MINUTES OF THE
SENATE COMMITTEE ON COMMERCE AND LABOR

Eighty-third Session
April 25, 2025

The Senate Committee on Commerce and Labor was called to order by Chair Julie Pazina at 8:01 a.m. on Friday, April 25, 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:

Assemblymember Max E. Carter, Assembly District No. 12
Assemblymember Cinthia Zermeño Moore, Assembly District No. 11

STAFF MEMBERS PRESENT:

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

OTHERS PRESENT:

Brandon Roberts, President, Nevada Realtors
Jenny Reese, Nevada Realtors
Deborah Polan, National Auto and Travel Organization
Matthew Morris, National Auto and Travel Organization
Rick McCann, SNAP Towing
Jeff Cochran, President, National Auto and Travel Organization
Peter Necheles, Cross Country Motor Club
Adam Plain, Insurance Liaison, Division of Insurance, Nevada Department of Business and Industry
Michael Hillerby, Nevada State Board of Accountancy
Viki Windfeldt, Executive Director, Nevada State Board of Accountancy
Anna Durst, Chief Executive Officer, Nevada Society of Certified Public Accountants
Jason Jaeger, Chair, Insurance and Equity Committee, Nevada Chiropractic Council; Nevada Chiropractic Association
Patrick Blackshire

CHAIR PAZINA:
We are going to move to our first item on the agenda, which is Assembly Bill (A.B.) 258.

ASSEMBLY BILL 258: Revises provisions relating to brokerage agreements. (BDR 54-741)

ASSEMBLYMEMBER CINTHIA ZERMEÑO MOORE (Assembly District No. 11):
Today, I am here to present A.B. 258 and I am bringing this bill forward to make sure Nevada is following the National Association of Realtors' settlement agreement, which stemmed from a lawsuit regarding brokerage agreements. As you may know, the lawsuit emerged out of the need to address longstanding concerns over certain brokerage practices that were affecting transparency, pricing and competition in the marketplace.

By aligning Nevada's loss with the settlement agreement, we are not only protecting our consumers but also enhancing the integrity of our real estate market in Nevada. This legislation will help create a more equitable and transparent framework for all parties involved in real estate transactions,

ensuring that our State meets national standards and remains a leader in protecting the rights and interests of Nevada.

BRANDON ROBERTS (President, Nevada Realtors):
I have over 28 years of experience in real estate, including more than 22 years as a broker. I would like to express my appreciation to Assemblymember Moore for introducing A.B. 258.

As you may be aware, the National Association of Realtors settled a lawsuit last year that involved brokerage agreements and commissions. One recommendation that came out of the resolution is that all brokerage agreements must be in writing before performing any service, including showing homes. This agreement must clearly outline the services to be provided and the associated cost to the consumer.

Nevada Realtors fully supports this change because we believe that it benefits consumers by ensuring they are properly represented. A written agreement provides transparency, helps buyers and sellers understand the role of their broker, the scope of their services and the associated costs. This would add clarity, enhance consumer protection and trust in real estate transactions.

Currently, Nevada law allows brokerage agreements to be either oral or written. Section 2 of A.B. 258 eliminates the option for oral agreements, ensuring that all brokerage agreements must be in writing. The subsequent sections of the bill make necessary adjustments to align existing statutes, removing the references to written agreements since all brokerage agreements will now be required to be written.

For example, section 4 of the bill relates to exclusive brokerage agreements, which previously had to be in writing. With the bill, both exclusive and nonexclusive brokerage agreements will be in writing. It is important to note that the settlement agreement of the class action lawsuit covers realtors, while this proposed legislation would apply to all real estate licensees, under *Nevada Revised Statutes* (NRS) 645, offering additional consumer protection.

Additionally, this bill applies only to residential brokerage agreements. Commercial brokerage agreements are specifically covered by another statute within NRS 645 that are not amended by A.B. 258. All commercial brokerage agreements are already required to be in writing under the current law. I

appreciate your time and consideration of A.B. 258 and I urge your support for this important measure to strengthen consumer protection in Nevada's real estate industry.

CHAIR PAZINA:
I will ask a quick question. So, what percentage would you say—and you may not know and that is okay—but I am just curious, what percentage of residential agreements were oral prior to looking at this change?

JENNY REESE (Nevada Realtors):
Do you mind if we defer to Brandon, if he knows that?

CHAIR PAZINA:
Absolutely. And if you do not know, that is okay too. I was just curious.

MR. ROBERTS:
The majority of transactions in the past were done with oral agreements. Most realtors or real estate agents did not get signed by our agency agreements.

ASSEMBLYMEMBER MOORE:
I just wanted to add; I have been a realtor in Nevada since 2019. I have always made sure that my broker-buyer agreements were in writing, just to help protect myself and our brokerage. But I do know that other realtors in my previous brokerages were not doing them in writing until they got further along in the transaction.

SENATOR ELLISON:
I bought a house just a while back. So, how long until this process, alongside the lawsuit, come into effect?

MR. ROBERTS:
The effect went in, I believe, August 27th of last year.

SENATOR ELLISON:
We have had good responses with our realtors, really good. I was just curious because when I read the contract, there were two realtors on there and one was probably the general—or whatever you call first place and the second whatever—but the real estate agent was great. They sit down, and they wrote

everything out prior to even putting final offers on there. So that agreement was good, and I like that up front.

ASSEMBLYMEMBER MOORE:
For the purposes of this bill, it will go into effect October 1, 2025. However, the lawsuit happened last year, and a lot of brokerages were already starting to require this from their realtors. We just want to ensure that everybody is following the same rules, and it is not just some brokerages requiring this and others not.

SENATOR DALY:
Every time I need a realtor, there is a friend of mine that we call and use, and we have never done a written agreement on that. So, I guess my question is, now that everyone's going to have to do a written agreement, they are going to have to read them and try to understand them. In the settlement, are there parameters or rules on minimum things that have to be in the agreement?

Are there things that can't be in the agreement? Because if it's just left up to your own devices, realtors and the people that write it are going to write it in their favor. I am just seeing if there are any rules and safeguards to balance that for consumers.

MS. REESE:
We can defer to Brandon on the agreements. There are certain standards already required in law. You've got your minimum services plus the duties owed to the consumer. But if you do not mind, I would like to defer to Brandon on that.

MR. ROBERTS:
Yes, I mean, it is clear that you need to state what services you are providing and the actual cost to the consumer. The benefit of these up-front costs is that the buyer will now know exactly what their real estate professional is charging them and what the services and the time frame of that agreement are.

SENATOR DALY:
If I can recall, there was a little discrepancy on the pieces of the lawsuit regarding what portion the seller was paying versus what portion the buyer was paying on that. Or at least in some people's view on the settlement. So, if there

are parameters already in law, that would be good, we just don't want to have another lawsuit and settlement is all.

CHAIR PAZINA:
That closes the hearing on A.B. 258 and we are going in order on the agenda today so we will move to A.B. 498.

ASSEMBLY BILL 498: Revises provisions relating to motor clubs. (BDR 57-696)

ASSEMBLYMEMBER MAX E. CARTER (Assembly District No. 12):
This is a bill that is modernizing and streamlining regulations in regard to an industry. The bill removes the requirement for a motor club to provide information about the usual place of business of the motor club in this State. It also authorizes an individual who is not a resident of this State to be licensed as a club agent, if the state in which the individual resides does not require a license to act as an agent.

DEBORAH POLAN (General Counsel, National Auto and Travel Organization):
I appreciate the opportunity to appear before you today in support of A.B. 498 and offer our thanks to Chair Pazina for bringing the measure forward. The National Auto and Travel Organization (NATO) is a nonprofit organization of automobile clubs. We provide consumers public safety services such as roadside assistance, towing and lockout throughout the country. More importantly, 600,000 Nevadans used our services last year.

Many new vehicles come with complimentary roadside, generally provided by one of the NATO members. Some of our members provide motor club services ancillary to products like cell phones or tires that you buy. I recently noticed that Costco has a new auto program, and they provide roadside assistance with one of our members as well.

Our services provide assurance to drivers of new and older cars alike. They will not be stranded on a highway or even in their driveway with a disabled vehicle with no one to call and no way to get to work. The NATO companies provide peace of mind that you can call someone 24 hours a day, seven days a week, 365 days a year. Assembly Bill 498 will modernize Nevada statutes—that have not been touched since 1971—while maintaining a robust regulatory structure, which we totally support.

Currently, an agent from another state that sells to Nevada residents can only get an agent's license if they're licensed in their home state. But here is a problem; the national trend toward motor club regulation is less rather than more. In the beginning, when motor club statutes were first adopted in the seventies, only about 30 states adopted motor club statutes. We know it's indemnification for risk, but everybody did not think it rose to the level of regulation.

In the last several years during my career, several states have deregulated like Louisiana, Virginia, Kansas just recently, and last month North Carolina stopped licensing agents. So, it's hard if the majority of states do not license their agents to have reciprocity. This will allow the Commissioner to have some flexibility on changing that.

By giving your Insurance Commissioner, the flexibility to license a sales agent who does not reside in a regulated state, more companies can provide services to Nevadans, and more revenue will be generated in your State for providers like towers, locksmiths and others. On behalf of NATO, we thank you for your time.

MATTHEW MORRIS (National Auto and Travel Organization):
Thank you for hearing A.B. 498 and for the opportunity to very quickly outline the provisions of this bill. As mentioned, motor clubs provide vital roadside towing and other emergency services to their members. The intent behind A.B. 498 is to modernize a few provisions of *Nevada Revised Statues,* specifically 696A, which was first enacted in 1971.

Walking through the bill, section 1 amends NRS 696A.190 which deals with the information that a motor club must provide on a contract or a membership card to their members or their subscribers. Under existing law, the membership card or the contract must include, quote, "The exact location of the motor club's home office, and [of its] usual place of business in this state."

An increasing number of entities do not have this information or a physical brick-and-mortar location in addition to a home office. So, to meet this criteria, many entities can only list a registered agent address, which is not the intent behind this requirement to begin with. So A.B. 498 proposes to remove this requirement. Again, this statute was first enacted in 1971, and it has not been amended in the last 50 years. So, this slight revision will help to modernize the statute and better reflect the nature of how business is conducted today.

Section 2 amends NRS 696A.280. Now, as previously explained, this statute allows both Nevada residents and non-Nevada residents to apply for a license to sell a motor club membership. Under existing law, a non-Nevada resident may apply for a license in Nevada if their home state also allows nonresidents to apply. However, a number of jurisdictions have repealed their respective licensure statutes at either the legislative level or at the administrative level.

Under the plain language of NRS 696A.280, nonresidents in those jurisdictions would not be eligible to apply. Section 2 would clarify this provision to allow a nonresident in a home state that does not license motor club agents to apply for licensure in Nevada, subject to all of Nevada's existing application and eligibility criteria.

Finally, section 2 of the bill also amends NRS 696A, section 280, subsection 3 to change the term "person" to "individual." That is to conform to similar references throughout the statute and distinguish between corporate entities and individual licenses. If adopted, the bill would take effect on October 1 of this year. Thank you once again for hearing this bill and also just a personal thank you to Assemblymember Carter for working with us and for being here today. We have submitted letters of support (Exhibit C).

ASSEMBLYMEMBER CARTER:
I just wanted to say this so it's on the record, but the biggest towing company down in Southern Nevada, SNAP Towing, was in favor of it. More importantly, the registered agents were in favor of it because one of the big things is that this bill does not require businesses to hang their license someplace, like we all used to do when we were much younger. You'd see them all the time in post office boxes and stuff like that, someplace for somebody to hang their license. That is kind of fading out, especially in this industry.

Just an FYI—I am sure you guys have already figured it out—AAA and similar companies are the big ones, but this industry has evolved to where now it is car dealerships, insurance agents and, as someone said, Costco. So, it's a very diverse industry providing these services.

SENATOR ELLISON:
I hate to tell you this, but I bought a brand-new truck, and two to three weeks go by and guess what? My truck would not let me in. They called these outfits and they came and fixed it. I mean, it was amazing. It was late at night, colder

than heck out there, and they showed up and opened up my truck. That's what it was, I locked the doors, and the doors would not unlock for nothing.

We thought we were going to have to have it towed, but we didn't, they came and got in. After, we took it to the dealership, and it was a programming problem in the truck. But thank you very much and it worked out great.

SENATOR LANGE:
In section 2, subsection 3 of the bill it requires that the person is supposed to be, quote-unquote, "A trustworthy individual." I really do not see the necessity of even having that sentence in the bill because what I see as a trustworthy person may not be what somebody else sees. So, I do not think it is necessary in the bill. I just want to know why it's in there and if we should have it?

MR. MORRIS:
So, subsection 3 is existing language. As we have noted a few times, this is language that's a little bit antiquated. This was passed in 1971. It's a part of the criteria for what the Division of Insurance (DOI) used to look at when somebody would apply for a license to sell a membership.

There are other provisions in existing statute, in NRS 696A that deals with consumer protection and deceptive trade practices. As those statutes have been enacted over the years since this initial language was adopted, they've been incorporated by reference. We are not amending any of that, so it does not appear in the language of the legislation.

But in subsection 3, we are trying to make it clear that the term "person" actually is supposed to refer to an individual—a natural human being. To your point, to the extent that there's confusion sometimes around whether a person refers to a corporation or some sort of business entity, that language about being a trustworthy entity doesn't really fit. So that is actually the intent behind changing "person" to "individual."

SENATOR LANGE:
I think that instead of having a sentence like this, it would be better to have a definition. Maybe Legal could help on that.

CHAIR PAZINA:
We do put moral turpitude into a number of bills. So maybe that is something we can look at here. We can continue that conversation if that is something that you would be open to. Legal, do you have anything to add to that, Mr. Koelemay?

JEFF KOELEMAY (Committee Counsel):
Nothing to add off the top of my head. To echo the comments of Mr. Morris, these licenses can be granted to entities, and then an individual person can be granted the powers under the license, if that makes sense. So, I think what Mr. Morris explained makes sense. If there's a desire to pursue an amendment, obviously, we will be happy to be involved in the conversation if necessary.

CHAIR PAZINA:
I was curious, you mentioned deregulation in a number of other states. Can you explain a little bit more about who's been doing that and why they've been deregulating?

MS. POLAN:
It's interesting because I have been doing this for probably 25 years. I was working on a bill in Missouri similar to this to just clarify things, and during my time there, Kansas unilaterally decided to just stop regulating motor clubs. We have not sought deregulation. We like having some oversight because it keeps the bad actors out.

But Kansas did it just recently. The same thing happened with Virginia about ten years ago and Louisiana about five years before that. The agent piece was also unilateral in North Carolina. So those were just examples of states that have done this, on their own, without any outside parties pressuring or asking for such deregulation. I think it was probably staffing; you know an attempt to streamline things. That's all I can offer.

RICK MCCANN (SNAP Towing):
We are here to fully support—very quickly—A.B. 498. Just for the record, I am very happy that we were able to get Senator Ellison back into his truck because I can only imagine the problems that we would've had if we hadn't.

JEFF COCHRAN (President, National Auto and Travel Organization):
I am calling in support of A.B. 498. I would like to thank you for your consideration.

PETER NECHELES (Cross Country Motor Club):
I am calling to support A.B. 498 on behalf of our motor club, as well as the motor club industry. We appreciate very much the ability to assist the residents of your State, and we look forward to continuing the role we have with your residents.

ADAM PLAIN (Insurance Liaison, Division of Insurance, Nevada Department of Business and Industry):
The DOI is neutral on A.B. 498. We did submit written testimony (Exhibit D); it's a very lengthy paragraph talking about the very few provisions of this bill. The Division is fine with the change about disclosing the location. For most intents and purposes, that's really only used if a consumer needs to file a lawsuit. Under NRS 696A.180, people can always serve process against the Commissioner of Insurance, who will then forward it on to the motor club in question. Not disclosing or not having a physical location is no longer an issue.

The reciprocity issue is one that we agree with. Under current reciprocity statutes, we are not allowed to issue a reciprocal license to someone who can't get a license in their home state. So, clearing that up is perfectly fine.

Then on the issue of personhood, I just wanted to clarify that NRS 696A.280 is geared toward individuals, right? The section reads, "The Commissioner shall license as a club agent only an individual." So, the change in A.B. 498, section 2, subsection 3 from "person" to "individual" does make sense to the DOI.

Also, subsection 3 talks about trustworthiness. The DOI does not do full background checks on motor club licenses. We do run CLEAR reports which gather background information but not to the full extent of a Department of Public Safety check.

We do maintain that there's trustworthiness. You're inviting these folks into a situation where maybe you are alone, on the side of a road or at your home. So, we do want to make sure that someone does not have a potential history of criminal activity or whatnot.

CHAIR PAZINA:
I agree with you. When I am alone on the side of a road, waiting for a tow club to come get me, I was very happy that it was trustworthy individuals with moral turpitude or however we want to define it.

ASSEMBLYMEMBER CARTER:
I just want to reiterate that this is kind of the core purpose of our Commerce and Labor Committee, streamlining and modernizing regulation while at the same time making sure that Nevadans are protected. I think you can see by the testimony that this is kind of how industry bills should go, where the neutral testimony of the regulator is much longer than the support or opposition. We're just working with the industry to smooth things out.

CHAIR PAZINA:
And with that, we will close the hearing on A.B. 498, and we will open the hearing on A.B. 510.

ASSEMBLY BILL 510: Makes various changes to the regulation of accountancy. (BDR 54-695)

MICHAEL HILLERBY (Nevada State Board of Accountancy):
I thought I would start with just a little bit of background. The accountancy profession and the regulation of it has had a fair amount of uniformity for a long time. There is one national exam, and there are similar education and experience requirements across the United States. In fact, that exam is recognized in 55 states and territories, and now six foreign countries have a version of the exam that is recognized in the United States.

The Uniform Accountancy Act dates back to 1916, and the first model bill was published in 1984. This State has been good about adopting those and working toward those national standards. This body, over the years, has looked at and directed licensing boards to look at how to standardize and streamline licensure, and make it easier for people to move in and out of the State. We responded with what is in the accountancy world known as mobility, meaning license recognition for individuals in 2009 and for firms in 2023. The majority of states have adopted versions of this as well.

What that means is that accountants who come here to do business from other states do not need to get a license, nor do they need to pay a fee in Nevada.

But part of this national standard is that the accountants essentially agree and acknowledge that if there is a complaint or an investigation, we can go to their home state where the license is. So, it makes it very easy for people to come in here and take care of their customers.

Both the National Association of State Boards of Accountancy and the American Institute of Certified Public Accountants have been working to expand the educational experience pathways to become an accountant. This bill reflects that and sort of moves our regulations in that direction. I will quickly go through the bill and then we will be happy to answer any questions.

Sections 1 and 4 deal with the examination and specifically the time allowed to take that. Currently in regulation, *Nevada Administrative Code* (NAC) 628.040 allows applicants up to 18 months to take all of the sections of the exam and successfully pass that. What's happening nationally, starting in 2023, is a move to give applicants up to 30 months to do that.

It is a complicated exam, and it is hard. You need to also gain experience requirements before you finally get your license signed off on by a CPA. Again, sections 1 and 4 reflects what's happening nationally.

In section 2, we're seeking to take out some of the specificity of the education and experience requirements, moving more of that into regulation. This is something that was approved through the Legislative Commission. Going into detail, section 2 of the bill is looking to remove one of the educational requirements. Specifically, the semester hours laid out in NAC 628.055, requiring 150 semester hours in order to graduate.

Section 3 of the bill removes a fee. It is in two places, sections 3 and 6, where we are looking to remove fees. Currently, there is a fee, now outdated in regulations to sign off and inspect the experience requirements. Since those are now signed off on by a CPA, we no longer need to do that. So, by changing the statute, we will be able to remove the $1,000 fee that is currently set in regulation.

Section 6 references a fee for out-of-state firm registration. Since we no longer do that, that language would change the fee from mandatory to allowing the Board of Accountancy to do that if necessary, by regulation. And again, the regulations will be updated to reflect that as well.

Section 5 of the bill just makes a conforming change to acknowledge that the regulations are set under the authority of NRS 628.200. That is the basic overview of the bill. Again, the changes that we would be seeking to make to match this in regulation would of course go through the public hearing process and then, ultimately, to the Legislative Commission for approval.

SENATOR DALY:
I am looking over this and I know section 3 is removing that fee, but what was the actual amount? Would there be any additional changes, like with the time limits outlined in section? What's the time limit now and are you guys anticipating any changes?

MR. HILLERBY:
The current fee in NAC 628.016 referenced in section 3 is $1,000. That would be going away because the experience requirements are now signed off by a CPA. Then in section 4, the time allowed in regulation now is 18 months, and we are seeking to move it to 30 months by updating the regulations.

SENATOR DALY:
Understood, thank you. But it wasn't clear that the fee was going away the way it's written here, unless you go look at the regulation on that further. So that part of the regulation would be amended out because you are no longer doing that particular service. Then I suppose I can ask it if I am involved in the Legislative Commission, why are we going to 30 months? But nevertheless, that's all the questions I had.

CHAIR PAZINA:
I have one brief question. So, you mentioned now it is 30 months instead of 18 months to pass all sections of the exam. Was that just to get in line with what people are doing in other states? What was the reasoning behind that?

MR. HILLERBY:
Exactly. The profession and the National Association of State Boards of Accountancy have looked at finding ways to help people get into the profession. It is a tough exam. My wife's nephew just took that exam recently while working at the same time, and it was hard. It demands a lot. This change would provide more time to do that while you are also getting your experience. So, we are seeing the national standard that is coming out, and this would again allow us to update the regulations accordingly.

SENATOR ELLISON:
You know a lot of times if someone flunks a test, the examiner will make them wait so long and do extra studies or whatever in order to retake the exam. Is that the process with accounting also?

VIKI WINDFELDT (Executive Director, Nevada State Board of Accountancy):
It's actually a rolling 18 months, and it is a four-part exam. The 18 months, or 30 months now, starts the first time you pass the exam, and then you have to get the other three parts of the exam finished within that 30 months. So, it is extending the time. It used to be 18 months, or the national trend was 18 months—only a year and a half—to get all four parts taken.

The pass rate of the exam was not that great, and we find that more people have to retake the exam. By expanding that to 30 months, it gives people quite a bit more time to get those four parts completed. Does that answer the question?

CHAIR PAZINA:
Out of curiosity on the test, is there a certain time frame where you can take the test? Like you can only take it once every four months or could I go back the day after I failed said exam? If I were to take part of the test and then fail it, could I go back the next day or do I need to wait a certain period of time?

MS. WINDFELDT:
There's a certain period of time, but it is a continuous test now. It used to be where it was only offered four times a year. Now it's continuous but within a window. So, you have to wait for those exam scores to come back. Once the exam score comes back, then you can apply and sit for that part again.

CHAIR PAZINA:
Understood. I think that helps us understand the 30 months a little better, knowing that you have to wait so long in between test-taking opportunities.

ANNA DURST (Chief Executive Officer, Nevada Society of Certified Public Accountants):
The society represents the CPA profession for the entire state of Nevada. I appreciate the opportunity to address Chair Pazina and the members of the Senate Commerce and Labor Committee to voice support for A.B. 510. We've

submitted written support (Exhibit E) and would like to focus on a few items related to A.B. 510.

The Nevada Society of CPAs has worked with the Board of Accountancy as they drafted bill language to make conforming changes to certain areas of NRS 628. Specifically, adopting updated regulations and moving CPA licensing requirements out of statute and into regulation. We feel these changes further align Nevada's licensure requirements with the Uniform Accountancy Act, which most states adopt in various forms and fashions.

Furthermore, we believe the proposed changes to NRS 628 will remove barriers to licensure, clarify licensing requirements, allow CPAs to better serve Nevada clients and attract businesses and CPAs to the State—which we desperately need. The CPA profession nationally is undergoing rapid transformation, and licensure nimbleness is necessary to keep up with the change.

This proactive approach from the Nevada Board of Accountancy continues to modernize the Nevada CPA license, while maintaining public protection. We encourage passage of A.B. 510 and appreciate the opportunity to provide support.

CHAIR PAZINA:
That will close our hearing on A.B. 510 and move us to our final item on the agenda, which is A.B. 511.

ASSEMBLY BILL 511: Revises provisions relating to insurance. (BDR 57-697)

JASON JAEGER (Chair, Insurance and Equity Committee, Nevada Chiropractic Council; Nevada Chiropractic Association):
The insurance industry in Nevada has not been consistent with the Nevada DOI. I have a very robust PowerPoint presentation (Exhibit F contains copyrighted material. Original is available upon request from the Research Library.). I am sure you'll be happy to hear that I am not going to go through every one of those slides, but instead just cover the highlights.

When we look at equality and health care providers, first it is important to look at what the Centers for Medicare & Medicaid Services define a physician as. There are six health care provider licenses that are considered to be physicians. This includes medical doctors, doctors of osteopath, podiatric physicians, dental

physicians, doctors of optometry and chiropractic physicians. Also in Nevada State law, chiropractors are one of the health care provider types that are considered physicians.

Importantly, with the Affordable Care Act, section 2706, subsection (a) details a history of insurance inequality that has gone on throughout the nation. In 2013, there was legislation that was brought forward on subsection 2706(a) that specifically looked at making sure that discrimination did not occur. With that, we've located within the DOI, sections of NRS 689A and 689B which govern insurance, specifically group healthcare plans as well as individual. Looking throughout the sections related to chiropractic health care providers, the language states that these providers shall not be discriminated in how they are reimbursed compared to other health care provider types.

But of interest, the language in the NRS from 1983 stated that, "The insured is entitled to reimbursement for the treatments ... ." So, I want to really parse this language. The insurance company would reimburse the insured. What we are seeking with this simple language cleanup—both for chiropractors as well as other health care provider types—is to reflect the current 2025 landscape with health insurance. Right now, a Nevadan seeks care, they submit their health insurance, and the insurance company pays the provider directly. This simple language cleanup, we feel, accomplishes this goal.

SENATOR DALY:
If I understand this correctly—and maybe our insurance guy can come up and tell us later. So, the insured is the one that has the insurance. The way this language is written, the insured is entitled to be reimbursed for anything that he may have paid. How universal is this?

I guess we are making an assumption that this is universal because the normal way now is that when you go to the doctor's office, you sign an assignment of benefits. They say, "Hey, we'll turn this into the insurance, and you have assigned your benefit to the doctor that is providing the service." But I don't know that this is universal. It's typical, but I know the insurance company won't pay the person that's insured unless they show they paid the bill. Then they'll actually reimburse the individual because that is a reimbursement after they've paid the doctor.

So, how universal is the assignment of benefits? Is the assignment of benefits required? Or is it just a doctor saying, "I am not going to give you service or recognize your insurance unless you assign the benefit." How universal is that? Because we are making a few assumptions here, that everybody's using the assignment of benefits, and that every patient is going to sign off on that.

Then this takes away—potentially—or creates confusion on the part of the insurance company that says, "Well it doesn't say I have to reimburse you, the insured person, whether you paid or not." You see what I am saying?

MR. JAEGER:
That's a really good question. When we presented this in front of the Assembly Committee on Commerce and Labor, there was a neutral comment from the DOI, and I believe that there could be an opportunity for the answer to that question to be better clarified by them.

Speaking as a Nevada licensed health care provider, it has been typical that there is an assignment of benefits and typically the insured, the patient, will present their health insurance benefits to the provider. The provider verifies those benefits, provides a service and is subsequently reimbursed for said service.

SENATOR DALY:
Understood, and that is how it has always worked when I went into a medical office. I guess the only situation where that is not the case is emergency medical stuff where if you do not have insurance, they have to treat you anyway. Although the assignment of benefits, 99 percent of the time, happens in that situation as well—if they have insurance at all. I was just wondering how universal it is. We can wait for more information from our state insurance regulator when he comes up.

MR. JAEGER:
The other thing I would note is that as we look at the language that we're proposing and amending, it is language that relates to insurance. This is opposed to language relative to a patient who, for example, does not have insurance or would be seeking out of network benefits.

MR. PLAIN:
The DOI is neutral on A.B. 511. We understand the intent and need for the cleanup in this particular language. I don't really see an issue with it. As to Senator Daly's question, if we look at, for example, section 2 of the bill, dealing with NRS 689A.048, that language is original from 1979. Back in the seventies and eighties, pure indemnity plans were common.

Under a pure indemnity plan, as a policyholder, I would go to any physician I wanted, receive the care, submit the bill to my insurance, and then they would indemnify me or reimburse me for those costs. Now, pure indemnity plans are virtually nonexistent. You do not encounter them.

The closest thing we have is an out-of-network benefit, which might indemnify you for receiving care from a physician who's not in your network. But in most network plans, you go see your physician; they're the ones that submit the bill on your behalf and receive the reimbursement from the insurer. So, this language does fit with that model much better.

As I was sitting in the audience—not to throw a monkey wrench in anything—I found something that may be worth considering. Instead of necessarily deleting the language, like in section 1, that says, "The insured is entitled to reimbursement ... ." maybe keep that, but still add the additional language about the provider also being able to be reimbursed. This is just to make sure that we are not accidentally removing those out-of-network indemnity reimbursement opportunities.

Not to cast aspersions, I think the language is probably wanting to be corrected because it can be weaponized at times. If an insurer, for example, does not like a particular provider—for whatever reason—they may say, "Well, according to the statute, I am not paying you, I am paying the consumer." Because that is what the statute literally says. So, cleaning that up? Definitely okay with the DOI, just want to make sure we do not cause an unintended consequence on the other side.

SENATOR DALY:
That goes right along with what I am saying. Every time I have been to the doctor—anybody I know who has been—you are filling out the paperwork and making an assignment of benefits because they want to know your insurance. You need to prove that you have the insurance. A lot of times if you do not

have insurance, they'll say, “How are you paying?” Or they won’t see you at all.

Everybody has the big disclaimer up there, and they say, “Hey, you are responsible for paying this.” Then they will work with you. They send it into the insurance, the insurance reimburses them. They tell you, “This is your copay.” You need to pay that amount. Then you get your explanation of benefits and if you still owe more, you have to take care of it going forward.

But along the lines of what you’re saying, there's a reference in sections 7 and 18 to an assignment of benefits tying to NRS 687B.409. Not exactly on point, but it seems to me that this language, describing that you are going to pay the provider, is the norm as long as there's been an assignment of benefits. I think we just got to make that part of it clear.

The insurance companies are providers; they’re not going to reimburse the patient unless they prove they paid. They have to submit a bill that they paid, then they'll reimburse them. Otherwise, it’s all going to the doctor. So, I just think there needs to be some language about an assignment of benefit before this is automatically done.

MR. PLAIN:
I agree. I think your comments about experiences that everyday consumers have in the current environment are correct. They sign the assignment of benefits along with all the other paperwork, saying that if the explanation of benefits and the actual adjudication of the claim comes out differently than their estimate, you may owe more than what your copayment or coinsurance was for example. All of that is part of the upfront portion.

Talking specifically about the statutes in reference to section 7, some of these chapters dealing with health are kind of a hodgepodge. Some of these mandates and statutes are as old as 1979, some of them are from 2023. The drafting style has changed over the decades. The targets of what we were aiming for have changed over the decades.

I think that is why some statutes talk about assignments of benefits, compared to other ones, especially the very old ones that don’t talk about assignment of benefits. From the Division’s standpoint, I do not know that we would have any

issue with adding that language. Whether we want to undertake that effort at this time is up to the legislative body.

SENATOR DALY:
It just seems to me that we should eliminate any question or confusion on that. Because clearly, the way this language is done, the insurance companies are not going to double pay unless there's a mistake. But nobody does it unless there's an assignment of benefits. I just think that the language needs to be added in there to be made clear.

The patient can get reimbursed, and the providers should absolutely be paid—no question—conditioned on that assignment of benefits. I do not think it would be that hard for our people to draft, but I think we should make that clear, so hopefully we can get that done.

MR. PLAIN:
I would be happy to commit to going back to the DOI staff, making sure there are no unintended consequences and then following up with the committee staff—hopefully later this afternoon—with an opinion so that you can deliberate on it.

MR. KOELEMAY:
Happy to follow up with the conversation. Quick point, specific to the section that Senator Daly mentioned which specifically calls out the assignment of benefits. Without diving into it too deeply here—off the top of my head—I think that particular section is specific to drug and alcohol counseling. In an out-of-network situation where there are additional benefits that are contemplated that are not necessarily for the insured per se, there could be counseling that involves family members.

So, I think there's a reason why that particular statute is different because the scope of what's being discussed there is a little bit different than a run-of-the-mill doctor's appointment situation. I do not have more detail than that at this time, but I believe that is why section 7 is different than many of those other sections.

MR. JAEGER:
Senator Daly, I think those comments were excellent. After listening to the totality of the discussion, the Nevada Chiropractic Association also would be in

support of having language that covers both of those elements—both the insured and the patient as well as the health care provider.

I would ask that we be allowed to collaborate and be included in the potential language with the DOI. We've worked together pretty closely on this topic since 2017, and this is now our third legislative session. So, I'm excited to make sure we get it right and really think out everything that protects our Nevada residents.

CHAIR PAZINA:
With that, we will close the hearing on A.B. 511, and we will move to the last item on our agenda today which is public comment.

PATRICK BLACKSHIRE:
I'm from Sacramento, California. Born and raised as an aboriginal native ... [unintelligible statement] ... Heavenly Angels Worldwide. Foundation of Future Success Charity. The ladies' wing is Beta Alpha Beta Sigma Beautiful. Looks like Greek letters, that can be seen there ...

We need government funding for housing. Resources to help people be successful. Was the email received by council? I just emailed C L ... .

CHAIR PAZINA:
So, that will go into our committee address and after the committee meeting, our committee staff will have an opportunity to check that out.

MR. BLACKSHIRE:
Has anyone received that email yet? You're not checking emails, you're busy with other things. Okay. So, I am going to keep it very brief and keep from going into too personal of an issue.

First, just to relate, I am the only man of color—of dark color—here, but I am 12 percent Welsh. The Heavenly Angels Worldwide, which is predominantly Italian, native and white people. You know just to relate, because I may seem just like I am sticking out like a sore thumb, like a big black panther walking through the room for example.

Goals, we talked about goals of insurance, education and specifics of transportation. Those are great goals for the community. They are very

important for the many people that you serve—the constituents—and I respect that highly. Just y'all is paying attention.

Needs—okay this is very small to you guys, but there's a baby on the way and the mother of the child is having a mental and emotional breakdown at this time. Being 40 years old is already a high-risk pregnancy for this young lady. Her oldest child is around 22 years old, born in 2003. His father died.

Me as a minister, the agent for a 501(c)(3) through the same business license, that was raised by a Vietnam veteran, Bishop Harris, who taught me in ministry. I never became ordained. I probably will next month because I am becoming far more serious about life. You see at the back of my shirt?

So, to make it brief, this young man is in jail. The Bible mentions stealing to eat [and to] let it be forgiven. You know that he has … I can't say repented, but he expressed that he did need to steal, or she should've been stealing. We can't say that he was, but anyway we shouldn't be stealing.

And so due to him being in jail, his father being deceased and me stepping in and helping the family, his mother having a mental breakdown at this point, he has a no-bail warrant. I drove from Sacramento to Butte to Nevada City and came here in hopes to bail him out. He has a no-bail warrant. I called the court, the clerk hung up on me after explaining for like five minutes in distress—irate distress because the mother could lose her child.

She has right now, a whole mental emotional breakdown that is extremely traumatic, and I do not want to go into the drama and [get] too personal. But with communications between the court, the probation and the senators who have the ability to write laws, by the stroke of a pen to quote Kamala Harris. I got to respect, you know.

Despite whatever politics are involved, I have seen letters delivered to Trump, not through the USPS. Trump made a difference, and when he was keeping kids … . Well, he was not keeping kids in cages, but when kids were coming and being separated from their families and being kept in cages like animals.

I've seen Obama send back a letter because of my work in canvassing, registering voters in my neighborhood. They call me Pope P. from Oak Park with middle name Edward. Rest in peace to the Pope who just passed.

CHAIR PAZINA:
We usually keep comments to two minutes. We're at about three or four minutes right now, but I want you to finish up. So please go ahead and finish up for us and thank you for being here.

MR. BLACKSHIRE:
And just to finish. So, I would be talking about my nonprofit getting funding. I emailed you guys about that. The Foundation of Future Success needs housing to help people to be structured. Right now, I could be housed in the jail.

With that type of funding for people getting their education, that would be more valuable for the community. We're developing transportation and education, CPAs—the things you guys talked about.

So, I would like funding for my charity so we can get some land and build affordable student housing and structure programs for people in transition that do not have resources [and help] with their goals. There's a 2-percent graduation rate for ex-foster youth; less than 25 percent for those who do not have parental support.

The young man who has been emailed the information needs to be collaborative with the leaders here. If it takes a government pardon—it's very minor if a man steals to eat. No admission of guilt, but this is something that ... . He can be delivered to the family, bringing ... to the mother so she does not lose her baby, so that she does not further lose her mind. He's been down for about a month. That's even time served, whatever it takes to get that man out.

So, I would be talking about billions of dollars, millions of dollars, one hundred dollars just to support the charity. We have an orphanage in Kenya. We're giving out four pallets of food with a partner in charity out of a community center I founded on ... [unintelligible statement] ... one of the most grimy, dirty, hood and ghetto parts of Sacramento like where Jews and Hebrews, for example, are considered ex-slaves.

And me as a native? Natives—we live in the definition of the ghetto. There I started a community, 1,900 square feet with no government support, giving out full pallets of food with a partner charity. So this is the mission and ... .

CHAIR PAZINA:
Thank you so much, we're actually—because we are supposed to stop … .

MR. BLACKSHIRE:
I'm sure someone can follow up with me.

CHAIR PAZINA:
I want you to finish up for us. So tell us … .

MR. BLACKSHIRE:
Who can follow up with me about that?

CHAIR PAZINA:
So we'll look for your email … .

MR. BLACKSHIRE:
Making sure so his mama can get her mind. Because she's losing her mind … .

CHAIR PAZINA:
We'll look for your email and thank you.

MR. BLACKSHIRE:
I don't want her to lose the baby as well … .

CHAIR PAZINA:
Of course, and thank you so much for being here today. We really appreciate it.

MR. BLACKSHIRE:
[Will anyone] follow up about this issue? If not … .

CHAIR PAZINA:
Once we see the email, we will follow up.

MR. BLACKSHIRE:
Amongst the whole State here. And I hate to bring something so personal, so dramatic, but I do not want the baby to die. The man could lose his home and be homeless. He's trying to be gainfully employed and educated.

I apologize about the time. Time if God, and our planets are his stopwatch. Yahweh Allah Jehovah. I ask for your mercy so that my man can be immediately released. He does not have a court date set until [May 13] in a no-bail warrant. I came up with the money in my pocket to get him out and not knowing—it's not even posted online that there's a no-bail warrant.

I came to get him and help him—embrace him. I was not allowed to go into the jail as a clergy visit even though I am an agent for a 501(c)(3), which is the same business license as a church. That makes me a minister, and I will go get a license—you can get in online today. Who will follow up about this?

CHAIR PAZINA:
Thank you, I can promise I am going to look for that email.

MR. BLACKSHIRE:
Okay, and then I mean you can house me right now in jail, but where is that type of funding for the charity?

CHAIR PAZINA:
And we also do have housing bills that we are hearing here next week. So I am happy you mentioned housing because we are going to be talking about those next week.

MR. BLACKSHIRE:
I'll tune in. I am glad you guys care. I know somebody cares. Is there anyone here who do not care?

CHAIR PAZINA:
Everyone cares, or we would not be here doing this. And we thank you because you care too.

MR. BLACKSHIRE:
And today I'll hear back from somebody right?

CHAIR PAZINA:
I do not know if it will be today because sometimes it takes a while to actually find answers.

MR. BLACKSHIRE:
The clerk hung up on me. I was going to talk to the judge and if I will [email them], get the legalese from the actual attorney. Me being a lawyer—one learning law—doctor Patrick Blackshire. Student doctor Patrick Blackshire in theology and psychology. I may sound crazy, but it's that much love.

CHAIR PAZINA:
Thank you so much and thank you for the work you do and again for bringing your beautiful dog today.

MR. BLACKSHIRE:
… [Unintelligible statement] …

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

CHAIR PAZINA:
That does conclude our meeting for today and this meeting is adjourned as of 9:19 am.

RESPECTFULLY SUBMITTED:

_____
Madison Zajac,
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
A.B. 498	C	8	Matt Morris / National Auto and Travel Organization	Letters of support
A.B. 498	D	11	Adam Plain / Division of Insurance	Neutral Testimony
A.B. 510	E	16	Anna Durst / Nevada Society of Certified Public Accountants	Support Letter
A.B. 511	F	17	Jason Jaeger / Nevada Chiropractic Council	PowerPoint Presentation