order this morning and we are starting with Senate Bill (S.B.) 204.

SENATE BILL 204: Revises provisions relating to employment. (BDR 53-724)

SENATOR JOHN ELLISON (Senatorial District No. 19):
I am pleased to present S.B. 204, which aims to establish a fair compensation model of hours worked on the H-2A visa for herders and employers.

A while ago, this esteemed committee heard the bill from my colleague, Senator Flores, about the rights of agricultural workers. My bill, S.B. 204 relates to a portion of the same constituents, who are temporary H-2A visa program agricultural workers and their employers. However, the bill has a different background—focus on the intent. It is almost alike but it is a little different. Senate Bill 204 is for ranchers and sheepherders, and the other bill is for agricultural producers that do a lot of picking in the fields.

You have already heard that thousands of temporary agricultural workers from outside the U.S. come to work in our State. Our farmers and ranchers rely on them to assist in the harvest, sheepherding, cattle feeding and other agricultural work during certain seasons. On the ranch, such workers are usually hired to tend to livestock and make sure the animals are safe and cared for.

With me today is Pete Goicoechea, my predecessor in [Senate] District 19, who is currently serving as a member of [the Nevada System of Higher Education] Board of Regents for District 8.

Bonnie and David Little, ranchers and owners of Little Livestock [The Little Paris Sheep Company], are also here. The Littles have a story to tell about what happened to them several years back—with the labor rate—because it used to be that the ranchers always paid [workers] a salary, not hourly, and that has created a large problem. Senator Goicoechea will get into this and give you some history of what happened with the Littles.

We depend on these migrant workers, and we are hoping we can come up with an idea that would help resolve the issue in our State. It is important that the migrant workers are here—helping produce, working on the ranches and sheepherding—they do a lot.

PETE GOICOECHEA (Goicoechea Ranches):
I am representing myself and Goicoechea Ranches, which has been running on some of the same ranges and waters in Eastern Nevada for well over a century.

We do use camps, and we are very familiar with range production livestock with over a 100-year history.

I have with me David and Bonnie Little. They have Little Livestock and they are truly engaged today with H-2A herders. The real crux of the issue is that Title 20 of the Code of Federal Regulations (CFR) 655.200 through CFR 665.235 requires H-2A herders to sign a contract stating when they will come to the U.S. and that they agreed to a salary. They arrive and, at that point, they typically go to their employer—that is the [H2-A] visa program.

The problem comes with Title 20 CFR, Section 655, which allows for mobile housing. It requires that they spend the majority of their time, 51 percent, on the range. Then we get into Chapter 608 of the *Nevada Revised Statutes* (NRS), which says that 8 hours and beyond is time-and-a-half—and with that we run into the conflict.

The CFR requires these people to be out on the ranges and in mobile housing. The mobile housing units are inspected by both the DOL and the State. A lot of people do not realize that even our Employment Security Division inspects sheep camps at least annually, or are supposed to by law, and it does happen.

What is happening with the two regulations between the CFRs? They are saying they have to live in mobile camps, and they have to be out on the range. It is impossible to track the hours worked that NRS 608.115 requires. How are you going to [do that when] this guy is out on the range in a mobile camp? He could be moving as often as every two or three days or once a week. I will let Mr. Little speak to how many times he visits these camps. Typically, every five or six days is a camp day and somebody will be on-site [to visit].

The employer, or the captain, really does not know if that guy is going to the sheep every day, or if he is going at all. You are completely dependent on this employee and the contract he signed—that he is going to perform the work.

There was a lawsuit filed, called the Castillo case [Castillo v. Western Range Association], and it was headed for the Supreme Court. Ultimately, I believe the plaintiff died, but the Littles will be able to address this better as they were personally involved.

The real issue was the pleading that they [H-2A workers] should get paid for 24 hours a day because they were in that camp for 24 hours. Senate Bill 204 is an attempt to align that and bring these H-2A visa workers back in line with the amendments we offered in the 2017 session—which puts them in line with domestic [service employees] which includes caregivers and care workers. Under the existing statute, those live-ins can in fact have free time, sleep time, personal time and time to eat that is deducted from the hourly rate required by NRS 608.215.

If I am making any sense to you at all, the conflict is that the feds are saying one thing, and the NRS is saying another. Under the CFR, you [the H-2A worker] can contract for a salary—in fact, you must sign a contract before you can come here.

One other point I want to make perfectly clear is that, even though they signed a contract, if at any point if they do not want to be there, they can quit. If they feel strongly enough about it, they can tell the employer they want to go home—and the employer must put them on a plane to send them back. So they can quit, they can be replaced. That is a little different than most of us are familiar with. If you quit, typically you take care of yourself.

As you read the text of S.B. 204, it allows the employer and the employee to negotiate what the compensation will be: salary rate, work hours, free time, time spent sleeping and the times you are off duty.

Probably the biggest change in this scenario is the cell phone. Back in the day, it was transistor radios, paperback books and trying to kill that free time. Today [herders] have a cell phone and Mr. Little can comment on that.

When the herders are down on the rangeland and it's hot in the middle of the day and the livestock are in siesta and shaded up—there's nothing going on. In the summer, if you're on good feed and water, you can be there for 8 hours and nothing moves. They have a cell phone, and they can call home and talk to the wife and the family. These cell phones have been great for the livestock industry, as well as for the employees.

DAVID LITTLE (President, Nevada Wool Growers Association):
I am the president of the Nevada Wool Growers Association, and I also own The Little Paris Sheep Company. We run sheep in Elko, White Pine and in

nine counties of Nevada. We utilize H-2A range workers, or sheepherders, to tend our flocks and our flocks are grazing 100 percent on federal [BLM] grazing lands.

We are required by the BLM to have a herder with our sheep at all times. The DOL regulates range workers through Title 20 CFR 655.200 through 655.235, which Pete spoke to. There is a big difference between range workers and farm workers. The DOL requires that range workers spend the majority of their time on the open range, and 100 percent of their time has to be directly related to the production of livestock.

In our contract, we are required by the DOL to have the men on call 24/7. That does not mean that they are working 24/7, but that they are on call. You can see we are getting in bit of a bind here. There are also a few other things required by DOL that are not required for farm workers. We are required to supply room and board, a communication device and many other items at no cost to the range workers.

Senate Bill 204 will allow the ranchers and each of the range workers to come to a consent on the hours worked, which will get them paid for their hours worked. Then [they can] also agree upon hours for sleep, meals and complete free time—[which] will be excluded from [wages]. That is what S.B. 204 is essentially going to do.

In S.B. 204, we took the text right out of NRS 608.215 for domestic service employees. We took it verbatim from that and substituted H-2A range workers for domestic service workers. You have a subset group in chapter 608 of NRS doing the same thing that we are asking for. We are asking for it for our range workers.

We are asking the committee to please move S.B. 204 forward as its passage would greatly mitigate the [litigation] exposure to Nevada ranches.

BONNIE LITTLE (Nevada Sheep Industry):
I own The Little Paris Sheep Company alongside my husband David Little. We run 100 percent of our business in Nevada.

The lawsuit, Castillo v. Western Range which was filed in 2016, is how S.B. 204 came into existence and how we came to be here today. Castillo, the

plaintiff, was an H-2A sheepherder in the Nevada Western Range. The defendant is an association of sheep ranches in the Western states. The lawsuit sought to have sheepherders in Nevada receive pay for 24 hours a day, for every day of their contract period. Alleged damages were over $30 million.

Federal Judge Jones who presided over this case, was not able to make a ruling due to the lack of text in Nevada law. In his September 26, 2022, order, he wrote extensively about the deficiencies in our Nevada law. I provided an information and court case document (Exhibit C) with some key quotes from this order, as well as the full order for this hearing.

The basis of it was that no Nevada law exists that could answer the question of whether the plaintiff was entitled to 24/7 pay while he was on the range. Due to this lack of guidance in our laws, Judge Jones certified a question to the Nevada Supreme Court to define the word "work" and they accepted it.

It was only after oral arguments took place before the Nevada Supreme Court, that the defendant learned that six months prior, the plaintiff had died of cancer in his home country of Peru. After the defendant filed a "Suggestion of Death" upon the record, the case was dismissed in both federal court and the Nevada Supreme Court in 2024.

After eight years of litigation, we are back to square one as the issue was not resolved due to the case being dismissed for lack of a plaintiff. Having been informed by Judge Jones that Nevada law is not only lacking, but also that our Nevada Constitution and NRS are conflicting, we come before you today to ask for your help to remedy this matter.

SENATOR STEINBECK:
How does this compare to your workers doing the same job who are not H-2A? I do not even know if you have any. Do you have any citizen workers that currently fill these positions as well?

MR. LITTLE:
I can speak to that—domestic herders. To be honest with you, it's been a 100-year battle. They had domestics 100 years ago and it was tough. They started bringing in Basque [immigrants] in the early 1900s because they could not fulfill that job [with a U.S. citizen]. There's a huge history of it, but we do not need to get into it. But no, we have not had domestics for quite a while,

although we are heavily regulated through the DOL. About every sheep ranch in Nevada has been inspected by the DOL. When you have ten guys show up with badges, and they go through all your paperwork, it is no joke.

We have to advertise [job positions]. They [DOL] do not want to adversely affect the domestic workforce if that makes sense. They are adamant about that. When we advertise, if we get a domestic [applying], we have to offer him the job. We've never had one apply, and this bill does not address it. We thought it was probably moot.

SENATOR STEINBECK:
When I read the bill, I figured it did not apply but I was wondering if the wages were comparable.

MR. GOICOECHEA:
Because there is some overlap into range livestock, we can move into the cow side of it. Typically, a lot of cowboys will seek out work-camp jobs. In Nevada, they are typically paid a salary. That is private; they are domestic workers here and they are not H-2A visa contractors.

Typically, they are paid a salary and it is an agreed [upon amount] very similar to what we are talking about. "Hey, I will give you $3,000 a month, board and room. You are going to work this camp job this summer." Typically, they do not sue you saying, "Hey, I need to get paid 24/7" even though that is in the statute and technically they could—they do not sue.

In all honesty, when you talk to the domestic side of range production livestock and they are H-2A visa workers and you offer a job with a salary and pay for board and room, you usually don't get sued.

SENATOR FLORES:
I have a question that I think Senator Steinbeck was alluding to, if we could expand on that a bit. If the H-2A program went away, obviously you and your operation would be devastated, and I will let you speak to that.

Assuming this bill passes and goes into effect—for some reason the current administration does not like the H-2A visa program and gets rid of it—and if somehow, we manage to find workers here locally, now you are working domestically with the folk here. If this bill passes, what would be the difference,

in terms of rights and protections afforded to them, versus an H-2A worker? I am trying to weave out the differences if you think any exist.

MR. LITTLE:
I am trying to follow … The domestics in my mind, and maybe I am wrong, is [that under] Nevada law, you are paid for every hour worked. Judge Jones said they are not defined in "work." I would think most people would want to pay somebody for their hours worked. If they are on their free time or sleeping, we are going to be able to pull some hours out. That is what we are asking here. I would assume you would want to do that with the domestics too. I am not completely following you.

SENATOR FLORES:
Obviously, a lot of folk who are in this line of work on the employer side would say it would be impossible to operate if this program were to go away because we rely so heavily on H-2A workers. Ultimately, I am trying to decipher if it did go away—hypothetically because of some new policy implemented, and we somehow manage to find domestic workers here in Nevada to take on that responsibility—what protections or additional rights would be afforded to those [domestic] workers versus the H2-A workers?

Are we stripping away any type of additional rights to H-2A workers with this bill? We would not be taking them away from say, just an everyday John Ellison who's working out in Northern Nevada?

MR. LITTLE:
No, I understand. Maybe it is our fault that we did not add in the domestics part of it. If there were any domestic range workers to be had and I hired one, I do not see it adversely affecting that domestic. Maybe it is my fault for not putting that both H-2A and domestics are affected by this.

SENATOR FLORES:
I always advocate for that. I want to make sure that we put all the employees on the same playing field, and that we have one standard. If you are working in Nevada, we are all playing by the same rules.

In the bill, I see where there's this ability for folk to enter into negotiations. Respectfully, that is what we always want. You want folk to be able to present point A and point B, and then you find yourself somewhere in the middle.

How often do you engage in negotiations? When you are working with H-2A workers, and as you are deciding who you are going to be working with, as you are bringing folk in and out seasonally—is there any type of negotiation that you engage in with the employees now?

MR. LITTLE:
Yes. We're on a seasonal basis, so about twice a year we will renew our contracts with these workers. Pete alluded to that; if these workers want to go home, we put them on a plane, and we get them out of here.

We've had guys that get here and think, "Oh, it's going to be like this and it's way different. Get me the heck out of here!" We've had men that worked here and think, "I am not feeling this here, I want to try a different job." We have transferred them, gotten them on a different ranch and that is all heavily regulated by the DOL. [However,] I have men that have been with me 17 years—a lot of them.

MR. GOICOECHEA:
You eat an elephant a bite at a time. We are taking a shot at the H-2A visa programs. We understand domestic herders. Number one, you would never find that we can't fill that void as far as rangeland workers and range production livestock, if it was not for at least filling part of that hole with these H-2A visa programs.

We understand that, but they will come. In 1906, my grandfather landed in New York and they put a shipping tag on him that said Elko, Nevada. They will come from someplace. If the industry is going to be supported, it [immigration] has to happen, and we are addressing this with S.B. 204.

Clearly, if there are some issues down the road, we've got to move beyond. We're talking about handling range production livestock, which is covered under the CFR. You're talking about the livestock industry, and the rangelands and those domestics that are needed there. Well, if you want to amend this bill—or bring another bill—we are going to have to take it one step at a time.

I want to make it clear why I did not bring this bill when I was here [Nevada Legislature] in 2017 and 2019 and 2021. We did not bring the bill because it was in litigation and it is tough to bring a bill and get it passed when it's being litigated.

That is why Senator Ellison was good enough to bring the bill this session, and we are trying to clean it up. It is something that has to be dealt with—maybe on a far larger scale. But right now, we are trying to deal with the H-2A and the conflicts between NRS and the CFR.

SENATOR FLORES:
In the Castillo v. Western case, do you know if there had been a written agreement specifying the amount of work, sleep and break hours, different compensation packages, living expectations, meals, the nature of the work and sometimes working 100-plus miles out in the middle of nowhere?

If there had been a written agreement and it was presented, would that have preemptively avoided that lawsuit? Or do you think that still would not have addressed this issue?

MR. LITTLE:
We have that agreement. We have contracts with these herders. They sign them prior to leaving Peru and, when they get in this country, we sign contracts again. Everything is laid out. Everything has been seen by USCIS, [the U.S. Citizenship and Immigration Services].

The DOL is heavily regulated. They look at all of our stuff. It has been studied, adjudicated, everything. The problem is, the DOL states that you will pay this A-word—I'm sorry I do not recall the acronym or the complete verbiage—but you pay this A-word [Adverse Effect Wage Rate, AEWR] or the state wage [rate], whichever is higher.

The way they are able to angle it is the contracts mean nothing. It seems like it these days because we had contracts signed and they were basically torn up. They said, "Okay, let's see this Nevada law. It looks like it does not cut out herders, and they are out there 24/7." So, they claim they work 24/7. They claim the herder was up 24/7. They took this in front of a federal judge and they claimed back wages for all the herders that were in Nevada and [the judge] said you have to pay them for 24/7.

Judge Jones looked at it and said, "Golly, this is kind of a mess. This is not spelled out in Nevada law." That is why we are here. But we have contracts, have had them for … Western Range has been around for over 50 years. There

have been contracts that are looked at and approved by the DOL and have been signed by both parties.

SENATOR DALY:
I have some foundational questions to ask so I can wrap my head around this and understand [the issues]. I know you have to advertise for U.S. workers before you can bring in the H-2A people. I believe the rules are that [H2-A employment] can't adversely affect what American workers would make in a similar situation. What [salary] rate do you advertise when you are trying to get workers?

MR. LITTLE:
Each ranch is kind of specific. I believe that generally what is advertised is at the base rate. The DOL has adjudicated sheep [herder] wages and it has come up with a formula that changes every year. They went through a whole process and it has been adjudicated. They've figured out hours that herders have worked over a year—they've figured that all out.

Generally, we will post that base wage. There are criteria; each ranch is very different and they'll post what they do. If you have experience and you have been herding for several years, then you are going to move up different tiers—so that [rate] is advertised.

SENATOR DALY:
If I heard correctly, the DOL is using a calculation—a formula to set out a base wage. Is that per month, per week, or per hour?

MR. LITTLE:
The DOL has done a monthly base wage for range workers.

SENATOR DALY:
The DOL [base wage], is that based on U.S. wide? How do you get your base wage? You said it varies with different ranches, different areas, whichever it is. If it can't adversely affect local workers or workers in similar situation, has the DOL studied what it is in each one of these areas? And are they giving you that information, or are they using a bigger number? And then are they only looking at what H-2A workers normally get paid? Or do they have the information on U.S.—I do not want to use the word domestic because I do not want to confuse things—but local workers or whatever?

MR. LITTLE:
I will go back a step. In 2015, I believe the DOL did a big rule change. The way that they were able to get the base wage for herders is that they sent out surveys to all the sheep ranchers throughout the west—all the western ranges, all the ranches. There was a question asking how much are your domestic herders being paid. That's how they got the base wage for years.

The problem was, pretty soon there were no domestics—there were zero. They did not have a rate, so they would take that rate and that is how they determined the base wage. I believe this was prior to 2015. After that, the DOL [started using] a 400-page book. The DOL dove into it and it was not light [reading]. They came up with a formula to determine the base wage for range workers. It has been adjudicated and everything. That is the base wage and it goes from there. The base wage cannot be below that.

SENATOR DALY:
The base wage was for a month?

MR. LITTLE:
Yes, a monthly salary. The DOL has determined that you cannot track the hours of a range worker. Like Mr. Goicoechea has said, I will dump groceries off to these guys, and they are up in a tent on top of the Ruby Mountains or somewhere. That guy is moving his tent, and I will see him five days later [somewhere else] to give him groceries. It is impossible [to track hours] and the DOL recognized that.

SENATOR DALY:
Another foundational type thing. How many people are in a crew? Or is it one or two guys? How many people are typically [watching] over a flock? Or does it vary based on size? Do they have dogs? Are those [dogs] supplied, or are they brought in with them?

MR. GOICOECHEA:
It depends on the season. If you are shearing lamb in summer, in July those bands are made using lambs and they'll be a smaller herd. You will be alone [on the range]. The winter camps will typically have two men, and they will combine the bands—for a bigger winter.

I want to go back and address when you talked about domestic workers in Nevada. These are ranch hands and, yeah, typically they are paid monthly. That is right, wrong or indifferent and if that is something we are going to have to deal with, let us deal with it on another bill on another day.

If you are working on a ranch, you are going to get paid monthly. If you want to hire somebody and a guy comes looking for a job, first thing asked is, "Where am I going to live?" Then, "Is the board and room [included] in this? Are you going to supply the beef? What are you paying?" These are all issues and if it's agreeable, they come to work. It is the real world—we can mince it any way we want. That's how it is.

SENATOR DALY:
That is understood. I know you [Mr. Little] said you had people that have worked for you for 17 years. I am assuming you have that contract, and I am curious what that [hourly rate] comes out to on one of your 17-[year] guys.

I know former Senator Goicoechea used $3,000 a month to do this now. That includes meals, room and board, and a few things other than pay. But if they were working a month and using 168 hours per week times 4, for a month, and converted that to an hourly rate, it is [a little over] $4 an hour. So that is below the minimum wage, but I do not know if they come in.

If we only calculated it on 48 hours per week, it comes out to $15 something [an hour]—something probably above the minimum wage, at least in Nevada. What do these contracts come out to? And where is the rest of the stuff? How much are your 17-year guys getting paid?

MR. LITTLE:
These men are definitely … the Nevada law states you're getting the minimum wage for hours worked. So, you are $12 an hour, $13 an hour or whatever it is going to be eventually. Our men are getting $12 an hour for the hours of work.

SENATOR DALY:
What is the number?

MR. LITTLE:
The monthly number? I mean, there's a monthly number anywhere from $28 [*sic*] to $4,000 a month, plus room and board and there's a lot of other

hidden fees in that. It probably does not matter, but we have to pay for their flight over here and all the travel they do in Peru to get all their paperwork.

Believe me, with the sheep industry and what we make out of the sheep, I would love for any of you guys if you're over in my country, please stop by. I would love to put you in my pickup and spend the day driving around. It would be fun, and you could see it [sheepherding].

MR. GOICOECHEA:
I am going to tell you one thing, first and foremost, if you do not have good groceries, horses and camps, you haven't got any workers, and I do not care what you pay. Again, it is somewhat unique, but those people who work camp jobs—they like it. They love it; they love that lifestyle. That is what we are talking about today. But it depends, if you are not a good boss and you do not have good groceries and you haven't got decent horses, you haven't got any employees. They do not have to work for you.

SENATOR PAZINA:
I had a question based on some of the questions that Senator Flores was asking. It sounds like in this H-2A visa worker program, the visa workers are really critical to the work that is getting done and it is more challenging to find domestic workers. Depending on policies—depending on administration policies—how challenging would this be for you if the H-2A visa workers weren't able to be here anymore in our country?

MR. GOICOECHEA:
It would be devastating to the industry, especially the sheep industry, if in fact there were no H-2A program in place. We do not anticipate that will happen. Again, we are trying to clarify with S.B. 204. We're trying to take this first cut at the H-2A program and bring it into alignment with state statutes and the CFR.

And, yeah, we are not going to solve it all with this one bill in this early morning hearing in Carson City. But again, we are asking you. This is our attempt to bring the H-2A program ... we do not know what is going to happen on a national level, but let's bring the H-2A program as it pertains to range livestock production, in line with Nevada statutes and the CFR. We can do that by rolling them into S.B. No. 232 of the 79th Session, which is a bill we passed in 2017 that allowed for live-in domestic caretakers [domestic service workers].

SENATOR FLORES:
On page 3 of the bill—I was looking at section 3, specifically NRS 608.115, subsection 3, regarding the precise recordkeeping of the number of hours worked. I heard you said it is very difficult to track that. I was curious to know, what is the expectation of a worker? How many hours are they supposed to be working, according to your agreements that are presently being signed and the expectations you lay out? How many hours are they supposed to be putting in per week right now?

MR. LITTLE:
They are tending the flocks and this work is very different. I want to be very precise in how I say this. You have a gentleman, or a gal, in a factory putting doorknobs on the Ford factory line. You are going to put on 1,500 doorknobs or you are down the road [unemployed].

A sheepherder is out with the flock. It is relaxing. It is very different. It is not high paced—it is not high speed. There are seasonal times when it will pick up with shearing and lambing. There will be more hours worked, so they are paid more at that time. But in the winter, you are talking four to six hours [a day]. We traditionally will not pay under seven hours a day in the winter.

The winter and the summer can be really lax. There are times when it picks up, but this work is completely different. Obviously, I am not there [on the range] watching. I have these guys sitting out there, and their herds are spread out. They are just sitting up there on a rock while talking to their wife [on their cell phone]. A lot of them will watch soccer. Obviously, they are getting paid for that time though. We recognize that it is not completely free time and we don't expect it to be.

This work is way different, and these men like it. When we bring them to town, they do not like to come. They're like, "Man, it's crazy and nuts here. This is a lot of motion. We kind of like it out there where it's peaceful and quiet." It is a different job and it is different work.

It is a different mentality to herd sheep and—that is what it is. But the hours worked now—we are still in our winter—you're talking anywhere from five to seven hours a day. As we get into shearing and lambing, that will pick up and it drops back down in the summer months.

SENATOR FLORES:
They are sitting up on that rock you mentioned, and they are kind of watching over the activity of what is happening with the flock. Is there ever a point at any stage in that job, that it is not considered an hourly job?

Because what I am trying to understand is—I am thinking of security guards. A security guard sits in a location, does not move and might sit there for X number of hours. While they are sitting, they might be on their phone and able to make a phone call. But ultimately, their job is to oversee something. And in a kind of traditional approach of how we see work, we would say if you are on-site, you are doing the job, You are wearing the uniform, you have that obligation and we are going to compensate you for all of those hours.

Is there ever a scenario where you have the individual sitting on that rock—and while they may be relaxed and have an opportunity to be on their phone or doing other activities simultaneously—we are not going to compensate an hour of that type of job? Is that ever the case?

MR. LITTLE:
I believe we are compensating that hour of the job. We are compensating for every hour worked. It is very difficult and impossible to track the hours. We're not there. We do not have a time clock—they are in tents—we pack everything up on top of a mule or a horse. And it is like I said, the DOL has definitely stated it is impossible to track these hours.

MR. GOICOECHEA:
In response to your questions, how good you are at herding sheep makes a whole lot of difference in how much time you have to spend. And typically, in the summer, you are all familiar with the Basque carvings on all the aspen trees. You build rock monuments and you drown worms in a creek trying to overcome the monotony and the boredom.

I think the point has to be made again that, yeah, they are getting paid for it. But when those livestock are in siesta, taking a rest, there's nothing going on and you can go to bed, but they are [also] getting paid for that time. The argument is at midnight, should they still be getting paid because they are out there? Clearly, they've been in bed for four or five hours. That was where the argument came in the case and that can't happen. You can't track it. Nobody can afford to pay it.

The bottom line is we are asking to let them negotiate a good rate. These are the hours, and like Mr. Little said with shearing and lambing—when you get a freak storm—you are out there trying to save livestock. Yeah, you trade your bed in for a lamb because you are going to run 24/7 trying to save those animals that are freezing and [could] die.

MS. LITTLE:
Senate Bill 204 also states that exemptions for pay is only when the herder, the range worker, is participating in complete free time for their personal benefit. So, it is already in the bill that they would get paid if they are working and only exempted when they are completely participating in free time.

SENATOR FLORES:
Mr. Goicoechea, you mentioned the ability to negotiate, to let them find what that comfortable middle ground is. My only concern is that when we bring in—and we are kind of recruiting outside of the U.S.—that the negotiation power is very limited for that particular individual because they are looking at their current situation.

If [these workers] live in X country with X standards, which are always going to be subpar to what we can offer here in this country, and particularly what we can offer in Nevada, my concern is how much negotiation power do they really have? The owners of the land are the owners of the ranch and the owners of the operation.

When we are recruiting from that mindset, do we set a minimum standard in Nevada? Or do we open the door for negotiating whatever you think is fair? But then we run the risk of having individuals who, but for being from a different country, would have never agreed to those terms of that agreement.

MR. GOICOECHEA:
I guess the best case I can bring forward is that we have generations [of immigrants]—especially of past Irish—I do not care—you pick the nationality—that have come here. They came here because there was an advantage to being here. Now again, I am not going to get into debate—how we overcome immigration—but the H-2A program gives these people an opportunity.

There are generations of my countrymen that did very well in this country. They started with nothing but a $2.50 tent and were lucky to have shoes. I think

there is an opportunity, and that is really where we're at. I do not know where you are headed exactly with this, but it does concern me because there is opportunity in this country. If you can tend range livestock, and you are good at it—you have a career, a job and a future.

MR. LITTLE:
Mr. Flores, I see where you are trying to go, and I am here to say we do have laws. The Nevada law says you will be paid every hour for an hour's work. Senate Bill 204 is saying 8 hours of sleep, we are going to pull out [agree to exclude from wages]. So, I am not sure if you are trying to say that we are working them 24/7. I am not sure what you are trying to say, but S.B. 204 very specifically is talking about hours of sleep, mealtime and complete free time. We are paying them for the hours worked. The Nevada law says that we will pay minimum wage or higher for the hours worked.

MS. LITTLE:
From my perspective, Senator Flores, I do not really see our guest workers at a disadvantage due to the fact that the DOL has so many regulations for employers to follow. There are many protections already in place on a federal level for our workers. For an example, you can log on to the DOL website and all over their site is how to file complaints on your employer.

I almost wonder if we are at the disadvantage because we can have a lot of penalties put against us if we do something wrong. We can even be debarred from the H-2A program if we do not treat our workers appropriately and follow the regulations that are placed upon this program.

In my opinion, thanks to the H-2A program, the workers in the program have an advantage to have a great job and better their lives. The program helps many people—the workers, the employers, the economy and the people that eat [the product].

SENATOR DALY:
When I was reading this and then looking at the CFR it kind of went down a rabbit hole a little bit. But nevertheless, I was trying to get as much as I could until my eyes glazed over.

Workers are generally on call 24/7. That is in 20 CFR 655.200(b)(3) and we have a lot of different areas on that. How does that work when you said they

are paid seven hours or whatever—when you're negotiating and your contract is for some days, I guess, more on others.

How does that all calculate in with the other requirement under the regulations on the 75 percent of the guaranteed time? You are advertising for a time; you are obviously not advertising for 24/7. You have a lower number of hours that you are anticipating they are going to work. Then you have a 75 percent guarantee that they'll get paid for at least that many hours. Hopefully it's more, or as many as you were talking about. So help me with that a little—versus the 24/7 on call.

MR. LITTLE:
We are required to guarantee three-quarters of the contract. I am not sure if that is what you are seeing or stating. If you bring a herder over here, you cannot say, "the job's done" and send them home. You can send them home, but you will be paying off three-quarters of that contract.

While on call 24/7 tending sheep, these men live and move with these sheep. They put in that [75-percent guarantee] because these men are just there. They obviously can't fly home to South America, or wherever they came from, every night. They are in the high mountains and deserts far away from home ranches. They live with the sheep. It is on call. They are not working 24/7 at all. But it is on call because they are living and moving with the sheep. We figured the hours that are typically worked, and it ebbs and flows with the times and the seasons.

MS. LITTLE:
The DOL has taken this upon themselves; it is their job to do the studies to see how many hours a sheepherder works in general. They've looked into this, and the rate that they have calculated is about 48 hours a week. That can vary, of course, but that is the average.

SENATOR DALY:
I understand the 75-percent guarantee a little bit better, but the regulations do say they are on call for 24/7, and I saw the 48 hours in there. Then the DOL figured out what the calculation was, or how many hours it would be in a month or however they did that.

It seems to me the issue is—I do not think you can fix it here—that the federal government is telling you that you've got to pay them at least this by the hour.

How are you meshing that with 24/7 on call versus salary that you can use for U.S. workers? Maybe it makes it a little bit differently. I am not sure you can reconcile the requirement to have a minimum payment based on an hourly rate, which I think is creating a bit of a problem.

A final comment, you guys picked [treating] the domestic workers [the] way that was done awhile back. I am not saying that is bad as it exists and it's easy to follow. But we also did not pick the way that other workers, like firefighters, were [treated] when they are sleeping in their bunk; they are still getting paid. They're on a 24-hour shift. It is an interesting difference there.

MS. LITTLE:
Firefighters are not paid for sleeping. They are not regulated through the Nevada laws. They are regulated through another set of federal laws and they are not paid during sleep—or other things as well, but I can't speak on those. I talked to some firefighters in my city because I thought they were under Nevada laws, but they are not. I want to state that the city firefighters told me two weeks ago they do not get paid for sleeping. They have other exemptions as well, but I do not remember them.

MR. LITTLE:
Senator Daly, NRS 608.0195 mentions firefighters, peace officers and correctional officers are exempt from being paid for overnight.

DOUG BUSSELMAN (Nevada Farm Bureau Federation):
We support S.B. 204. We believe that this bill brings Nevada's statutes into line with the contracts that the federal government is operating. We do not have the conflicts, which would otherwise exist, from having different obligations or different systems in place. So, that is why we are supporting the bill.

JIM DEGRAFFENREID (Nevada Republican Party):
The Nevada Republican Party is in support of S.B. 204. Our platform states that we support a free market economy, meaning that we support the ability of employers and employees to negotiate employment contracts that fit unique job circumstances and requirements, for the benefit of both employers and employees.

There was some discussion around the domestic versus H-2A workers. While this bill specifically addresses the H-2A workers, the same issues apply whether

we are talking about domestic or foreign agricultural workers. We want to be fair regardless.

Section 1 of this bill allows periods of complete freedom from duty to be exempted from hours worked, with the provision that if a call to duty occurs during such a period, it will be treated as hours worked.

I have some experience with schedules like that. I was a career firefighter for 20 years, with work schedule of 2 days on duty followed by 4 days off duty. We were available to respond 24/7 because emergencies do not happen on a 9-to-5 schedule. While I was on duty for 48 hours straight, I was not working for that entire time while we waited for the tones to go off. We could eat, make phone calls and take care of personal business online. Occasionally, we even got to sleep once in a while—that was at night. Obviously, if the fire service had to pay overtime under the same rules as employers of 9-to-5 employees, the financial burden to taxpayers would be excessive.

As a result—there's exemptions in state law—I am sorry, there's exemptions in law for public safety workers who need to be available 24/7. This bill simply does the equivalent for a unique employment situation involving ranchers and their employees who are required to be working out on the range. We urge your support.

JANINE HANSEN (Nevada Families for Freedom):
We think most all the issues have been well covered. I live in Elko County. I think it is very important to support our ranching and sheep industry in Nevada. They have had many problems over the last few years. We feel this is a very reasonable bill, and of course Senator Ellison is my Senator, so I want to be here to support his bill. I appreciate that, and we think the resolution of this is very reasonable as well. We hope you will support the bill.

J.J. GOICOECHEA (Director, State Department of Agriculture):
We are neutral on this bill, but I would like to put a little context out there. I personally have spent over 50 years being drug around behind a certain individual behind me [Pete Goicoechea] to these same sheep camps. As a kid growing up in the Rubies [Ruby Mountains], there were a lot of long nights sitting with a kerosene lantern and reading a book or listening to a transistor radio.

Those were often broken up by taking a trip several miles up into the forest to have dinner with a sheepherder in their camp, their home. And that was always made very clear to me—that is their home. If you come across it in the middle of the day and they are in siesta, you do not disturb them unless the door is open, or you absolutely need something. Same for [arriving in] the evening.

There has been a lot of conversation about domestic workers as well. Agriculture in Nevada, predominantly livestock agriculture, is having a tough time finding these skilled workers. There are a lot of cow guys that do in fact hire domestic workers on contract, if you will. They are paid every two weeks on a salary by the month. We cannot find good people that want to do these sheepherding jobs anymore. They are not qualified. Everybody wants to be a cowboy and do cowboy stuff until it is time to do cowboy stuff and—the sheep guys are even harder [to find].

JOHN GAVIN (Borda Land & Sheep Company):
We were in that same lawsuit that was dismissed. Reality is that the first time our herders come, they are somewhat naive, but very quickly, they are the new age sheepherders. They've got their cell phones and they self-regulate.

If they do not want to come back, they do not beg us to come back like our herders have done for 20 years. They can't wait to get back here because they make more than they could ever make, and there are other opportunities. This is a good bill; it self-regulates. It is local regulation, local monitoring, and we need more of that, not more federal regulations.

MR. GOICOECHEA:
I really appreciate the committee's time. [The hearing] went way longer than I thought it was going to, and I thought it would be a lot simpler. I look forward to working with the committee and hopefully we can advance the bill and get it workable for everybody. It is truly needed and it's time we brought it into alignment.

SENATOR ELLISON:
I was raised cowboying most of my life as a young kid, on some of the biggest cow camps there are. You knew what you were getting paid the minute you got there. We started at an early early age. When you got there, you had to break your horses; you had to shoe them; you had to get ready to go out. You were gone for three months and you stayed at some of the hardest camps. But you

knew the day you got there, what you were going to get paid, and you accepted that and loved it. We've done this as a livelihood before we got our own ranch. I am hoping I am going to move this bill forward.

CHAIR PAZINA:
We will close the hearing on S.B. 204 and open the hearing on S.B. 291.

SENATE BILL 291: Revises provisions relating to personal information. (BDR 43-39)

SENATOR FABIAN DOÑATE (Senatorial District No. 10):
Today I come before you to speak on S.B. 291. My presentation (Exhibit D contains copyrighted material. Original is available upon request from the Research Library.) includes some background information, the limitations of our current laws and how my proposed bill aims to safeguard private information for Nevada residents and employees, as well as provide them with appropriate support and post identity theft [protection].

Senate Bill 291 is an act relating to personal information. It requires certain employers to implement and maintain reasonable security measures to protect the personal information of certain former residents of this State. It revises requirements for the provision of certain notifications in the event of a breach of security of system data and prohibit certain persons from collecting social security numbers under certain circumstances.

I would like to start by drawing your attention to these headlines in Exhibit D. They are not isolated incidents. I think that over time, we have seen a growing trend that is shifting closer and closer to home. We know that cyberattacks, particularly ransomware, has been a serious threat, not just nationally but here in Las Vegas. These attacks highlight how vulnerable even the biggest, most well-resourced organizations can be. But it is not just large hospitals at risk. There are other parts of our sector including local governments that are being attacked by cyberattacks.

That is why it is important for us to recognize these challenges. These are significant issues with inadequate protection for residents and employees of Nevada whose personal information remains vulnerable even after they leave an organization. This is compounded by a lack of accountability and inconsistent

notification practices, meaning that victims do not find out about the security breaches until months later, making it even harder to prevent damage.

We talk about folks that get their identity stolen and so forth, and how common it is. Many of the victims do not even realize that it has happened to them until they are in a scenario where a credit card or something has been opened without their consent.

Senate Bill 291 proposes that we aim to strengthen data protection and employee rights regarding personal information. It has provisions relating to the safeguarding of personal information for individuals and their employers. We will talk more about it through the conceptual amendment (Exhibit E).

The main thing is for victims of identity theft. If you fall into this situation, this bill now proposes to allow you to request a new driver's license number at no charge. The bill also restricts businesses from collecting or maintaining full social security numbers with limited exceptions, which we will go over in the proposed conceptual amendment.

Alex Cannito is here today to help present the bill and to discuss more of her personal experiences. For transparency's sake, I was also a victim of identity theft subsequent to the 2023 Legislative Session. I received a notice from the IRS that someone was using my social security number. I also went through the situation that my former employer was one of the ones that got hacked, and now I have to deal with the repercussions of it. I think we are going to hear many stories today from folks about the impact [of their identify theft].

ALEX CANNITO:
The Senator and I first connected to come up with this bill idea because, as he said, his identity had been stolen and mine was stolen too. I woke up one morning, I believe it was back in October 2023, and had hundreds of emails saying that I had subscribed to different websites and several credit cards had been opened in my name. So, that was a nightmare, very scary.

I was not really sure where to turn, and how to get the situation remedied. I thought I had addressed it, and then a few months later, someone attempted to open another credit card in my name. Then it happened again, a third time. It has been really frustrating.

I am sure that many of you in this room have been victims of identity theft. Having the option that a company is not required to collect a social security number, and having the option of another form of identification like your driver's license—could give people a little peace of mind when they are applying for different things.

My dog Penny, you might know her, is a therapy dog. I think my identity was hacked when I had to do a background check for Penny to become a therapy dog. There was a data breach, and I think that is how my identity was stolen.

SENATOR DOÑATE:
We are going to go over the amendment, Exhibit E. The main things we are changing are in section 4 of S.B. 291. The amendment says that the employer, to the extent practicable, will reach out to their current and former employees notifying them of the data breach.

It adds that the employer must then inform the employee that they have the option to request credit monitoring for up to a year, and any other identity theft protections if the employee requests such services, and the employer must provide them at no cost. This section does not apply to any company with less than 50 employees. We thought that was pretty reasonable because of the burden that may be faced by small businesses.

Section 7 of the bill makes exemptions to certain provisions. You will see that certain folks have been added to this exemption list. Obviously, there are multiple types of businesses that require the disclosure of a social security number. As long as it is relevant to the business activity, then we exempted that as part of the bill so that is now included in here. Section 9 of the bill makes some changes and also section 10.

I want to mention that we did receive an amendment from the Nevada Resort Association this morning and we will be adding in their recommendations post hearing. Because of the timeline, we will answer questions about what we have presented so far today. The amendment does not make many changes to the content of the bill. It is more technical changes. We will provide that to committee members if we get the chance to come back for a work session.

SENATOR DALY:
In section 10 of your proposed conceptual amendment, I want to make sure I understand and get it right. You are deleting "constitutes a deceptive trade practice for the purposes of NRS 598.0903 to 598.0999." [Are we] just going to an existing ... where the AG could have prosecuted and done some of that stuff?

When you are taking that out, it formerly applied to 603A.010 to 603A.290. Is that what we intend to do? Or do those things still need to be deceptive trade practices? Do sections 2, 3 and 4 need to be—and you want to not have it and just have enforcement by the AG—or did the AG agree with this? I am trying to understand why we are taking out the deceptive trade practice when it was there before.

SENATOR DOÑATE:
A lot of the deletions that we are making to the bill is because a lot of it is already under federal law. This is one of the examples of it. We felt that there were already parts of the law that covered this provision, so there was not a need to add more of an extension. But I am happy to chat offline with you to make sure that it is covered.

SENATOR DALY:
No. Obviously, the deceptive trade practice rules in Nevada are substantial and they are hopefully a good deterrent to people not doing foolish things. But if we remove that, and go with the AG being able to prosecute, it is a little bit different. I wanted to understand.

SENATOR ELLISON:
To the young lady, I can't remember your name [Ms. Cannito] but you said you have got compromised three different times. At which point in time, and how did you get control? Did they reissue you another [social security] number? How did they do that?

MS. CANNITO:
My social security number was stolen, and unfortunately, I can't request a new one. I reported it to RPD [Reno Police Department].

I paid for LifeLock and other services to monitor my credit. When a credit card is opened, it puts a lock on it. Somehow it still got bypassed and that was when

the second hack happened, and then the third time it happened again. It has not happened in several months, so I am crossing my fingers and hoping that I do not have another issue.

But for me personally, it has been very stressful. I have taken all of these steps that I have been advised to do, in order to try and protect myself. From this point moving forward, I could still have my information compromised at any moment. I think that was the idea with the driver's license number. If your driver's license number is stolen in a data breach, you could request a new one and have some peace of mind and extra protection.

JESSICA GLOVER:
I support this bill. I have also been a victim of identity theft, not once but several times. I became aware of the situation back in 2021 when I went to apply for unemployment insurance and I had to go through all these steps to prove who I was. Back, I do not know, in 2019, 2020 ... I was not really worried about unemployment insurance. Someone was going in and collecting funds [using] my social security number. Now I think it is a personal thing; I do not really believe there's been a breach. Possibly it was where I was working. But they've done so much damage to my social security number, it's like, yeah, I want justice.

BRYAN WACHTER (Retail Association of Nevada):
We appreciate all the hard work that has gone into recrafting this bill. We are opposed to its original conception. We are going to take a look back at the amendments and see if that is something that can move us off of it.

However, we are a little concerned; the first victim in these particular crimes is the company itself. It is not something that their own actions caused these particular things to occur. We have seen larger companies in Nevada that are victims of these crimes, and it is total chaos. These are huge monetary losses to companies, as well as huge logistical nightmares that they are dealing with, because of these data breaches.

We appreciate the opportunity to make sure that that data is secure. But we hope to be able to work with our regulators to make sure that we are responding appropriately. These are large problems. The company is the first victim of the crime, and we want to make sure that we are handling that responsibly. So, for those reasons, we are opposed to the bill.

DAVID DAZLICH (Consumer Data Industry Association):
The CDIA [Consumer Data Industry Association] represents credit bureaus, regionalized and specialized credit bureaus, as well as background check companies that deal in consumer data. While the CDIA appreciates the intent of this bill and wants to work as an industry to continue to keep personal information secure and remedy those breaches that do happen, we're here today in opposition to the bill as initially introduced.

I would like to echo the sentiments from my colleague. We do appreciate the work that has been done on the conceptual amendment. We are continuing to work with the sponsors. Some of the language concerns with the bill as introduced are around the collection of social security numbers. We will be working to get a little more clarity on appropriate collections; what businesses can and cannot use those.

The use of social security numbers is very necessary within the data collection industry, especially to properly verify identities and ensure that credit scores are correctly correlated with the right consumer. We want to make sure that's protected and that, in all aspects, we are working to best practices to keep that data secure.

AMY SHOGREN (Vegas Chamber):
The Chamber thanks Senator Doñate for meeting with stakeholders and addressing many of the concerns with the proposed amendments. The Chamber is opposed to S.B. 291 as introduced. Nevada's business community takes data security breaches seriously and understands the premise of the bill. We are actively reviewing the amendment, and we hope that the proposed amendment will allow the chamber to move to neutral upon further review by its members.

CHAIR PAZINA:
Ms. Shogren, please continue to work with the sponsor. I think the amendment might meet some of the concerns that were shared this morning, and I look forward to hearing further discussion on where we are.

MISTY GRIMMER (Nevada Resort Association):
First, I want to express our appreciation to Senator Doñate for having an open door and continued communication about the details of the amendments we are requesting. We are only in opposition based on the committee rules.

Our industry has thousands of employees, and we host thousands of guests, so we take data privacy and security very seriously. Some of the details of S.B. 291 as Senator Doñate mentioned, are also addressed in federal law, so we'd like to continue working with the Senator on where there may be overlap. As he mentioned, we are still working on the final details of the amendment, and fully expect to change our position from opposition before the bill is scheduled for a work session.

MATT SCHRIEVER:
I am a member of the Creditor Rights Attorneys of Nevada, and I also own two small businesses in Nevada. While I understand the good intentions of this bill, there are legitimate concerns with section 7 and how to navigate this bill to comply with various federal laws. For instance, federal bankruptcy courts require the social security numbers of a debtor. When businesses have legitimate debts or need to verify if an automatic stay is in effect or not, they have to look it up with the social security number.

Likewise, the Fair Credit Reporting Act also relies heavily on social security numbers. Finally, a federal law—the Servicemembers Civil Relief Act—requires the plaintiff to verify that a person is not on active duty with the military before a judgment can take place against that person. That database is searched by a social security number, so these numbers need to be retained by legitimate businesses in order to qualify and comply with federal laws.

If a small business does obtain a legitimate judgment against an individual and needs to try to collect, the banks and employers are going to require social security numbers in order to verify that the person is who they say.

I have not seen the amendments yet. I am hopeful that they will address these and other concerns, which have been raised today.

SENATOR PAZINA:
Section 7 [of the bill] was amended, so I would encourage everyone to check out the amendments on S.B. 291.

SEAN SEVER (Deputy Administrator, Division of Research and Project Management, Nevada Department of Motor Vehicles):
We are neutral on S.B. 291. We do appreciate the bill sponsor reaching out to us. We already give new driver's license numbers to customers for these issues.

We also determined the impact of dismissing the fees would be a no-impact fiscal note since it would be less than $2,000.

CONNOR CAIN (Nevada Bankers Association):
We are in neutral. Banks are the gold standard when it comes to cybersecurity and data privacy. We appreciate the sponsor being able to work with us on this bill.

SHELLY CAPURRO (Nevada Association of Health Plans):
We want to thank Senator Doñate and Ms. Cannito for working with us on this amendment. We look forward to being involved in continued conversations on this bill.

ADAM PLAIN (Insurance Regulation Liaison, Division of Insurance, Nevada Department of Business and Industry):
The Division of Insurance is neutral on the bill again. I wanted to state that we did not request the amendment regarding NRS Title 57, but wanted to verify the veracity of insurance industry claims that health insurers use social security numbers to verify eligibility for individual health insurance plans purchased through the Silver State Health Insurance Exchange and otherwise. Life insurers use social security numbers to run against the Social Security Death Master File. It is a fairly common, widespread and required practice in the industry, so just verifying those claims that you may have heard.

SENATOR PAZINA:
We are going to close the hearing on S.B. 291 and open the hearing on S.B. 130.

SENATE BILL 130: Increases the value of certain work a licensed contractor may perform for which the contractor does not have the proper license. (BDR 54-628)

SENATOR FABIAN DOÑATE (SENATORIAL DISTRICT NO. 10):
I am here to speak on S.B. 130, a bill that is in alignment with the work of a licensed contractor and what they may perform. I do want to mention to committee members that there is a proposed conceptual amendment (Exhibit F). It is a gut-and-replace, so I would focus more on the contents of the proposed amendment as we are going through this.

The first thing in my presentation (Exhibit G contains copyrighted material. Original is available upon request from the Research Library.) that we wanted to mention was that the intent of this amendment is to replace the current provisions of S.B. 130. Instead it will establish a restricted license type through regulations by the Nevada State Contractors Board (NSCB) to allow a person to perform work in residential remodeling and certain other specialty trades. This new license structure has less requirements than a contractor's license, pursuant to NRS 624.260, but does have certain restrictions. The license would also establish a pathway to an unrestricted contractor's license.

I will provide the background. Nevada has experienced a significant construction boom over the last decade—so much so, that many people joke that the construction cone is our new state flower. This boom has created thousands of jobs, with 1 in 14 Nevadans currently working in the construction industry. When we examine the demographics of construction workers, we see that many Latinos are overrepresented in this industry; they make up at least one-third of the workers compared to other industries.

The issue we face is that a large portion of the Latino workers are painters and small contractors—roles that align with the B-7 Residential Remodeling classification. However, many building contractors face barriers due to the four-year experience requirement. Experience can be gained through informal pathways, traditional with what we are seeing on the ground.

To address these barriers, we have proposed a new restricted licensure pathway. To start, applicants need at least two years of experience in a trade or equivalent training. Once the license is issued, it is valid for up to two years, during which time the license holder can perform work valued at up to $7,000, including both labor and materials.

The Board may adjust this limit as needed, and more importantly, applicants are not required to submit a financial statement for the issuance or renewal of the license. They must, however, maintain a surety bond of at least $2,000, and complete a business counseling class before applying, along with passing an entry-level exam.

After holding a restricted license for two years and meeting all necessary conditions, a license holder can apply for an unrestricted contractor's license if

they have no unresolved claim complaints and meet any further examination requirements as relevant to the Board.

So, obviously, we have considered whether we needed to raise the threshold that is in S.B. 130. I think the question that many of us asked ourselves is how are folks going through the pathway of getting licensed, so they do not have to do unpermitted work? And that is the discussion that we've had.

PETER GUZMAN (Latin Chamber of Commerce NV):
I want to sincerely thank Senator Doñate and the NSCB for their invaluable collaboration with the Latin Chamber in crafting this essential legislation. This bill represents a decisive step forward, not just for growth but for the creation of new opportunities within Nevada's home-remodeling industry. It opens the doors for small businesses and aspiring contractors, paving the way for a brighter future.

The current licensee-processing process is a significant barrier for those just starting out. The existing requirements would create obstacles that limit the ability of small businesses to compete, and individuals [to gain] critical experience which is key to this.

The bill effectively addresses these challenges by reducing barriers to entry. This legislation empowers more small businesses to enter the market and take on small residential jobs by simplifying the licensing process. These individuals will be appropriately licensed, insured and supervised by the NSCB, ensuring quality in our industry.

It will fuel economic growth as small businesses are the backbone of our economy. By easing licensing requirements, we will stimulate job creation and enhance the overall economic prosperity of our communities. This initiative also sets the stage for training the next generation of general contractors who employ Nevadans.

It expands opportunity. This bill establishes a clear pathway for skilled individuals to work legally, enhancing their earning potential, and enabling them to offer valuable services within their communities.

The Latin Chamber is eager to partner with the NSCB to ensure applicants have the necessary resources to obtain licenses successfully.

A key benefit is for aspiring contractors to gain practical experience: Many talented individuals have the skills and ambition to thrive as contractors, but lack the formal qualifications required for a full contractor's license. This bill allows them to gain hands-on experience in the home remodeling field, laying the groundwork for future business advancement.

It's a pathway to licensure. This legislation creates a vital stepping stone towards obtaining a full contractor's license by allowing individuals to operate under a more accessible, but limited, home remodeling license. This will create a robust pipeline of qualified professionals, ensuring the continued health of the Nevada construction industry.

Finally, it brings skill development. Engaging in remodeling projects enables individuals to cultivate essential skills in project management, customer service and trade-specific techniques. This experience is crucial for those aiming to build a successful career in construction. By directly addressing the growing demand for skilled trade workers in Nevada, this bill strengthens our workforce and ensures we are well equipped to meet the challenges of our expanding economy.

We recognize the importance of maintaining quality and safety in home remodeling. However, we are confident that this bill strikes the right balance between consumer protection and opportunity creation for small businesses and aspiring contractors. That is what the Latin Chamber is all about—helping small businesses reach further. I strongly urge the committee to support S.B. 130 as amended.

SENATOR ELLISON:
You know, this kind of sounds like a handyman license. The problem we're running into in rural Nevada is these guys are not qualified. There are more burnouts—people have died. I want to find out if this is beyond a handyman license, because it looks like the rate goes up—the handyman license is not qualified to go in and do heating, plumbing, electrical and all kinds of stuff. Can you address that?

SENATOR DOÑATE:
I think the problem that we are experiencing, and part of the discussions that we have seen with the community, is how to prove your level of work experience. For example, if you work in an informal environment where you are

helping someone out and they are paying you, but the employer has either never registered directly or was following the law. How do you prove that you have that level of work experience?

Many folks, when they immigrate to this country, may have work experience or some level of skills base. But currently, the law does not allow skills-based testing. It is pretty much written. There are two different types of exams. There's a skills-based exam and another that deals with Nevada business law. If you come from an informal working environment, or an environment that you can't prove where you worked, but you have the skills, that's the struggle. Folks are unable to provide the four years of experience level.

What this bill would establish is at least a pathway, with a restriction on doing what you were mentioning—plumbing, electrical and so forth. [It would allow] more of the easier level tasks, such as replacing tile, changing the hinges on the door, et cetera. These tasks you could at least do legally. You can go in and get the license without having to worry. But there's a restriction on the level of work that you are doing.

At least in this restricted pathway, you are now gaining the years of work experience and then you can come back to the Board and say I did the training for plumbing, or I did the training for electrical as you required me to do. Can I apply for a greater license now that I have the two years of work experience? Before it was informal— This is the structure of what we are trying to attempt.

MS. SHOGREN:
The Vegas Chamber supports the proposed conceptual amendment that has been brought forward by Senator Doñate, and thanks our colleague, Peter Guzman from the Latin Chamber of Commerce, for his work on this important small business bill.

We believe the creation of this proposed restricted license, which would be offered by the NSCB, will help entrepreneurs and small business owners that wish to do work relating to residential remodeling, while also ensuring Board oversight to protect consumers. Therefore, we support S.B. 130.

DAVID BEHAR (Executive Officer, Nevada State Contractors Board):
I am the current executive officer for the NSCB and I am here today in support of S.B. 130. The NSCB would like to thank Senator Doñate and the other stakeholders for their ongoing discussions with us regarding this bill.

The NSCB currently regulates more than 18,000 licensed contractors across Nevada. We are responsible for protecting the health, safety and welfare of the public, in addition to the interests of licensed contractors and members of the industry, more importantly.

Our Board believes that the amended language in S.B. 130 would afford individuals who wish to perform residential remodeling that does not involve life -safety trades, a regulated pathway to licensure. It would also ensure public protection and the continuity of industry standards.

Those who currently perform unlicensed work above $1,000, or have struggled to qualify for licensure, would now be provided an opportunity to perform work lawfully while gaining experience in a controlled setting. This measured approach would allow for future advancement and growth, while also ensuring consumer protection.

The investigative staff at our Board regularly encounters individuals who currently perform this work, and therefore our Board believes the approach outlined in the amended S.B. 130 would help address this issue for the betterment of the public and also the advancement of our industry.

ALEXIS MOTAREX (Nevada Chapter AGC):
We are here in support of S.B. 130 as presented with the amendment. We appreciate the sponsor's willingness to hear our concerns. This is a thoughtful approach that strikes a balance between easing the barriers of entry for many trying to build a small business in construction, while also protecting the consumer. We urge your support.

CADEN GROGAN (Nevada Contractors Association):
The Nevada Contractors Association represents the commercial construction industry in Southern Nevada and is in support of S.B. 130 with the conceptual amendment. We would like to thank the sponsor for his work on the bill.

JORDAN KRAHENBUHL (Executive Director, Plumbing Heating Cooling Contractors of Nevada):
I am the executive director of the Plumbing Heating Cooling Contractors of Nevada here today to speak in favor of the amended S.B. 130. Our concern is that handymen currently work outside the scope and the $1,000 limit, and there's no oversight from the NSCB. My contractors often get called to jobs behind handymen for plumbing and HVAC; and we have heard from the electrical folks as well. The handymen go beyond [their license]. They do plumbing, HVAC and electrical without any oversight from the NSCB.

If you want to see—put a post on social media, such as Facebook, that you need a plumber. I saw one last week and four handymen applied. They said, hey, call me, I can take care of it for you. So, we are not in favor. I was going to speak against the original bill, but the amendment takes care of those concerns. I appreciate working with David Behar from the NSCB on this.

WISELET ROUZARD (Americans for Prosperity Nevada):
On behalf of our activists, we would like to encourage everyone to support S.B. 130. When we talk about more freedom and economic opportunity empowerment, there's no better pathway than what has been laid out in S.B. 130. This is about ensuring that people are able to not only call Nevada home, but to call on new career opportunities as a way of life, to support themselves and their families.

We do believe that the bill is going in the right direction along with the conceptual amendment, and we greatly appreciate the bill sponsor and stakeholders for bringing this forward.

DEBBIE HOLLORAN:
I am fully in support of S.B. 130. I feel it will help create more jobs in our community.

MIKEY SALAZAR:
I live in Henderson, Nevada. I am calling today to express my full support of S.B. 130 regarding increasing the value of certain work a licensed contractor may perform, and helping handymen move up the ladder. As a resident of Nevada, I believe passing this bill will create greater opportunities, help small businesses grow and expand, and create jobs all across our State. So, I urge you to vote in favor of this bill.

ALANA ARIEL:
I am in full support of S.B. 130 as amended, as it will support many opportunities for growth for these hardworking folks, and it will potentially create more jobs.

EDDIE DIAZ (The LIBRE Initiative):
The LIBRE Initiative is one of the largest Latino organizations dedicated to empowering the Hispanic community in Nevada and across the nation. On behalf of The LIBRE Initiative, I am here to express our strong support for S.B. 130.

This adjustment reflects a realistic understanding of current material and labor costs. It allows contractors to address small repairs and improvements more effectively for many in our community—especially small business owners and homeowners. This flexibility ensures better access to essential services without incurring significant costs or delays. Furthermore, by allowing contractors to perform a broader range of minor work, this bill promotes job opportunities and enhances competition—directly benefiting Latino workers and business owners, while stimulating local economic growth.

For these reasons, we strongly urge the approval of S.B. 130, confident that it will bring positive economic and social benefits to our community and the State as a whole.

MR. GUZMAN:
I was so moved by the quality of the speakers that I want to personally say thank you to all of them, especially the contractors' boards and the other affiliates. In all of our conversations, the Contractors Board was always about safety—safety, safety, safety. I commend them for coming forward and helping this bill get to where it is today. I think it gives a lot of the small guys an opportunity at growth. In Las Vegas, we are seeing a lot of younger and younger folks in this kind of construction business. We want to help them grow and create more jobs, and this will do that.

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CHAIR PAZINA:
Is there any public comment? Hearing none, we are adjourned at 10:11 a.m.

RESPECTFULLY SUBMITTED:

Paula Peters,
Committee Secretary

APPROVED BY:

Senator Julie Pazina, Chair

DATE:

EXHIBIT SUMMARY				
Bill	**Exhibit Letter**	**Introduced on Minute Report Page No.**	**Witness / Entity**	**Description**
	A	1		Agenda
	B	1		Attendance Roster
S.B. 204	C	7	Bonnie Little / NV Sheep Industry	Information and Court Case Document
S.B. 291	D	24	Senator Fabian Doñate	Presentation
S.B. 291	E	25	Senator Fabian Doñate	Proposed Conceptual Amendment
S.B. 130	F	31	Senator Fabian Doñate	Proposed Conceptual Amendment
S.B. 130	G	32	Senator Fabian Doñate	Presentation