MINUTES OF THE
SENATE COMMITTEE ON COMMERCE AND LABOR

Eighty-third Session
May 2, 2025

The Senate Committee on Commerce and Labor was called to order by Chair Julie Pazina at 8:00 a.m. on Friday, May 2, 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 Melanie Scheible
Senator Roberta Lange
Senator Edgar Flores
Senator John C. Steinbeck

COMMITTEE MEMBERS ABSENT:

Senator John Ellison (Excused)
Senator Lori Rogich (Excused)

GUEST LEGISLATORS PRESENT:

Assemblymember Tanya P. Flanagan, Assembly District No. 7
Assemblymember Selena Torres-Fossett, Assembly District No. 3

STAFF MEMBERS PRESENT:

Patrick Ashton, Committee Policy Analyst
Jeff Koelemay, Committee Counsel
Lynn Hendricks, Committee Secretary

OTHERS PRESENT:

James Trees, Esther's Kitchen

Tom Roberts, Nevada Justice Association
Sam Anastassatos, DoorDash
Michael Hillerby, Independent Payroll Providers Association; The Payroll Group
Robin Imbrogno, Independent Payroll Providers Association; The Payroll Group
Tom Clark, Nevada Society of Certified Public Accountants; Reno Sparks Chamber of Commerce
Trevor Parrish, Vegas Chamber
Wesley Harper, City of North Las Vegas
Amy Miller, Automatic Data Processing, Inc.
Aaron Ford, Attorney General
Bethany Farris
Donch'e King, Supervising Criminal Investigator, Bureau of Criminal Justice, Nevada Office of the Attorney General
Mark J. Krueger, Chief Deputy Attorney General, Bureau of Consumer Protection, Nevada Office of the Attorney General
Eduardo Guillen
Bryan Godoy
Christy McGill, Deputy Superintendent of Educator Effectiveness and Family Engagement, Nevada Department of Education
Nicole Williams
Olivia
Kaylah Maese, ACLU of Nevada
Andre Wade, Silver State Equality
Paul Moradkhan, Vegas Chamber
Edith Duarte, TechNet
Aodhan Downey, Computer & Communications Industry Association
Jennifer Hanley, Meta Platforms, Inc.
Bryan Wachter, Senior Vice President, Retail Association of Nevada
Leann McAllister, Nevada Chapter, American Academy of Pediatrics
Benjamin Salkowe, Equipo Academy

VICE CHAIR DALY:
I will open the hearing on Assembly Bill (A.B.) 116.

ASSEMBLY BILL 116 (1st Reprint): Revises provisions relating to food delivery service platform providers. (BDR 52-898)

ASSEMBLYMEMBER SELENA TORRES-FOSSETT (Assembly District No. 3):
Thank you for the opportunity to present A.B. 116. This interim, I chaired the Joint Interim Standing Committee on Government Affairs. During the final meeting of the interim, it was brought to the committee's attention that some businesses that utilize food delivery service applications, such as DoorDash, Grubhub and Uber Eats, are conducting business illegally under the name of other legitimate businesses.

Some restaurants in the food delivery service applications may be delivering food that may not have come from the actual restaurant, at least in the traditional sense. Impostor restaurants use the branding of the restaurants in our communities, and consumers order food from them with the belief that they will be receiving food from the actual restaurant. We will hear from a restaurant owner in a moment, and he will tell his story of how this impacted his business.

I know that Nevada is known for wild horses roaming freely, but when it comes to food delivery, we should not let phantom restaurants run wild and unchecked. These ghost kitchens are straying a little too far off the trail. The advent of these impostors have given way to concerns over consumer safety and unethical business practices. Regarding the safety of our citizens' health, there are reports of inconsistent food quality and poor food-handling practices. These businesses may not have a valid permit issued by the health authority, making it difficult to regulate and inspect for public safety. Further, they pose unfair competition against legitimate licensed food establishments, since imposter kitchens can dominate search results on food delivery applications and can threaten the reputation of reputable restaurants in our community.

JAMES TREES (Esther's Kitchen):
I am the chef-owner of Esther's Kitchen in Las Vegas, as well as Al SolitoPosto, Ada's Wine Bar and Bar Boheme. I recently found out that Uber Eats was allowing an odd pizza restaurant on Eastern Avenue to use my branding and pictures from my website to take in orders. We are receiving bad Google reviews and bad Yelp reviews because people thought they were ordering from my restaurant. They would get a cheese pizza that does not look anything like what we serve at my restaurant. When I saw the pictures on Yelp and Google, I had to investigate and find out how and why this person got food delivered to their house, since we do not do any to-go food or use any of the delivery apps. When I looked up "Esther's Kitchen delivery," I found that we were on Uber

Eats under an address in another area of town that we do not serve. So it was very odd.

I reached out to Uber Eats. They initially did the right thing and took the site down. But two months later, I found they had put up the same fake business. They knew they had done wrong, and then they allowed it to happen again, which was very upsetting.

We need to be able to protect other restaurants in the city who are doing legitimate business and building a reputation through excellence and hard work. We have to protect ourselves from random people, who just want to grab our IP [intellectual property] and use it to take advantage of us.

ASSEMBLYMEMBER TORRES-FOSSETT:
This is only one example of many restaurant owners I have spoken to who have been impacted by their restaurants essentially being replicated on these platform providers and tarnishing their reputation in the community. If I think I am ordering a salad from Esther's Kitchen, I think I am getting a specific level of quality. When it comes and it is not the quality that I expect, I might not recommend that restaurant; I might leave a review on Yelp or Google. That impacts that business and their customer base. This practice is impacting consumers.

This piece of legislation is attempting to ensure that we are properly penalizing imposter restaurants, as well as platform providers that leave these restaurants on their sites.

I will conduct a brief walkthrough of A.B. 116. Section 1 of this bill prohibits a food delivery service platform provider from facilitating an online order involving a restaurant unless the operator [of the restaurant] has obtained the required permit to operate by the local health authority. An establishment that violates this provision or provides false information to the platform will be subject to a civil penalty not to exceed $100 for each order fulfilled.

Further, the measure specifically provides that if a platform provider receives specific verifiable information that the restaurant is dispensing food without a health permit or has otherwise provided false or misleading information to the food delivery service platform, they must remove the restaurant from the platform provider no later than 10 days after receiving such information. A food

service delivery platform is guilty of a civil penalty not to exceed $500 for each day that the offending establishment remains on the platform. However, I want to be clear that this penalty will only apply after 10 days. The platform would have 10 days to remove the food dispensing establishment from their platform. If they do not, they are not meeting those standards.

I want to thank the industry for working with us so that we could come to the final draft of the bill before you today. This is a demonstration of good faith efforts to negotiate and work together so that we could find a compromise that really does ensure consumers are able to get the food they believe they've ordered.

SENATOR SCHEIBLE:
We were just talking here on the dais about those of us who have experienced this or seen this happen. You have to be a real jerk to do that, to take someone else's restaurant, menu and photos. Cracking down on that is absolutely a worthwhile policy.

In reading the bill, there's a similar problem that I am wondering if the bill addresses. There are some restaurant operators who have terrible food and terrible service who will just reopen under a new name. For example, one day you order from Salads R Us, and it sucks. The next day when you go on Grubhub, you see a new place called Salads For Me, and it turns out just to be Salads R Us using a new name. I understand one bill can't fix all the problems. I am just wondering if that would fall under the same kind of deceptive practices.

TOM ROBERTS (Nevada Justice Association):
The way we crafted this legislation, you are supposed to have a business license under a specific name and specific location. In your scenario, if somebody were to change [the name of the business], they would have to have a new business license with a different address, and they would have to be verified by the food platform.

Originally, this bill was tied to a health district license. We changed that to a business license because of the difficulty in verifying that information with speed and accuracy and the amount of applications the platforms receive.

SENATOR SCHEIBLE:
Well, I think this is a great bill.

SENATOR STEINBECK:
I agree and thank you for using the word "jerk." I agree; they are jerks. Thank you for bringing this bill.

This is a criminal activity, right? Are they not getting arrested for fraud?

MR. ROBERTS:
Correct. You could charge folks for obtaining money under false pretenses or some kind of criminal behavior. The reason we brought this forward is that we needed some kind of policy fix that holds the platforms accountable. There was really nothing in statute that held the platforms accountable. In the original bill, it was actually a misdemeanor for them. Obviously, that was a little harsh, so we came together with the platforms to get the language that you see before you today.

SENATOR STEINBECK:
Is there any provision to assist in making the [legitimate] restaurant whole?

MR. ROBERTS:
Originally, we had civil fines that could be leveraged for that purpose. I think they could still do that under this bill. These are all civil fines, and I believe they could be earmarked for the restaurant if they lost business or were damaged in any way.

VICE CHAIR DALY:
[Let me] touch on what Senator Steinbeck was just saying. This was already illegal for these ghost kitchens, I believe you call them. They are supposed to have a business license [and undergo] health inspections. That part of it is already illegal, and you could have gotten them if you could catch them, right? So I am clear on the civil penalty part, the restaurant that is damaged can go to court and sue, and the court can award those civil damages. I think the real—and you can tell me if I am right, the way I am understanding it—is on the food delivery people. They have the bigger fine; they've got the responsibility to take them down once they get this information. So [the restaurant owner], when he realizes somebody is doing this, he can start to go after them. He can notify all of those providers, and they better do something or he can sue all of them. But you have to go to—the person who is damaged has to go to court and start a lawsuit. Is that correct?

ASSEMBLYMEMBER TORRES-FOSSETT:
Yes, that is all correct.

VICE CHAIR DALY:
I understand that it is a start, and this is probably just the tip of the iceberg on this. I heard on the radio of an event that happened with an online—a guy bought a Lexus. He called the place, and they answered the phone, but it was just a clone of another business. There was no car. They took the money, end of story. It is not just [happening] on this level here.

SAM ANASTASSATOS (DoorDash):
We are in support of the bill. We would like to thank the bill sponsor for working with us on our issues.

VICE CHAIR DALY:
I will close the hearing on A.B. 116 and open the hearing on A.B. 430.

ASSEMBLY BILL 430: Exempts persons engaged in the provision of payroll processing services from provisions governing money transmission. (BDR 55-1072)

ASSEMBLYMEMBER TANYA P. FLANAGAN (Assembly District No. 7):
I am the sponsor of A.B. 430, which exempts persons engaged in payroll processing services from provisions governing money transmission. Payroll processing services handle tasks like calculating wages, managing tax withholdings and making payments to employees and taxing authorities. They are often not considered money transmitters due to the specific nature of their operations and the reduced risk of harm to consumers. Payroll processing involves a specific regulated context, such as employer-employee relationships, and the funds are used for legitimate purposes, including wages and taxes.

In 2023, the Legislature passed and the Governor signed A.B. No. 21 of the 82nd Session, which was the Money Transmission Modernization Act. Generally, a money transmitter is a person or entity that receives funds from one party for the purpose of sending them to another party. The Act standardized the regulation of companies subject to money transmission laws and included providing payroll processing services within the definition of money transmission.

Please allow me to share my reason for carrying this piece of legislation. District 7, like many other areas of the State, is home to small businesses, businesses with 20 people or fewer comprising the team. This legislation will impact small business positively.

To give you more on how A.B. 430 translates to good business for Nevadans, I will turn the mic over to Michael Hillerby to provide background and technical information on this issue.

MICHAEL HILLERBY (Independent Payroll Providers Association; The Payroll Group): We want to first thank Assemblymember Flanagan for bringing the bill forward and working with us.

This bill is in response to the 2023 passage of A.B. No. 21 of the 82nd Session, which for the first time included payroll processing in the definition of money transmitters. Our clients believe that was not an appropriate classification. They have always been and continue to be regulated in other ways, which you'll hear more about shortly from one of our presenters.

Our clients believe payroll processing was again not the money transmission originally contemplated when the Legislature considered the law. [We were thinking] of money transmission between one consumer and another, someone holding money for things like a stored value card, a lot of new financial technologies coming out in cryptocurrency, and apps taking money from individual consumers. This is much different from payroll processing, where there is a business-to-business relationship. Payroll processors are registered agents who report to the IRS, where they have to work through federal banking rules and laws through the automated clearinghouse, which our presenter will talk about shortly. Almost 95 percent of payroll runs through that automated clearinghouse, and we will talk about some of those rules.

There have been states and the federal government that have looked at this issue. Most recently, in 2022, the state of New York [discussed] whether this should be regulated. The New York State Department of Financial Services looked at that and concluded at the end, as outlined in this report, the few instances of malfeasance in this industry have primarily been addressed through existing tax and fraud laws. Based on decreased reports of payroll service provider fraud, preventative initiatives of recent years appear to have been effective.

Importantly, one of the exhibits we submitted is the map of states where some version of the model Act has been passed (Exhibit C contains copyrighted material. Original is available upon request from the Research Library.) That was recent as of April 30, 2025. It shows 30 states with some version of the Act. Many chose not to pass those with payroll, and others have gone back and done what we are asking you to do, which is to make payroll processing exempt from that Act.

The second page of Exhibit C shows the 21 states that either excluded payroll when the Act was passed, did not include any mention of it at all, or have gone back and exempted payroll. So again, the majority of states have done that.

The point of the model Act was to provide consistency from state to state both in what was regulated and, very importantly, what was not regulated. You'll see that in the FAQs and other information from the conference of State Bank Supervisors who created the model law.

I would like to introduce Robin Imbrogno to talk a little more specifically on what the regulation is, and [he] will be happy to answer questions. Robin is a volunteer member of the Government Affairs Committee of our client.

ROBIN IMBROGNO (Independent Payroll Providers Association; The Payroll Group):
I am here on behalf of The Payroll Group and the Independent Payroll Providers Association. Collectively, our groups represent over 300 payroll processors in the United States, some of which are here in Nevada. Our members consist of small and medium-size payroll companies around the country. In Nevada alone, there are around 1,200 firms that are listed in the accounting tax preparation, bookkeeping and payroll services industry. Around 90 percent of those firms are small businesses, which is consistent with the national average of small businesses in the United States. Small payroll companies, most of whom work hand-in-glove with the CPA community, provide an essential service to local businesses.

In addition to payroll processing and tax-filing services, it is the small payroll processors that provide business advisor service to assist people and business owners with wage and hour laws involving sick leave, FMLA [Family and Medical Leave Act] laws and many more.

During times like the COVID-19 pandemic, it was the small community payroll processors who worked tirelessly on holidays and weekends to educate and assist companies on concepts like payroll protection programs and make sure employers knew how to apply for loans. It was our community that explained to small business store owners and restaurants how to use the credits for sick leave. We worked to explain the nuances of the PPP [Paycheck Protection Program] loan program, including how to do the forgiveness reporting, and making sure they understood the Restaurant Revitalization Fund and the Shuttered Venue Operators Grant. When the small payroll providers [were] educated, we did not close our doors at 5:00 p.m., as our national organizations may have. We continued to work over holidays and long weekends.

If [this bill does not pass], it would be impossible for our industry to provide service as we have continued to do so. The costs ... are prohibitive for our industry and for our accounting community alike.

I want to share with you some of the things that we are now required to do by our banking industry, which is our lifeline to continue to provide services. On a quarterly basis, the bank requires a company like mine to provide something called a KYC [Know Your Clients], which is a quarterly list of our clients. In addition to that KYC, we have to provide a credit review every quarter of all of our clients. For us the cost for that is about $10,000 a year. In addition, we provide a NACHA (National Automated Clearing House Association) report, which is an audit of that function that shows how we handle all of our files for the Federal Reserve System. [It is to comply with and make sure that there's no deviation from how those files should be touched. That costs us around $7,500 a year.

In addition to that, we are required to do an SOC [Systems and Organization Controls] audit. The SOC audit shows that we provide the systems and organizational controls to make sure that we are dealing with other people's money the way we are supposed to. That costs us around $35,000 a year.

Our bank also requires me personally to provide a personal financial statement [PFS]; they want to know where my money is at all times. Every year we provide a PFS statement for me. Our bank also requires us to provide an OFAC (Office of Foreign Assets Control) review on every client to make sure that there's no money laundering for any client that we do business with. They also restrict us from doing business in certain industries, so any industry that could

potentially launder money. That costs us about another $10,000 to do those quarterly reviews for OFAC. In addition, we meet with our bankers twice a year to make sure that they are reviewing the terms and conditions of their contracts with us and to review the terms and conditions we have with our clients.

To add the burden of an MTL [Money Transmitter License] into our industry, we would have to add a compliance officer just to review those terms and conditions. That would be about $75,000 a year just in salary. We would have to have audited financial statements in addition to our certified financial statements. That would be about another $25,000 a year. We'd have to have a surety bond in every state, in addition to yours, and we would have to pay a registration fee in your State and any other states we do business in.

Why is this all being done? You've heard Michael talk about the Conference of State Banking Supervisors. The original intent was for there to be consistency in this specific space. As the states are looking at the adoption, any state that has put through this model law—there has been anything but consistency. There's been no consistency in the surety bonds, in the registration fees, in the audit approach, in any of the minimums. There's been no consistency at all. Consistency with other states is not even sufficient to impose this crushing new regulatory burden, which comes at a substantial cost and raises all barriers of entry [in a field] where there has never been any.

The study Michael talked about that New York did in 2022, which was also done in Maryland, and Congress did one as well, all concluded that the regulatory schemes that would be put in place on our industry would be counterproductive and actually increase the cost of risk or theft. [It found] that the incidence of risk in our industry, which is over—we have a 99.9 percent risk adversity–is so small proportionately to our industry that it would be counterproductive. We estimate—and I will just tell you for my business—the cost of entry in all states for me to put in MTL against all states would be somewhere around $750 million, and the ongoing cost would be about $300,000. For most small payroll companies or accounting firms, it would be cost-prohibitive.

When the assessment was done by New York, Maryland and Congress, one of the things they came up with is “Let's put out some online tools that would help businesses confirm that they have protection.” One of the things they looked at is the tool that the IRS uses right now, which is Form 8655, Reporting

Agent Authorization. It is the tool that allows a payroll company or an accountant to take taxes on behalf of that business. Form 8655 has a statement in it that tells the client they can look behind anyone who takes their tax money. Any company can look behind us, and we have to notify a client quarterly of that. They can go online and confirm that their tax payments are being made weekly. They can go online every day and confirm that. Every state should be doing that, and many states do have that opportunity.

In addition, there is another piece of that regulation that says you can't change an address with any business in the country without having a business owner notified that someone is trying to change that address. So both of those things were put in place when Congress did this review.

The 2023 bill, A.B. No. 21 of the 82nd Session, which was rejected by so many other states, [took] away the right for most small business owners to provide service to other small business owners. It would take away more than three-quarters of the small business payroll community and CPAs and take away our ability to provide education and high-tech service.

We appreciate your consideration in allowing our community to remain viable.

ASSEMBLYMEMBER FLANAGAN:
I will run through the bill.

Section 1 of A.B. 430 removes payroll processing services from the definition of money transmission.

Section 2 of the bill exempts the person engaged solely in payroll processing services from the provisions governing money transmission. Thereby, a person is not required to obtain a license from the Commissioner of Financial Institutions to engage in payroll processing services.

Section 3 of the bill repeals provisions setting forth certain duties of persons engaged in providing payroll processing services.

VICE CHAIR DALY:
In section 3, where you are deleting some of the language about the worker pay stubs. I am assuming—and hopefully you can clarify for me what the requirement to issue a paycheck stub is—I believe it is in other sections of the

law under NRS [*Nevada Revised Statutes*] 608 or 607. Is that going to be handled in the contract that they have? Because there's that other requirement to provide one. Are you aware?

MR. HILLERBY:
I do not know. I will need to research the reference to pay stubs in other state law. Maybe Robin can talk generally about obligations to create pay stubs, or your committee staff may know that off the top of their heads. Otherwise, we will get back to you with that answer.

VICE CHAIR DALY:
I believe it is already required.

Final question. In 2023, when we did this and you guys were clearly in there, where were they in 2023?

MR. HILLERBY:
I will let Robin answer that question for the Association.

MS. IMBROGNO:
We did respond to the Small Business Association at that time, and did share the costs of implementation. We actually had an attorney respond on our behalf. We asked several questions. We could not gain any traction at that point.

TOM CLARK (Nevada Society of Certified Public Accountants):
We are definitely in support of A.B. 430. I have a letter of support from our CEO, Anna Durst (Exhibit D).

TREVOR PARRISH (Vegas Chamber):
We are in support of A.B. 430. We view this policy proposal as a fair and effective way to help small businesses. By streamlining this process for an already well-regulated industry, these small businesses will be able to provide a higher quality of service and can have a more focused view on regulatory compliance. We'd like to thank the bill sponsor for bringing this forward, and we thank the committee for your support on A.B. 430.

WESLEY HARPER (City of North Las Vegas):
The City of North Las Vegas is in support of this bill. It is our intention to be committed to a conducive and supportive relationship and environment for our

small businesses. This legislation helps to maintain or restore a positive environment for the small businesses in our city. Therefore, we are in support.

AMY MILLER (Automatic Data Processing, Inc.):
Thank you for this opportunity to share ADP's [Automatic Data Processing] opposition to A.B. 430. We have submitted written testimony in opposition (Exhibit E).

MR. HILLERBY:
I want to thank the committee for your time and consideration of the bill and make it clear that we are not talking about deregulating an industry. It is an industry that has been regulated for a long time in other ways; [we are] simply exempting it from the money transmission [provision], which happened for the first time in 2023. Again, our presenter went over a lot of the ways that the industry is currently regulated and the oversight. So I just want to make sure that is very clear to the committee.

CHAIR PAZINA:
I will close the hearing on A.B. 430 and open the hearing on Senate Bill (S.B.) 63.

SENATE BILL 63: Revises provisions relating to social media platforms. (BDR 52-505)

AARON FORD, ATTORNEY GENERAL:
I am delighted to be with you today to present S.B. 63 and to talk about something that frankly should unite all of us, which is keeping our kids safe in the context of digital platforms.

We all know that digital platforms are not just a tool anymore. It is seemingly the online air that our kids breathe. They do not remember a world without it. While it changes the way we all connect, it also gives predators a direct line to our children. I plan to combat this issue with S.B. 63.

Let's be clear: these predators are not lurking in dark alleys, and they do not have to hang around the playgrounds or malls anymore. They can slip into a child's DMs, or direct messages, pose as peer-aged friends and start the process of grooming—slowly breaking down the kids' defenses until they can exploit them. You will hear testimony from my investigations team about how

predators shower a kid with attention, compliments and even gifts, such as virtual game tokens. They make a child feel special and understood, like they finally have someone who gets them. Over time, they manipulate the child into taking risks: sharing personal details and photos or engaging in conversations they would normally not have. Once that happens, things escalate pretty quickly. We've seen the cases—children being blackmailed, harassed and. in some cases, lured into real world danger.

This is not a hypothetical. It is happening right now. Investigators in my office and across the State are working these cases every single day. These predators are smart, they are patient and they are relentless, and the digital platforms make their job way too easy. You are also going to hear from students about their experiences on digital platforms. You'll hear how their friends access illegal substances and weapons with ease.

This bill takes simple, commonsense steps to put real guardrails in place. First, children under the age of 18 are required to get consent from either a parent or a guardian of a minor. There's also a provision for minors who have been emancipated. This bill applies only to platforms that are operating in Nevada and to users in Nevada. That's worth noting.

This bill also locks down children's data. Companies will collect data verification, but then they can't turn around and use it to track or advertise to them. We're not giving corporations another way to profit off of our kids.

Keeping our kids safe should not be optional, and we are making sure that it is not, but keeping kids safe online is not just about blocking predators either. It is also about the well-being of our children and adolescents, the mental health issues that we are all quite familiar with. On this point, I readily admit that the data suggests adolescents can actually benefit and have beneficial experiences with age-appropriate use of social media. But there's also a large body of data showing a full-blown mental health crisis among our children, and we can't afford to ignore it.

What we know is this. According to The Pew Research Center, 95 percent of youth ages 13 to 17 say they use social media. More than a third report that they are on social media almost constantly. Exposure to cyberbullying and cyber hate leaves children feeling more isolated, anxious and depressed than ever before. Content that encourages self-harm and maladaptive behavior is warping

their self esteem, especially for teenage girls. Platforms are designed to be addictive, keeping kids locked into an endless cycle of comparison, validation and exposure to content that can be toxic.

Social media platforms and other digital platforms are built by design to keep people, especially impressionable young people, engaged as long as possible. Algorithms push extreme content because it keeps users hooked. They actually collect more data the more time these users spend on their platforms, and the more data the platforms collect, the more money they make.

Our bill seeks to curb corporate malfeasance with two provisions. No notifications for minors between midnight and 6:00 a.m. No notifications during school hours, between 8:00 a.m. and 3:00 p.m. Monday through Friday. No algorithmic recommendation system for minors.

And finally, let us address one more thing—misinformation. People are not born into media literacy. They are still learning how to tell the difference between fact and fiction, and social media is full of bad actors ready to take advantage of that. These platforms give predators and scammers a direct pipeline to young minds.

I will conclude by saying this. Social media inspires all kinds of conversations. Policymakers, parents, teachers—we are all weighing the harms and the benefits of social media use by our children. Senate Bill 63 takes into account research and data on harms while balancing access for teens. Overall, this bill makes the digital platform safer by requiring social media platforms to enact limits and protections for our children.

At this time, I am going to introduce the young lady to my left, who is going to provide you with the most important testimony, in my estimation, that you are going to hear today about her daughter Vicky.

BETHANY FARRIS:
My daughter Victoria was born on June 12, 2013. She died on August 23, 2024. I came home from work and found her hanging from her bed. She absolutely had to have that bed; she made me buy her the bed.

It was a day that I will never forget. I could tell you every minute of that day, from when I woke up to when I went to bed.

She looked up how to tie that knot on TikTok. Detectives told me that she had a reel playing on her phone about how five years from now, she was going to try over and over again. When I packed up her room, she had clothes that she had tried over and over again. She ended up using a pair of leggings that ended up being her demise.

The effect that it has had on my life and my family—it tore us apart. My sister is here today, but we do not really talk anymore because she is so hurt. We do not know how to handle the grief of it. I have lost my home. I lost all my animals. I lost my job. But I am in a process where I am taking one step at a time; I am moving forward, and I am getting my strength back.

I still have another daughter, and I never really focused on suicide with my younger daughter because I thought, at 11, how does she even know what that is? It was my other daughter that I was always worried about. We had been working on her because she had tried three times before. I had always been so focused on her and had kind of hidden it from my other little girl.

I was always so anti-social media with my 11-year-old daughter that I did not know that she had these hidden accounts. She did TikTok; she did all the silly little dances, you know. I thought that I was always aware and on it with her—but no, it got to her. When I tried to get her down from that bed, this knot was like a military knot.

There needs to be something that helps other mothers to not lose their baby. There's got to be something they are able to look up and be able to do. Something that can protect them. I mean, for an 11-year-old to be able to figure out how to get up on this bed and tie this knot and end her life—there's got to be some protection out there.

Thank you for listening to me today and thank you for having me here.

CHAIR PAZINA:
Thank you so much for being here and sharing your daughter with us today. We really appreciate you sharing your story

ATTORNEY GENERAL FORD:
Ms. Farris reached out to my office a few months back when she learned that my office filed a lawsuit against several social media platforms for the negative

impacts that they were having on the mental health of our youth. My office is running parallel tracks to ensure that we can protect the most vulnerable in our societies, including our youth, in the context of digital platforms.

Also accompanying me in Southern Nevada is my supervisory investigator, Donch'e King, who will discuss a little of the work that my office does in this arena.

DONCH'E KING (Supervising Criminal Investigator, Bureau of Criminal Justice, Office of the Attorney General):
I would like to start off by first offering my sincere condolences to Ms. Farris and her family. It is definitely a tragic story.

As part of our work in the Bureau of Criminal Justice, our Human Trafficking and Missing Children Unit conducts an investigation into bad actors who seek to prey on Nevada's children. But just because these predators are seeking to use our children for immoral and illicit gain does not mean that they are not sophisticated. Our office combats these enterprises while also teaching the community, both kids and adults, about the dangers of digital platforms and how to stay safe on them. I would like to spend a couple of minutes to provide the committee with some insights into human trafficking in the digital age.

The digital platforms that S.B. 63 addresses play a significant role in how predators attempt to groom, recruit and exploit our children for human trafficking. For example, grooming starts when predators create fake profiles on these digital platforms, posing as fellow teenagers or kids to gain trust and gradually manipulate children emotionally. Next, these children are recruited with promises of money, fame or friendship, convincing youth with job experiences, money and gifts through various digital platforms. Predators are able to send real money or virtual game currencies through digital platforms, especially during streaming sessions or live games. Further, these digital platforms are often interconnected, letting predators convince children to join digital platforms so that they can gain more personal information about the child.

Finally, once trust is gained, sextortion leading to exploitation occurs in various ways, such as convincing the child to take and send inappropriate or explicit photos of themselves. Then threats are made to the child that these photos will

be made public unless they comply with further demands, which occur both online and in person.

That's the damage inflicted upon the victim. But imagine what the family and friends experience. It is an understatement, but there is a high level of shock when parents discover their child is being preyed upon.

Now, you will hear from opponents of this bill that their specific digital platform has safeguards and cutting-edge technology that prevents this type of digital trafficking from taking place. Let me be clear. We have seen every digital platform that this bill addresses used as a vehicle to prey on Nevada's children. Every single one. These digital platforms provide personal information of its users, such as location sharing, birthdates, addresses, email addresses, phone numbers and identity of close friends and relatives. This provides a predator with a wealth of information about a child's life, which they study diligently. These predators also hone in on emotionally charged posts related to loneliness, sadness, financial problems or other insecurities that a child may be facing to groom, recruit and exploit them. Our office and investigators see these scenarios on a nearly daily basis.

I urge the committee to support S.B. 63 in order to protect Nevada's children and aid us in rooting out those who seek to prey on them.

ATTORNEY GENERAL FORD:
I would like to offer the mic to the chief of my Consumer Protection Division, Mark Krueger, who will go through the bill section by section and discuss a couple of the amendments we have accepted.

MARK J. KRUEGER (Chief Deputy Attorney General, Bureau of Consumer Protection, Nevada Office of the Attorney General):
I am going to quickly take you through the bill.

Section 2 identifies this act as the Nevada Youth Online Safety Act.

Sections 3 through 11 provide definitions that are applicable to the Act.

Section 10 provides a definition for a social media platform. We are accepting an amendment (Exhibit F) to make it a digital platform throughout the entire Act. This amendment has some exceptions that we agreed to under this

particular provision or definition. Those exceptions are for electronic mail, cloud storage, educational instructions, instructional materials that are used within Nevada schools and online shopping or e-commerce, as long as they conform to the age verification.

In addition to that, within a corporation's company, they have some online communication between employees or employees and the employer of that corporation. We certainly have done that as well. There is also an exception for interactive gaming, which includes social gaming products, as long as they are affiliated or owned by licensees under the Nevada Gaming Commission.

Section 13 is the age-verification provision that Attorney General Ford alluded to. We're asking for a reasonable verification with an approximate 95 percent accuracy, which we think is very much doable and attainable.

We are striking section 14.

Regarding section 15, we are moving the provision so that the whole Act will apply to children under the age of 18. Included in there is a protection for the digital platforms for a good-faith reliance on the information that was given for age verification.

Section 15, subsections 3 and 4 state that these platforms will need to provide parents with the right to revoke consent to being on the platforms at any time.

Section 16 provides for emancipated minors to be able to join the platforms.

Section 17 will be deleted by amendment.

Section 18 prohibits the use of personal information of the minor in an algorithmic recommendation system and provides additional definitions for that.

Section 19 requires the platforms to disable infinite scrolling, the display of interactive metrics like "likes" and "shares," and also to disable auto-play and live streaming of videos.

Section 20 provides restrictions on the time of use, for school hours and at night all throughout the year.

Section 21 makes a violation of this Act a deceptive trade practice.

SENATOR STEINBECK:
Ms. Farris, thank you for sharing your story, and thank you for sharing your beautiful daughter. I am sorry for your loss.

Mr. Krueger, I was wondering if you could walk us through how this would actually be implemented. For instance, what is the expectation going to be to actually verify [the user's] age?

MR. KRUEGER:
The platforms will be responsible for implementing an age-verification system and finding a third-party provider or creating one themselves to ensure that it has a 95-percent accuracy. As far as enforcement, it would be a violation of deceptive trade practices if it was discovered that they are not meeting those standards.

SENATOR STEINBECK:
Are they successfully doing that in any other states? Are any of the platforms successfully doing that to a standard that we would find acceptable?

MR. KRUEGER:
We looked at other states to see what states are bringing this social media or digital platform type legislation, and 18 states have passed similar legislation to ours. Of that, five states have enacted age verification, not exactly the same as ours but similar. Four states unfortunately have been enjoined. However, in two of those states it looks like those enjoinments are going to be revoked. We are looking at seven additional states that have introduced legislation in 2025 that would do the same type of thing as S.B. 63.

One other thing, Chair, if I could add—in going over my thing, there was one other discussion that we wanted to add. There were some concerns about [children] having the ability to discuss or have a conversation with some kind of medical healthcare provider using some sort of a digital platform. We are amenable to having that type of exclusion as well. We think it is important. It addresses certain groups of children who would need to talk to a counselor, school nurse, athletic trainer or medical professional. We are working on a proposed amendment to add that.

SENATOR STEINBECK:
Gaming platforms are excluded. Is that correct?

MR. KRUEGER:
That is correct.

SENATOR STEINBECK:
That is a big area for groomers and predators. I was just wondering why they are exempt.

MR. KRUEGER:
We have found that the Nevada Gaming Control Board has direct authority over those licensees and do provide an area of protection and regulation over those licensees. We also looked at the social gaming programs and platforms that are out there and find that, as long as they are connected to the Nevada Gaming Commission, they will be able to be regulated through the Nevada Gaming Control Board. So that is the reason for [the exemption], and we feel the exemption is acceptable.

SENATOR STEINBECK:
How about video games?

MR. KRUEGER:
Video games are captured by the digital platforms.

SENATOR SCHEIBLE:
I actually have a lot of questions. I have five written down at this point, and they are not follow-ups to each other. If you let me get started, you can cut me off when I have exceeded my quota.

I guess I am just a little bit confused about the approach here. On the one hand, it seems very extreme. I am not sure how the amendments in sections 15 and 16 would affect this, but on my first reading of—and we just got this amendment [in Exhibit C] 29 minutes ago. When I read the bill, it looked like anybody under the age of 13 would be completely prohibited from utilizing any social media platform. Why take such a drastic step?

ATTORNEY GENERAL FORD:
I am not quite sure why you got that 29 minutes ago; we had that amendment ready a couple of days back. My apologies.

The 13-and-under restriction has been removed. [The bill] now says that anyone under the age of 18 has to get parental notification or parental permission to be on these apps. To be clear about this, the federal government also has regulations around 13-year-olds relative to their ability to be on social media. That said, we too viewed it as, to your use your phraseology, a bit extreme at the outset to say no one under 13 can be on social media. I instructed that we would accept an amendment to say we would not have that blanket prohibition, but instead say anyone under the age of 18 would be required to have parental permission to be on these apps.

SENATOR SCHEIBLE:
I appreciate that. But then it seems like if they get parental permission, it is binary. Either you are not allowed on the app or, once your parent allows you on the app, all of the floodgates are open, and now there are no restrictions on what the [minor] is allowed to do once they get their TikTok, Facebook or Instagram account.

MR. KRUEGER:
Just to be clear, the parental consent allows them onto the app. The bill also has additional restrictions that have prohibited acts that are dangerous acts. That includes infinite scrolling; display of interactive metrics, likes and shares; auto-play of videos and live stream of videos. Those are all restricted for minors. In addition, you have time-of-use restrictions. All of these things are cited to be helpful in reengaging minors into productive activities.

As Attorney General Ford said, there's a recognition that certain apps and platforms can provide a benefit to minors, but it has to be with guardrails on it so that these minors are safe on the particular apps. This Act does just that.

SENATOR SCHEIBLE:
Can you direct me to the section of the bill that addresses the infinite scrolling and the time notifications?

MR. KRUEGER:
Section 19 provides the restrictions on infinite scrolling; the display of interactive metrics, icons or emoticons; videos that begin to play without the user first clicking on the video; and functions that allow a user or advertiser to broadcast live video content in real time. Section 20 provides the time-of-use restrictions that we discussed.

SENATOR SCHEIBLE:
If I am reading this correctly, section 19, subsection 2, it—I mean, I have an Instagram account. I pull up my friend's post from yesterday when she took her daughter to the aquarium, and it has 18 likes. My question is in two parts. The idea here is to allow children to utilize Instagram but, not be able to see how many other people liked the photo and also not be able to like it themselves. [Is that right?

MR. KRUEGER:
That's correct. It is to limit the amount of social interaction that these children are bombarded with and to prohibit the algorithmic recommendations, which is in section 18. What happens is these likes are used as a functional tool to then pull similar information and bombard these children. Unfortunately, those algorithms will push information that can be very, very dangerous, like ideology of suicide, body dysmorphia and other things that harm children.

SENATOR SCHEIBLE:
Do social media platforms already have a cap? Are they already doing this? I mean, are they programmed to allow an account holder to not have access to the like-and-share functions?

MR. KRUEGER:
Ms. Farris's testimony shows that they are not doing it. If they have the ability but are not doing it.

SENATOR SCHEIBLE:
That is actually my concern, that they do not have the ability to do it. If I am a social media platform—and maybe I am not Instagram or Facebook. I am not a multibillion-dollar company. Maybe I run a smaller website for children of deaf adults, an important community that needs to have connection to one another—and we have a function on our page where you can like and share stories, pictures, whatever. Now I have to ensure that everybody who signs up for an

account on my website—not only do I have to do age verification, but now I have to be able to limit certain accounts. After I spent years building this platform that includes a share button, now I have to figure out how to disable the share button only for the accounts that belong to people under the age of 18.

MR. KRUEGER:
In our discussions with certain digital platforms, they are telling us that the technology exists to do just that. Indeed, when you look at other states that have passed similar legislation, they are going to have to do it in those states as well as in Nevada. This is only restrictive on minor users, so adults can still utilize your website. That is a decision that has to be made for a particular person, or you can provide consent to have these children on there. Sure, you have to restrict some of the use, but certainly not all of it.

MS. FARRIS:
I just know with my daughter—I really think that it is this thing called sad reels. What happens with these sad reels is you start watching one thing, and eventually, that is all it becomes. I think eventually what happened with her is everything just became suicide. It gets in your head, and it just became unlimited for her. It was just suicide, suicide, suicide, suicide. And there was no cap; it did not turn off for her. It just so—it became so embedded in her head that that is all she thought about. It became, "Oh, maybe this is what I need to do. Maybe this really is the answer." She did not think about my mom, my sister, my family tomorrow. And now I do not get to see her graduate middle school. I do not get to see her get married. I do not get to see her have babies. She had all these hopes and dreams, but because it got so embedded in her head, she thought that there was no way out.

Even with my grief—I do not know how it reads my algorithm of that. But all I have is grief, grief, grief, French bulldogs—because I own Frenchies—grief, grief, grief, grief, suicide, suicide, suicide. I do not look up suicide, but somehow it knows that I lost my daughter to suicide. It is not me following anything; it is not me sharing anything. Yes, I did post a few months after her dying, saying "I lost my daughter," and it just picked up on that. It was that sad reel of her watching those suicides. If she would have had some protection or some verification, or if I would have had some notification—it is crazy. She had gotten in trouble at school, and I took her phone away; she had a phone where

she was only able to use Wi-Fi on it, and she was still able to look that up on TikTok.

SENATOR SCHEIBLE:
I am likewise very sorry for your loss, and I commend you for having the bravery and the resilience to be here today. I do not know how you get up in the morning, let alone come all the way into this building to testify in front of us. I very much appreciate you being here and sharing your story with us.

I do have a few more questions, but if you want to, go to someone else and come back to me.

CHAIR PAZINA:
We are going to make sure all questions are answered in committee. Please know no matter how many questions you have, you'll all have an opportunity [to ask them].

I have a follow-up question to one of Senator Steinbeck's questions. Mr. Krueger, I know we had talked about—you had shared about other states and legislation they had. I did a lot of research as well, just knowing that this bill was coming. How many of those involved age verification, and how many were more maybe Youth Privacy Acts in different states?

MR. KRUEGER:
Some five states have enacted age verification for actual age verification. When you get into data privacy, it's pretty much all the states that have brought any kind of legislation have a data-privacy protection provision in it. That's certainly one issue.

However, most states that are bringing these—in Virginia, for example, they did not include quite enough age verification, even though the original bill had it. The governor signed the bill anyway, but specifically broke down a comment that said, "In its current form, the bill does not go as far as it should, particularly by excluding minors over the age of 13 from protection, but the bill can be signed." You can see that the states that are struggling with this want the age verification. We believe age verification is a critical component of this bill to bring strong legislation to protect these youth from all of the harms that you have heard today and the research you found.

CHAIR PAZINA:
But how many of those—and again, just knowing this bill was coming, I started looking into some of this. How many of those states are in litigation over some of those particular age-verification laws right now?

MR. KRUEGER:
It appears from our research that about nine states are in litigation. However, there have been two critical wins, particularly in Arkansas recently, where the injunction was lifted, and then one other state in which the injunction was also lifted as well.

ATTORNEY GENERAL FORD:
Just let me chime in here and say that we've done our homework. We have looked at all of these states, as you can tell from Mr. Krueger having the details of what is happening all across the nation. We have tried to compile a bill that is going to withstand constitutional scrutiny on the First Amendment side of things—that is going to withstand litigation on age verification.

Let me be clear. I am under no illusion that if this bill were to get passed and signed, [nobody is] going to sue over it. But my office is going to defend it.

Just two days ago, we had favorable rulings from the Nevada Supreme Court against three social media programs that are trying to escape our jurisdiction right now as we attempt to hold them accountable for the negative impacts they are having on the mental health of our youth. Rest assured that if you were to support this bill, I am confident in its constitutionality and lawfulness. I will defend it to the fullest of my officers' abilities.

SENATOR LANGE:
It appears that algorithms within the platforms are a significant problem. Why wouldn't you go after the social media companies? And in some respects, I feel like parental rights—and I know kids that are on my Facebook who are not the age you are supposed to be to be on there. The platform does not pick up the fact that they give the wrong age so they can be on those platforms. But why don't we go after the companies for the algorithms? Because I know I can go on the Internet looking to buy a bedspread, let us say, and then all of a sudden, my Facebook populates with different companies that are selling bedspreads. I feel like it is the company that is the problem, and it feeds into the other issues that you are talking about.

ATTORNEY GENERAL FORD:
I am going to make a preparatory remark and then offer Mark the ability to chime in as well. We're doing both. As I just indicated, two days ago we obtained a favorable ruling from the Nevada Supreme Court. We sued several social media companies over a year ago. They have been trying to escape our jurisdiction for that entire time. We are retaining them in this court, and we are going to be pursuing discovery to hold them accountable for the algorithmic approaches they have taken to negatively impact the mental health of our youth. We will hold them accountable in the litigation side of things, but this is a parallel effort we are taking on the legislative side of things as well to ensure that on a going-forward basis, we have guardrails in to protect our youth from predators, as I have indicated.

You have heard Mr. King talk about the ways in which these predators are infiltrating these platforms. We are working to ensure that we can strengthen laws to protect them in that regard, the mental health components. You've heard from Ms. Farris about the impact that doom-scrolling has—this automatic video play. These are things that we think are negatively affecting the mental health of our youth and leading to grave consequences. At the end of the day, we will continue to scour the nation for opportunities to improve the mental health of our children and protect them from predators.

We actually asked for a waiver on this bill to try to work with the industry to find ways to accomplish the goals that I have just laid out. Unfortunately, we could not come to an agreement on the best way forward. We are presenting our best effort, one that we think is going to withstand constitutional scrutiny, one I am willing to defend with every available aspect of the office. But it is not to the exclusion of holding particular social media companies accountable. We are doing that as well

SENATOR DALY:
From what I understand, when Florida passed the age 13 restriction, within a month, virtually everybody found a way around it. So I am not sure how good the age verification was. I am not saying that we shouldn't try some things, but virtually everybody finds a way around it. Any comments on that?

ATTORNEY GENERAL FORD:
I will say this. There's not a law on the books in this State that people haven't found a way to get around. That does not mean we do not make an effort to

protect the residents of our State. People run red lights all the time. And by the way, we did not need red lights or traffic signals until the car came around. Now, we are trying to catch up with technology in the social media context and bring forward new legislation that addresses new technology. At the end of the day, it is not going to be the be-all end-all. This is not going to eradicate the problem, but it will certainly assist in protecting the mental health of our youth. It will certainly assist our law enforcement in ensuring that predators are being held accountable and that we can protect youth from predators, at least a little better than we are able to right now.

SENATOR DALY:
I agree that it does not mean we should not try. I am just trying to figure out how to build the better mousetrap.

Related to that, we are going through all this age-verification questioning. And right now, we have the parental permission to be on the digital platforms. How are we safeguarding and making sure that it is the parent or the legal guardian [who gives permission]? How is that verification being done? Do you have somebody else do that? I know there's no way for you to prevent someone who got permission from their parent from at least letting them look at their platform. I know you have the whole issue with streaming services and sharing the code and somebody's giving them access. I think Senator Scheible mentioned that you can get into other people's feeds and various things. Personally, I do not know how to do any of it, but I understand people can. But what are we doing on the parents' side to make sure that verification is just as robust as the age verification?

MR. KRUEGER:
That is the age-verification component of it, where they have to collect the data to ensure that there's a 95 percent accuracy that that child or the consent of the adult for that child is actually legitimately that child's parent or guardian. So it is built into the provisions of the legislation.

SENATOR DALY:
What type of information are they looking for?

MR. KRUEGER:
Generally speaking, it can be a driver's license or REAL ID, some kind of information from the parent. And then, whether or not they use some other

information as well, such as, I would imagine, birth certificates, things like that. The key here is that there's a protection in the bill so that the data collected to verify must be kept segregated and separated from all other data and can only be retained for certain purposes, like to prove that they did verification, but otherwise must be destroyed after they've done it.

SENATOR DALY:
Understood. Hopefully there's some follow-up quarterly or something that says, "Hey, your kids got this account; do you still want them to have it?" I don't know. I think people are going to find ways around that, not that we won't keep trying to tighten the rope and come back and close loopholes, et cetera.

So last question I have, and it is a broad category we are doing here, but I do have a specific thing in your amendment, a curiosity question. I do not know if you can fix it or not. In section 10, subsection 3, paragraph (c) [of the amendment in Exhibit F], you are talking about "the exclusive or nearly exclusive purpose of providing educational or instructional materials in Nevada schools ... approved by a school district," and then you have "or charter school in this State." To me, the equivalent for charter schools would be the sponsoring authority, whether it is the school district or the State Public Charter School Authority rather than an individual school. I do not want to cause any problems that may cause a fiscal note from the State Public Charter School Authority. But my understanding is they are completely funded from the fees they get. So it should not be a budget issue if you can head that off. But to me, it should be that somebody higher up with more resources than the governing board of a charter school. Just a technicality.

ATTORNEY GENERAL FORD:
Understood. Thank you. We'll take a look at that.

SENATOR SCHEIBLE:
I still have so many questions about this bill. I will kind of work backwards from the one that Senator Daly just inspired. We are talking all about the ways we are trying to protect kids online. I am concerned now about how this is going to affect adults. The inverse is that now we are all going to have to prove that we are over 18 to get access to regular social media accounts, right?

MR. KRUEGER:
That's correct.

ATTORNEY GENERAL FORD:
You already have to do that. You already have to attest that you as an adult are over 18. What we are requiring now is that children themselves are going to be the ones who have to—we have to ensure that children are age appropriate. It is not a new burden on you to prove that you are 18. You've already done that by being on every social media account that you have.

SENATOR SCHEIBLE:
Yes, I checked a box attesting that I am 18 or older. So either it is going to be that simple for a 13-year-old to check the box that they are 18 or older and get access to the full accounts, or it is going to be equally difficult for everybody. Am I going to have to upload my birth certificate to get a Facebook account?

MR. KREUGER:
It should be fairly simple for anybody with standard identification. If you have a REAL ID, for example, you would be able to show a picture of that. This is not unheard of and not outside the realm of [possibility]. There are many, many companies who do require you to verify your identification before they allow you to proceed, usually in the areas of financial—but there are a lot of examples out there.

So yes, you may have to take a photo of your driver's license or ID card, have that verified, and then the company will destroy that photo. But for children, they may not yet have a state-issued identification card. You may have to use some other form of identification for that child and presumably use your own ID to prove that you are a parent or guardian of that child, which should be easy to do if you are a parent.

SENATOR SCHEIBLE:
I am not sure how easy it would be. How does the social media or the digital platform know who the parents are of a child?

MR. KRUEGER:
That is part of the process of age verification that they would have to go through. That's spelled out in the legislation. You would have to be able to say, as a parent, yes, I want to give consent to have my child, and this is my child, however that verification is done. We left it open to the digital platforms to have a broad use of different technologies in order to do that. Once they do it, then they can give consent for your child to get on to the platform.

I would also bring up one more point. This is not new; this is what other states are now requiring. For example, in Arkansas, there is going to be a requirement that this is done pretty much the same way as what is in our legislation.

SENATOR SCHEIBLE:
There is, or there is going to be?

MR. KRUEGER:
There is now. It was enjoined, but the Arkansas enjoinment got struck down on April 1, 2025. In Mississippi, the other state, the preliminary injunction again was struck down. The legislation in these particular states is moving forward in the same manner.

ATTORNEY GENERAL FORD:
I will tell you that I heard the woe-is-me from the social media companies about the difficulties they would have in implementing a policy and a practice using this technology. I was not persuaded. These are technology companies who have the ability and the wherewithal to figure out a way to accomplish the goals set forth in this legislation. How do I know that? Because again, Mississippi, Arkansas and other states are requiring it as well, and they are withstanding scrutiny. To be sure, it is not spelled out specifically and directly, and that is by design in our legislation, not telling them how to do it. We want to leave it up to them to figure out how to comply with the bill. We have provisions in there that allow them to have safe harbor if things go awry. But at the end of the day, it is incumbent upon these platforms that are perpetuating or helping to perpetuate predation on their apps, and suicidal ideations and mental health issues against these youth, to help us figure out a way to get it done.

Again, I gave them an opportunity to do that over the course of the last few months. We could not come to an agreement on what that terminology would look like, so we are left to our devices to ascertain the best way to move forward. We think this is a great compromise based on everything that we have seen out there. We've avoided those pitfalls [by seeing] what has succeeded and what has withstood scrutiny. We've included those provisions in in our bill.

I appreciate the questions, and we may not be able to answer every single one of them to great satisfaction. But at the end of the day, we are moving the ball forward relative to trying to protect our youth—itis a fight that we are willing to

undertake. Once this passes, if it passes and gets signed, we will see them in court.

SENATOR SCHEIBLE:
You mentioned that this was a compromise. Who proposed the amendment?

MR. KRUEGER:
The amendments were made up of compromises with certain groups, such as the school districts. The Nevada Department of Education approached us about the educational exclusion so they could use approved platforms within the school that were designed to be educational in nature. They are restricted by the school district. Certainly, we made some compromises with gaming, because they are licensed, as I explained earlier. There were some other different stakeholders who approached us regarding electronic mail, cloud storage, things like that. It is a matter of trying to accommodate several stakeholders.

ATTORNEY GENERAL FORD:
The most recent change we are going to do, relative to access to health care and patient communications, comes directly from the communication we had with Silver State Equality to deal with their concerns relative to the impact on LGBTQ youth and their ability to have this. We have corresponded with a lot of different groups, as I have always done since my days back in the Senate, to try to find ways to accommodate and incorporate concerns. Exhibit F is an amalgamation of a lot of communications and conversations. We drafted the amendment, but the communication was taking place relative to any interest group who was willing to bring us an amendment in good faith that we could consider and utilize.

SENATOR SCHEIBLE:
I am glad that you brought up the schools again because, as I was listening to your conversation with my colleague, it seems like a pretty narrow exception for educational platforms that are approved by the school districts or charter schools in this State. What about school districts in Arizona or Utah, our very close neighbors? Are kids who are coming to visit Grandma and Grandpa in Mesquite not going to be able to access their school website while they are home for the holidays?

MR. KRUEGER:
In our drafting of this Act and the amendments, we wanted to make sure that we were cognizant of certain challenges to the Act. We want to make sure that we do not invoke any commerce clause provisions and make sure that everything is concentric to this State. That is why the Act itself says this only applies to conduct that occurs in this State.

ATTORNEY GENERAL FORD:
That's a good question. I do not know the answer to that question. Here's what I do know. When I was recently visiting another state, geolocation absolutely cuts off the ability—you could be in Washington, D.C., and Virginia, and you may not be able to get access to an app because of some laws that are there. So it is a possibility. Is it few and far between? Very likely. Are we able to legislate to every single example that may be impacted? No, we can't. All we can do is offer the best product that we can right now, and then come back, as Senator Daly said, and try to tweak around the edges once we find new opportunities to address concerns as they arise.

SENATOR SCHEIBLE:
I want to move back to the infinite scrolling and the algorithms. I also utilize social media. My algorithm gets taken over every so often by one search, one new account that I follow, and it can be incredibly annoying. So I am wondering, why not require digital platforms to simply offer two different accounts, one that takes your data and feeds you what they want to feed you, and one like the one you are proposing for kids that is not allowed to take your data and manipulate your algorithm. Then allow adults to also opt into this algorithm-free social media?

MR. KRUEGER:
If I understand your question correctly, I do not believe that would be a prohibition within our legislation. I think that is a great idea, in fact. That is a solution that digital platforms could use to create two separate platforms. Certainly it would work.

SENATOR SCHEIBLE:
I am curious conceptually how we think all of these restrictions on the digital platforms are going to be effective when kids can still access Mom or Dad's iPad with no parental controls and do a Google search.

MR. KRUEGER:
Attorney General Ford may have something else to add, but that is why it comes back down to parental consent. If parents want to consent and allow them to use their account, we can't control that. We can only control where—we are trying to ensure that parents who want to be responsible and do not want to have these kids on there without their knowledge and consent—have a restriction in place to prohibit that.

SENATOR SCHEIBLE:
Maybe that is my underlying question about the bill, which is why make all of this mandatory? Why say that a digital platform will be responsible for having a 14-year-old on the platform utilizing an adult account? Why not make it permissive and say that the digital platform must provide these options, must make it possible for a parent to restrict these things, must make it possible to eliminate notifications between midnight and 6 a.m.? That leaves the decision up to the parent, whether they opt their kid into the full restrictions, some of the restrictions or none of the restrictions.

ATTORNEY GENERAL FORD:
I think I understand the entirety of your question. I would absolutely be open to it, if you or someone else has language. If you want to present that as a consideration, we could do that.

I want to go back to your first question. The reason why I am doing this is the testimony you have heard today. I am seeing it happen on a daily basis. My investigators are trying to stop predators. We're trying to protect our youth, period, point blank. That's the instruction I gave to the industry groups. I said, "Here are my two points: stop predation, and let's work on mental health." For some reason, we could not get it done as a full table of interested entities. So again, we are left to our own devices.

We've done the very best job we can to protect our youth from predators and to protect their mental health. What you heard Mr. King say, that is why I think it is important. It is imperative to put the onus upon these platforms. What you have heard this parent next to me say, her story is the reason why we think it is so important to continue to press this forward.

That said, I think I understood your question to offer a nuance whereby a parent could authorize a child to have complete full access to whatever the social

media platform offers. I do not know if that is a problem at all. If that is a provision to add, so be it. I am not certain that we contemplated that as an option, but it is something we could think about.

MS. FARRIS:
I just wanted to say that I was a single mom, so I worked a lot. I did not have a husband at home to monitor my children and what they were [seeing] on the phone. It would have been really nice to be able to have a notification, like, "Hey, your child is on this platform. Your child is watching this." That would have been nice to have that in place. With a two-person household, [there might be] someone able to say, "Hey, get off that [platform]." I think in perspective, not every parent has that option.

MR. KING:
At the Attorney General's office, we take a two-pronged approach. One prong is community engagement, the other prong is from the investigative side. We go into different communities and localities, and we speak about the grooming, recruitment and exploitation aspects that we see on social media platforms. Not only are the parents shocked, but the parents also want answers as to how and why—if we can stop these things. We have seen in some of our town forums where parents have asked us was there age verification or some type of system in place. I just wanted to bring that to your attention because parents do not understand the lengths predators go to get their children. I wanted to highlight some of the things we are doing on our end.

SENATOR SCHEIBLE:
I know we all agree that we do not want children to be preyed upon in Nevada or anywhere else. We can absolutely agree that online predation is a growing problem, and we do not want to see kids being manipulated and influenced by adults who have bad intentions. It seems like we are focusing on getting the kids off of the digital media platforms. What about getting the predators off the platforms?

ATTORNEY GENERAL FORD:
It goes back to what I said earlier. This is not an exclusive activity. We are prosecuting predators and looking for ways to—when they get charged and convicted, their orders oftentimes do prevent them from doing exactly what you have just said. It is a multipronged approach we are taking here. This is to

protect the kids, but we are absolutely trying to keep predators off these platforms as well.

SENATOR SCHEIBLE:
Last thing. My concern is that S.B. 63, if passed, sets up this expectation of responsibility, that these platforms are responsible for keeping kids who are under the age of 18 off of the platform, at least in ways that they are able to interact with other people. I am concerned that we are building in a defense for predators to say, "It's not my fault that I sent explicit images to a 12-year-old because the platform was supposed to ensure that everybody I communicated with was over the age of 18."

ATTORNEY GENERAL FORD:
A couple of responses to that. First, the law remains that your ignorance is no excuse for predatory behavior on someone who is under 18. If our prosecutions lead to that, we will continue to prosecute under those same laws.

I hear what you are saying, but I would beg to differ relative to what S.B. 63 is setting up. It is requiring these platforms to be more responsible with the ways in which they are allowing individuals to interact on these platforms. But the onus remains on the parent, nonetheless. The parent is the one who's going to be able to say yes to your point—"Give them full access." That predator now has access to them.

Let's back off of this point. I do not want children to get notifications between midnight and 6:00 a.m. when they should be asleep. They should not get notifications during school hours when they should be studying. They should not be getting doomscrolls that continue to remind them about suicide and problems that they are having. These are still parental responsibilities that are being supported by platforms that also have a responsibility to ensure that the products they are putting into the stream of commerce do not negatively impact Nevadans.

It is my job as Attorney General to protect all of Nevada. And I do that with youth, especially, because they are so vulnerable. At the end of the day, I will continue to try to hold these individuals accountable, but also legislate ways in which we can help parents do their jobs as well

SENATOR SCHEIBLE:
I would just like to say that I do not question your commitment to the people of Nevada and your steadfast commitment to protecting them. I defy anybody who does, because you have been a champion for people across the State in your years both here in the Senate and as Attorney General, and I do appreciate that.

SENATOR DALY:
I think you are right that some of this falls to the parent, but there's no way we are going to be able to legislate being a good parent or morality or several other things on that side. I see this more as yes, the parents have a role, and they have some responsibility not to do certain things. When parents let their kids do certain things, they have potential liability if [children] start a fire or do some of those things.

But I think there needs to be some language that says the fact that a parent gave parental consent, right, wrong or indifferent, they still made that decision, and none of that goes back on them. There's no defense from the platform, or no defense by any predator that can go back to the parents and say, "Well, a parent gave permission, so I'm off the hook."

I think there needs to be something there that says just because the parents gave consent, that does not make them responsible or liable for somebody's predation on a kid or doing some of these other things. I would just hate to see that get used as a defense, as my colleague was just mentioning. I think it is a different thing to say, "I am ignorant of the law. The platform said they were okay, so that's my defense, and that's on the platform." I do not think it should ever be able to go back to the parental consent part.

MR. KRUEGER:
I think your point is valid. When you are talking about the predation part of it, certainly there is that strict liability. It will be on the actual predator. When you are talking about the other stuff, there is a balance that we have to help platforms that want to do the right thing, want to follow the law, do a age verification with 95 percent accuracy and reasonably rely on the parents in good faith giving them accurate information.

If the parent or someone is doctoring it up and [platforms] do not have a way to verify that the identification they relied on in good faith has been [tampered

with], then we have to let the companies that are trying to do the right job have some relief. They are not responsible then that these children are on there.

Does that abrogate the company from responsibility for other acts that occur on the platform? Not necessarily, no, under the law, but it certainly helps give them a little bit of safe harbor for doing the right thing.

SENATOR DALY:
I understand good faith and all that kind of stuff; somebody gave them false information and used the due diligence to verify it the best they could, but it was still wrong. I am just saying that if a parent did give the [child] full access, I do not want anyone to go back and say, "The parent did not take responsibility, so why is it on me?" I am just saying I do not want a parent who maybe said, "Hey, I trust my kid, I think I know my kid, they've always been good before," and then something happens and [someone] says, "None of this would have happened if you did not grant permission." That's what I am trying to get to because that would be wrong.

MR. KRUEGER:
I understand that. Certainly this is not in the Act itself; the legislation does not give any kind of safe harbor to a company to say, "It's not my fault, it's the parents' fault." We're not trying to create that type of environment at all.

There would be certain—if there was negligent conduct, gross negligence, any kind of conduct out there, that certainly would be applicable for any kind of action in the future. But the bill itself is not saying that just because a parent allows you on does not mean that then you can use that as an excuse to avoid all liability. I think that is where you were going with that.

SENATOR FLORES:
I am now a new dad. My son is a year and nine months old, and I am not in that phase yet, but I am going to hit it, and I am obviously very concerned. So I want to approach the conversation through that lens because I know we have to do something.

At the same time, I am curious to know, and I do not know the conversations you have had with industry partners, how sophisticated are we becoming now? Have we reached the point where we are close to a scenario where we can attack content more than focusing on age verifications or this other kind of

elements? Is the technology getting sophisticated enough that we are getting better at weaving through things?

That was the first question, and then I have a separate question going in a different angle.

ATTORNEY GENERAL FORD:
I want to be clear that we have purposely avoided trying to attack content in this bill. Some of the lawsuits that we have talked about today that other states are undertaking is because people are alleging that it directed the content. We are not trying to direct content. This is a content-neutral bill that would not speak to the sophistication of being able to hone in on particular content and have a platform respond in any kind of way or another.

SENATOR FLORES:
With the age verification, [there are] scenarios where we have individuals who may not have a way to verify their identification. They may be in an unfortunate scenario where they have moved from house to house. Unfortunately, we see that. That is not the rule, but we have scenarios like that. How do we see this playing out for those individuals?

I also had an opportunity to read a little bit through some of the concerns that were raised by Andre Wade from Silver State Equality, who I know is in the room. I know there are concerns raised specifically as to some of these platforms being utilized as a safe harbor for individuals. We want to be able to be as sensitive to protect the identity of that individual because that may be the only place they are having those conversations. I was curious to know if you had any feedback on that.

ATTORNEY GENERAL FORD:
Let me qualify my last answer to be sure we have talked about the dangerous types of content that is on these platforms, whether it is suicidal [ideation], things of that sort. The approach we are taking here is to put in logistical and operational restrictions on how stuff is received, so no doomscrolling. It does not matter whether it is suicidal ideation or Frenchies, as Ms. Farris indicated. I want to be clear: we do recognize that certain content is more harmful than others, but we are not focusing on content per se. We are focusing on the ways in which the time, place and manner of the content is being received. We are allowed to do that as a State.

To your second question, it is not lost on me that there are vulnerable communities who rely upon these apps for support. It was part of my opening testimony, and we are trying to walk the line to protect their ability to get access to those needs. You mentioned Mr. Wade; he actually was the impetus behind the proposed amendment that excludes communication between a provider of health care and a patient, so long as a provider is providing a hosting of products, goods or services to allow mental health counseling to take place. I can't sit here and say that we have a complete response to the concerns of the LGBTQ+ community on this. But you know, I will say that they are also highly predated upon. They're also subjected to the concerns that I have raised here. Mr. King could probably give you examples of members of the LGBTQ+ community who are being targeted on these platforms.

While on the one hand it is not perfect, on the other hand, it is certainly a move forward in the arena of trying to deal with predation and deal with mental health issues by allowing an exception that deals with allowing [children] to communicate with health clinics and things of that sort that work in that arena.

EDUARDO GUILLEN:
I wish I could be [in Carson City] today with you because this issue matters to me a lot. We have gone to Carson City three times so far to speak about problems in East Las Vegas, and social media is one of them. I have met with Attorney General Ford to speak about gun violence here in our community. Gun violence is a huge problem here on the east side, and social media helps promote weapons to youth. People buy and sell guns on apps like Instagram and Telegram with no rules or consequences. Then an argument starts between people, and social media makes it worse.

An example of gun violence here was a young teen who was shot after walking home from a party last fall. This teenager was a student from our school who had a huge heart for every one of his friends and family. Not only did social media contribute to the hate that put him at risk and the gun that took his life, but after he was gone, you could find insults and memes of him across Instagram and TikTok. This loss has affected our whole community.

We are here to fight for a change. Our current laws allow all of these things to happen. Digital platforms can do better. We can do better. What is happening right now is wrong, and you can do something about it today.

I hope that you support S.B. 63 and advance this bill.

BRYAN GODOY:
I am here today once again speaking to you in support of S.B. 63 to help protect kids online. You heard last month from my peers and I who are going to high schools in East Las Vegas. We came here on our spring break because we wanted to help. We wanted your help to protect our community. When we were here, we got the opportunity to meet Attorney General Ford. He agreed with us about all the hatred and dangerous things spread through social media. We were able to explain to his staff how digital platforms actively promote and sell drugs in our community, how these platforms encourage and spread conflicts between kids until they become violent, and how adults do not even know about this.

Sometimes on Instagram, you can easily get your hands on dispos [disposable vape cartridges], vapes, weapons, et cetera. It is astonishing how easily you can get your hands on this because Instagram and other platforms promote and benefit from the sales happening in plain sight.

As teens, we keep on losing people we care about, such as a friend of mine who was in the hospital critically due to the drugs or teens who end up in a bad place after they start with those drugs. There is a wall at our school of my classmates who have passed away, and more than half of them are connected to things you can find on Instagram.

It may not be so simple, and I know you will have powerful companies fighting you on this. But I hope you see that me and my friends who have been talking to you are powerful and important too. With your help and the help of our community, we can turn things around. I enlist you to support and help us pass S.B. 63.

CHRISTY MCGILL (Deputy Superintendent of Educator Effectiveness and Family Engagement, Nevada Department of Education):
I am here representing the Office of Safe and Respectful Learning. For the last eight years, we have run Safe Voice, and we are in support of the proactive intent of this bill. We have seen firsthand some of the damage of cyberbullying and these kinds of things have happened in our student population.

NICOLE WILLIAMS:
I am calling today in full support of S.B. 63 and urging the committee to support this bill as well. My daughter is in kindergarten and, even at the elementary level, children are exposed to behaviors, trends and even sometimes dangers that come from digital platforms. Our youth are so easily influenced, and as a parent, I fully support having another safeguard in place in addition to my parental guidance to protect our children from predators and predatory practices. Senate Bill 63 is an important step toward creating accountability for social media companies and ensuring more protection for Nevada families.

OLIVIA:
I am Vicki's aunt. I do not have social media. I agree and have personal reasons, but this is a line of defense for our children. By having that safeguard and guardrails, we as a community are taking that step. You are right that someone's always going to find a way around it, past it. But having that defense for our children, our nephews or nieces, grandsons, whoever it might be, it is very important. I totally support this bill.

CHAIR PAZINA:
Thank you so much for being here today. We really appreciate your testimony.

KAYLAH MAESE (ACLU of Nevada):
I am a civil rights analyst with the ACLU of Nevada. We oppose S.B. 63.

This bill mirrors concerning laws like KOSA, the Kids' Online Safety Act, which imposes broad age restrictions that risk violating young people's First Amendment rights. It also incentivizes excessive data collection. We're going to be talking about data collection with minors, which is a much bigger concern, and it is a privacy concern for all users. The ACLU of Nevada is always concerned with data collection. Who holds this data? Where is this data stored? How is it deleted? When is it deleted?

We did speak with the Attorney General's office prior to session knowing that this bill was coming forward, and we are more than happy to still work with them after the fact to reach a consensus.

ANDRE WADE (Silver State Equality):
We are in opposition to some of the provisions of this bill as already outlined. We also have concerns around age verification, data collection and storage, and parental consent.

Unfortunately, for a lot of folks in our community, young people included, they do not have a caring parent or guardian that they can rely on who will give them parental consent to access these important platforms when they are seeking community online.

We also have been in touch with the Attorney General's office, and we are happy that they have listened to some of our concerns around the end-to-end user feature that would prevent our Trevor Project, as an example, an organization that provides suicide prevention support. If they have a chat function on their website, the initial language of the bill would prohibit that function from working.

We are hoping that the Attorney General's office will continue to have conversations with us so they can understand our concerns. We're talking to colleagues about this across the nation on this issue. We're just looking for ways in the way the bill is written to be able to make any modifications to age verification and parental consent so we would be more okay with the bill. But right now, we are in opposition to some of those provisions.

PAUL MORADKHAN (Vegas Chamber):
The Chamber is opposed to S.B. 63 as introduced along with the proposed amendment in Exhibit F.

While the Chamber agrees with the intent of protecting minors, of course, it does not agree with the approach of S.B. 63. The Chamber believes that the proposed amendment and the introduced bill do not address the majority of concerns that have been brought forward to the Attorney General's office from the business community, but we do appreciate the meetings he has had with the business community.

The fundamental concern by the Chamber is that this bill does not effectively address the concerns of parents about their children accessing certain content on social media platforms or the Internet. Instead, the Chamber believes that this bill creates a system of regulations and processes that are complex,

burdensome, intrusive and impractical for both social media platforms and parents as if relates to parental consent and steps required for age verification. This bill as introduced will require sensitive personal information to be submitted before any Nevadan can access their account, which can open up the individual and the business to identity theft. That can happen even with the most sophisticated protections put in place by the business.

As you know, and you will hear from industry experts, age verification is an ongoing and complex challenge that will only be [exacerbated] by this bill in its current form. The reality is this bill conflicts with best practices when it comes to the amount of personal data that should be collected and stored and something of concern to the Chamber. Regarding the amendments, we appreciate that some concerns were addressed, but not all, as you will hear shortly.

In closing, the Chamber feels S.B. 63 will create an extensive list of constitutional issues and could result in potential litigation and confusion for Nevada's families. Unfortunately, while S.B. 63 is well-intentioned, it is not the solution. We urge this committee not to support this legislation today.

EDITH DUARTE (TechNet):
TechNet is a national network technology association for technology companies. Members include eBay, Amazon, StubHub, !Sooks, Meta, Grubhub, among many others.

We must respectfully oppose S.B. 63 today, which would require age verification and parental consent mandates on digital platforms. It raises serious privacy, operational and constitutional concerns. First, it would require all social media platforms and digital platforms to undergo age verification with 95 percent accuracy, effectively forcing residents to submit sensitive personal information like government-issued IDs just to access or to maintain an account. This conflicts with widely accepted data-minimization standards in the industry and creates risks of identity theft and privacy breaches.

Second, the bill would mandate minors to obtain verified parental consent, requiring platforms to go far beyond a basic verification. This would involve intrusive procedures to validate parental relationships and rights, procedures that are not only vague but could violate the privacy of families while creating significant compliance uncertainty.

Finally, and I think we talked about this a lot today, the constitutional concerns must also be considered. Similar laws in Arkansas, Ohio and California have all been challenged. I have the March 31 opinion from Judge Timothy L. Brooks from Arkansas. The Age Verification Act 689 in Arkansas was struck down. We will share that with the committee.

I also want to thank the Attorney General and his staff for holding a working group meeting with industry.

CHAIR PAZINA:
We are at two minutes. But do turn in the rest of your comments to our committee secretary so we can make sure they are on the record.

MS. DUARTE:
Thank you, Madam Chair. We have an opposition letter (Exhibit G).

TOM CLARK (Reno Sparks Chamber of Commerce):
First, I want to commend Attorney General Ford's office. They do a tremendous job in getting the predators they can identify, get them caught and prosecuted as they should.

Unfortunately, our members remain opposed to S.B. 63, mostly due to the questions that were brought forward by my other colleagues. The Reno Sparks Chamber remains opposed to S.B. 63.

AODHAN DOWNEY (Computer and Communications Industry Association):
I am here on behalf of the Computer and Communications Industry Association in respectful opposition to S.B. 63. We share the goals of protecting children online and want to continue to work with the Nevada Legislature to achieve this goal, but S.B. 63 presents serious concerns.

Federal courts have consistently prohibited similar laws requiring age verification and parental consent, finding they violate the First Amendment. These laws burden lawful speech, reduce access to critical resources and introduce vague compliance standards that can lead to arbitrary enforcement. Moreover, age-verification technologies are not only unreliable, they raise significant privacy risks especially when they require collection of sensitive data like biometrics or government IDs. These mandates could deter users, threaten small business viability and ironically expose children to greater privacy harms.

Additionally, age-verification requirements would impose significant costs on digital services, particularly for small and midsize businesses. Implementing these systems often requires third-party vendors, biometric scanning or government ID collection. These methods are expensive, intrusive and often inaccurate. Large platforms may absorb these costs, but smaller competitors may be forced out of the market entirely, reducing consumer choice and weakening innovation in the tech sector.

Nevada has proven itself as an amazing environment for innovation, and this bill would harm that reputation for digital services wishing to do business here. If passed, S.B. 63 may unintentionally encourage platforms to block all minors rather than list legal consequences, denying teens access to educational and supportive communities online.

Instead of legislation likely to be overturned in court, we urge collaboration with industry to build on tools that already empower families to make the best decisions for their children.

JENNIFER HANLEY (Meta Platforms, Inc.):
I am the head of safety policy for North America at Meta and a mom of two young children.

We strongly agree with the goal of S.B. 63 to make online experiences safer for teens, but this bill fails to do that. Instead, it overburdens parents, undermines existing safety efforts and is likely to be found unconstitutional, which is why we urge the committee to oppose S.B. 63

At Meta, we want to support parents so they feel empowered when it comes to their teens' online experiences. We launched Instagram Teen accounts, which are specifically designed for young people. It defaults teens into private accounts. Our strictest messaging and content restrictions have a 60-minute daily limit encouraging teens to leave the app, has a sleep mode to mute notifications at night and provides additional supervision tools that allow parents to decide when and for how long their teens can use Instagram. Teens under 18 are defaulted into teen accounts, and teens under 16 require a parent's permission to change any of those settings.

This bill would impact our ability to provide personalized experiences to teens, which is an important aspect to keeping them safe online. Personalization helps

teens find like-minded interest organizations and discover and connect with new communities. It also helps us protect teens by filtering out age-inappropriate content, contacts and recommendations that would have an inverse impact on teen safety if removed.

If you are concerned that personalized content or certain design features lead to teens spending too much time online, the solution lies in time-management tools like our previously mentioned built-in protections and supervision tools. Bills around the country that have been blocked by courts selectively implement app-by-app age verification of parental consent on only a subset of the many websites and apps available on the Internet. Teens use an estimated 40 apps per week, which means S.B. 63 would overwhelm parents, forcing them to provide personal information to each of the many apps their teens use one by one.

The easiest, most accurate and most privacy-protected solution for age assurance and parental consent online is to require app stores to verify ages and get a parent's approval when their under-16 teen wants to download an app. We submitted a coalition letter with Snap Inc. and X further explaining the need for app store legislation (Exhibit H). This has been introduced in 17 states, was recently signed into law in Utah and introduced at the federal level in the House and Senate yesterday. By working together, we can create solutions that balance safety while also still providing teens with meaningful online experiences.

BRYAN WACHTER (Senior Vice President, Retail Association of Nevada):
I represent Nevada's retail community, from national brands to small local shops, that depend on digital platforms to connect with customers, promote family-oriented programs and stay competitive in an increasingly online economy.

We appreciate that the initial step in the amendment is to separate e-commerce from other social media platforms. However, we disagree that the proposed age verification should apply to our online shops. We do require a parental notification, but we can think of no identification that proves parental lineage. This gets more complicated, as many children do not share the same surname as a parent.

Our online stores do not push user-generated content, and we feel it is a policy misstep to group our online storefronts with social platforms. This bill will likely drive digital platforms to reduce services or raise costs in Nevada to avoid those legal risks, especially for tools used by small and rural businesses that can't afford bespoke [custom made] compliance systems. The Association strongly urges you to protect Nevada consumers by voting no on S.B. 63.

And if I could step away for a moment and take my lobbyist hat off and put my parental hat on, I am a father of two teenage boys. I too have buried a child. I know the curse of being able to fantasize about all of the milestones you are going to miss and mourn them at the same time. But as a parent, it is also my responsibility to make sure I am teaching my children to be able to engage in the world, and there are plenty of tools available to us.

What I think is more important is the schizophrenic approach of government here. Instagram is something that, as a parent, I chose to not allow my teenagers to get on. But part of the requirements to engage at the leadership level at my child's high school was that he has an Instagram account and share CCSD-related content on the social platform. That was something I was opposed to, but did not want to deny him the ability to be in leadership, so I had to agree to that.

I think we need a whole government approach to solving these problems, how we are approaching these platforms, and making sure that we are protecting the good, while recognizing that predators exist on every platform, whether online or not, and that we are not handcuffing our Nevada consumers as well as our businesses and our parents by passing laws like this.

LEANN MCALLISTER (Nevada Chapter, American Academy of Pediatrics):
I am the executive director of the Nevada Chapter of the American Academy of Pediatrics. I am here in opposition to S.B. 63.

The connection between social media and mental health is complicated and personal. The diagnosis of the issues addressed by S.B. 63 relating to unwanted contact, body image, disordered eating and cyberbullying is largely accurate. The legislation correctly identifies the problem. However, the treatment plan demonstrates significant shortcomings. Specifically, the bill does nothing to protect the positive impact of social media, including social connection, identity and civic engagement, not to mention fun and entertainment.

The failure of the treatment plan in S.B. 63 stems from a lack of research. For more information on what research tells us about the impact social media has on youth, I offer the American Academy of Pediatrics Center of Excellence on Social Media and Youth Mental Health, which serves as a centralized, trusted source for evidence-based education and technical assistance to support the mental health of children and adolescents as they navigate social media.

SENATOR FLORES:
This is mostly for the folks representing the private sector. I am curious to know what the process is now for age verification. If you are creating teen accounts or accounts for minors, what do you do now? What is the private sector doing now to verify the user's age? How do they make that determination that this account is for a teen or a minor or whatever it may be? Is there anybody in the room who can speak on behalf of the client?

CHAIR PAZINA:
I think many of those who testified in opposition have already left the room. However, I hope that they are listening in and will respond. We can always follow up with them by email later.

ATTORNEY GENERAL FORD:
Senator Flores, in my estimation, hit the nail on the head. I was going to indicate that Meta's testimony, far from detracting from my bill, supported my bill. If they are creating youth accounts already, they are verifying age, and they had to get parental consent in order for the 16-year-olds to be able to get access to certain content. Some of the concerns they've raised have been belied by their own testimony. Also, I would note that their testimony really does not refute the harms that we have indicated. I am glad to hear that.

While I will always welcome additional suggestions on how to improve the bill, we have given more than sufficient time to the industry groups to come to us with suggestions on how to alleviate their concerns. We have not received anything that would do that. In fact, I believe we have been told that nothing was going to alleviate their concerns relative to age verification. It is incumbent upon me, as the bill sponsor, to do all that I can to fulfill the purposes of this bill, and it is incumbent upon the committee to ascertain whether we move forward or not.

We remain committed to an open-door policy to have conversations around this issue. But I believe that the testimony today adequately demonstrates the need for this bill to stop the predation that my colleagues in the office and across the State have to address every single day, and to address the mental health issues that have been recognized by almost everyone testifying.

CHAIR PAZINA:
I will close the hearing on S.B. 63. Is there any public comment?

BENJAMIN SALKOWE (Equipo Academy):
I am a teacher at Equipo Academy in East Las Vegas. I was not able to hear multiple things this morning during the hearing on S.B. 63. But I think the students who spoke on behalf of our school and their peers, as well as everybody else who spoke, captured my thoughts.

I just wanted to comment on the process for your committee and also for Attorney General Ford's office. Our students have enjoyed the engagement, and the back-and-forth has been respectful. They particularly appreciate this committee, getting to come up [to Carson City] and talk to you [on March 19]. It was part of why we did this project of getting them engaged, so that looking at things happening on the national landscape, looking at some of the oppositional parts of our democracy, they did not feel like there was no hope or they could not be engaged. Seeing my students [testify from Las Vegas], I am super proud of them this morning.

The students have come up here now four times to speak to different committees. Thank you for hearing them and warmly welcoming them. Thank you to the Attorney General's office for really pushing something that is hurting East Las Vegas, and that our students have identified as a priority too.

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CHAIR PAZINA:
Is there any further public comment? Hearing none, we are adjourned at 10:34 a.m.

RESPECTFULLY SUBMITTED:

Lynn Hendricks,
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. 430	C	9	Michael Hillerby / Independent Payroll Providers Association	Money transmission information
A.B. 430	D	13	Tom Clark / Nevada Society of Certified Public Accountants	Support Letter from Anna Durst
A.B. 430	E	14	Amy Miller / ADP, Inc.	Opposition testimony
S.B. 63	F	19	Mark Krueger / Office of the Attorney General	Proposed Amendment
S.B. 63	G	46	Edith Duarte / TechNet	Opposition letter from Jose Torres
S.B. 63	H	48	Jennifer Hanley / Meta Platforms, Inc.	Opposition Letter