MINUTES OF THE
SENATE COMMITTEE ON JUDICIARY

Eighty-third Session
April 9, 2025

The Senate Committee on Judiciary was called to order by Chair Melanie Scheible at 1:05 p.m. on Wednesday, April 9, 2025, in Room 1214 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 6 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 Melanie Scheible, Chair
Senator Edgar Flores, Vice Chair
Senator James Ohrenschall
Senator Roberta Lange
Senator Rochelle T. Nguyen
Senator Ira Hansen
Senator Lisa Krasner
Senator John Ellison

GUEST LEGISLATORS PRESENT:

Senator Dina Neal, Senatorial District No. 4
Senator John Steinbeck, Senatorial District No. 18

STAFF MEMBERS PRESENT:

Jered McDonald, Committee Policy Analyst
Brad Wilkinson, Committee Counsel
Michael Scully, Committee Counsel
Linda Hiller, Committee Secretary

OTHERS PRESENT:

Tamrah Jackson, Chief, Division of Parole and Probation, Nevada Department of Public Safety

Erica Souza-Llamas, Administrator, Records, Communications and Compliance Division, Nevada Department of Public Safety
Nick Vassiliadis, Nevada Resort Association
Joshua Martinez, Las Vegas Metropolitan Police Department
Erin Midby, Boyd Gaming Corporation
Virginia Valentine, President, Nevada Resort Association
Jason Gray, MGM Resorts International
Karlos LaSane, Caesars Entertainment
Paloma Guerrero, Clark County Public Defender's Office
Sam Sanchez
Kelcey West
Garrett Gordon, Community Associations Institute
Tonya Bates, Community Associations Institute Nevada Chapter
Adam Clarkson, Community Associations Institute
Gregory Kerr, Community Associations Institute
Rob Forney
Mark Leon, Mountain's Edge Master Association
Samantha Barnes, Nevada Association of Community Managers
Valerie Santana
Tia Smith, ACLU of Nevada
Mendy Elliott, Nevada Housing Coalition
Jessica Burger
Reyna Bernal
Miriam Gibson, The Village Voices of Southern Nevada
Valerie Thomason, Progressive Leadership Alliance of Nevada
Antoinette White, Progressive Leadership Alliance of Nevada
Tom Clark, Reno + Sparks Chamber of Commerce
Tameka Henry, The Obodo Collective
Tara Webster, Progressive Leadership Alliance of Nevada
Abraham Camejo
Hector [Unintelligible]
Nick Christie
Andrew Barbano
Brooke Page, Director of the Southwest Geography, Corporation for Supportive Housing
Mathilda Guerrero Miller, Native Voters Alliance Nevada
Dora Martinez, Nevada Disability Action Coalition
Angelina Saldana
Chris Anderson, Tricon Residential

Mackenzie Warren Kay, Latin Chamber of Commerce, Nevada
Jeff Rogan, Clark County
Cadence Matijevich, Washoe County
Azim Jessa, Nevada Realtors
Shawnyne Garren, Douglas County Recorder
Erin Houston, Office of the Secretary of State
John Sande, Nevada State Apartment Association
Marshal Willick
Cody Gamble
Alex Falconi, Nevada Open Government Coalition; Nevada Press Association; Our Nevada Judges, Inc.

CHAIR SCHEIBLE:
We have a busy day today, and I will start with the work session. The first bill is Senate Bill (S.B.) 7.

SENATE BILL 7: Revises provisions relating to presentence investigations and reports. (BDR 14-247)

JERED MCDONALD (Committee Policy Analyst):
Senate Bill 7 revises provisions related to presentence investigations and reports. It was sponsored by this committee on behalf of the Division of Parole and Probation. The bill reorganizes certain requirements related to presentence investigations and reports.

We have one amendment proposed for this bill. It was submitted by Clark and Washoe County Public Defender Offices. It proposes to amend the bill to allow for a waiver of the presentence investigation report if the defense and prosecution stipulate to the waiver. If the psychosexual report is not submitted to the Division within the 45-day period, the amendment allows for the presentence investigation report to be submitted without it. The psychosexual report can be submitted separately when received by the Division. I have submitted the work session document (Exhibit C).

CHAIR SCHEIBLE:
I am going to call up our representative from the Division of Parole and Probation. We heard objections or opposition testimony from both the public defenders and the district attorneys during our hearing. I asked you to work

with them leading up to the work session to come to an agreement. Tell me about how that went.

TAMRAH JACKSON (Chief, Division of Parole and Probation, Nevada Department of Public Safety):
Yes, we communicated a little bit with the public defender offices, and we did review the amendment. While the amendment does assist us with a very small portion of our issues, which is the psychosexual evaluations, it only covers that small piece. We have the bigger issue of the rest of the presentence investigation reports. It's not addressing our concerns where we are being limited to 30 days with a turnaround, trying to make sure we provide an accurate and thorough investigation.

CHAIR SCHEIBLE:
So when you sent an alternative amendment back to them, what was their response?

MS. JACKSON:
I don't believe we received a response. I was going to try and meet with them today, but I didn't have the time.

CHAIR SCHEIBLE:
Will you all have time to meet before work session tomorrow if I give you an additional 24 hours? I am seeing nods from the public defenders and Ms. Jackson. We will pull this item from the work session today. Be back here tomorrow at 12:30 p.m.

MR. MCDONALD:
The next bill on work session is S.B. 17.

SENATE BILL 17: Revises provisions relating to specialty courts. (BDR 14-474)

This bill revises provisions related to specialty courts. It was sponsored by this committee on behalf of the Nevada Supreme Court and heard on February 25. The bill expands the list of persons eligible for referral to a preprosecution diversion program to include persons who have previously been convicted, except for certain criminal offenses or previously completed preprosecution diversion programs in this State.

We do have one amendment proposed for this bill, and it was proposed by John McCormick with the Supreme Court. It proposes to modify the bill to the conditions of eligibility for misdemeanor preprosecution diversion such that a criminal defendant is eligible for consideration for preprosecution diversion if they are charged with a misdemeanor offense. However, they are not eligible if they are charged with a gross misdemeanor or felony offense.

It also modifies the conditions of eligibility to exclude individuals from consideration for misdemeanor preprosecution diversion for additional crimes that involve a human victim.

Lastly, the amendment retains the initial language of the statute that indicates an individual is not eligible for preprosecution if they have previously participated in preprosecution program within the State. I have submitted the work session document (Exhibit D).

CHAIR SCHEIBLE:
Just by way of information, I understand that this does remove the district attorneys' opposition. I do not see them in the room today, but hopefully any of you who were worried about that had a chance to speak directly with them.

> SENATOR NGUYEN MOVED TO AMEND AND DO PASS AS AMENDED S.B. 17.
>
> SENATOR FLORES SECONDED THE MOTION.
>
> THE MOTION CARRIED UNANIMOUSLY.

* * * * *

CHAIR SCHEIBLE:
That takes us to S.B. 26.

SENATE BILL 26: Revises provisions authorizing certain entities to obtain information relating to the records of criminal history of certain persons responsible for the safety and well-being of children, elderly persons or persons with disabilities. (BDR 14-248)

MR. MCDONALD:
Senate Bill 26 revises provisions authorizing certain entities to obtain information related to records of criminal history of certain persons responsible for the safety and well-being of children, elderly persons or persons with disabilities. It was sponsored by this committee on behalf of the Records, Communications and Compliance Division of the Department of Public Safety and heard on February 24.

The bill revises procedures to allow a qualified entity to obtain background information concerning independent contractors and vendors. The bill also eliminates references to an employee, volunteer or person applying to be an employee or volunteer of a qualified entity that are duplicative of the definition of "covered individual" set forth in existing law.

We do have one amendment proposed for this bill that was discussed during the hearing. It was proposed by Erica Souza-Llamas, and it proposes to amend the bill to add a blanket fingerprint authority for Rap Back services to *Nevada Revised Statutes* (NRS) 179A. I have submitted the work session document (Exhibit E).

CHAIR SCHEIBLE:
I think we touched on this during the hearing, but I still was not clear on the Rap Back program. How long are the fingerprints stored in that database? And, how long are they currently being stored in whatever database we are using?

ERICA SOUZA-LLAMAS (Administrator, Records, Communications and Compliance Division, Nevada Department of Public Safety):
Currently, for the Rap Back services that we provide, there's a retention schedule that requires us to maintain the fingerprints for 30 years. We would probably mirror that with the expanded Rap Back, but we haven't really discussed the retention of these yet. They would be enrolled and retained in the system for as long as the individual is enrolled in Rap Back.

So if they leave the employment of the authorized entity, the authorized entity would be required to notify us, and we would remove the fingerprints from the system. I apologize if that confused you. I was thinking of the current Rap Back.

CHAIR SCHEIBLE:
If we were to pass the bill with the proposed amendment, you are telling us that you do not know that the fingerprints would be kept until the person is unenrolled from the Rap Back program.

MS. SOUZA-LLAMAS:
They would be maintained until the person is unenrolled, and through audit we would confirm—before we provide any Rap Back information to the authorized entity—that that individual is still employed.

CHAIR SCHEIBLE:
Okay. I think some of my members had expressed some concerns about that during the hearing, correct?

MS. SOUZA-LLAMAS:
I don't recall that there were questions in reference to how long the fingerprints were taken, and I do not recall any questions in reference to the enrollment periods. I apologize.

CHAIR SCHEIBLE:
That's okay. Anybody else have questions for Ms. Souza-Llamas?

SENATOR FLORES:
If we looked at the bill as originally written without the amendment, can you walk me through if it would still alleviate a lot of the concerns that you had, or is the amendment mandatory for you to achieve your objective?

MS. SOUZA-LLAMAS:
The original version of the bill added vendors and contractors to authorized individuals or individuals that were subject to background checks under the NCPA/VCA [National Child Protection Act of 1993/Volunteers for Children Act] authority. If we removed the amendment, it would have no impact to that original language.

SENATOR FLORES:
Madame Chair, I have had stakeholders reach out to me with concerns specifically on the amendment side, not with the original concern of trying to ensure that everybody who's going to be around these vulnerable populations all need to be background checked. The other concern has been on the perpetual

background check and keeping that information in the database. To allow the stakeholders to work it out and have deeper conversations with you, it would be my interest to do pass S.B. 26 as originally written without the amendment.

I know we are only two days away from the committee passage deadline, so I don't want to eliminate the opportunity for that conversation to continue to happen, and it sounds like maybe they have not had a chance to directly sit down with you. In the interest of allowing for that conversation, I would like to make the motion to do pass S.B. 26 as written without the amendment.

> SENATOR FLORES MOVED TO DO PASS S.B. 26 AS WRITTEN WITHOUT THE AMENDMENT.
>
> SENATOR OHRENSCHALL SECONDED THE MOTION.
>
> THE MOTION CARRIED UNANIMOUSLY.

* * * * *

CHAIR SCHEIBLE:
That takes us to S.B. 141.

SENATE BILL 141: Revises provisions relating to local facilities for detention. (BDR 16-241)

MR. MCDONALD:
Senate Bill 141 revises provisions related to local facilities for detention. This was sponsored by Senator Scheible and heard on March 24. The bill requires the sheriff, chief of police or town marshal responsible for the operation of a county, city or town jail or detention facility to develop and implement a policy concerning the supervision, custody, care, security, housing, and medical and mental health treatment of prisoners who are transgender, gender nonconforming, gender nonbinary and intersex.

We have one amendment proposed for this bill, and it was discussed in the hearing. This was proposed by Senator Scheible and will amend the bill to list the policy areas that a policy on transgender, gender nonconforming, gender nonbinary and intersex incarcerated persons must address and specify where existing policies include provisions for transgender, gender nonconforming,

gender nonbinary and intersex incarcerated persons. Those policies may be incorporated by reference into the policy required by this bill.

Finally, the amendment clarifies that counties, cities and towns won't be required to build new facilities but instead create these policies for use in their existing facilities. I have submitted the work session document (Exhibit F).

SENATOR OHRENSCHALL MOVED TO AMEND AND DO PASS AS AMENDED S.B. 141.

SENATOR FLORES SECONDED THE MOTION.

SENATOR HANSEN:
I am definitely a strong no on this, and I think the amendment actually makes it worse. The language in here says that the police at the jails or prisons cannot do an unclothed search for the purpose of observing an incarcerated person's genitalia. They do strip searches out of necessity all the time because people hide drugs, and even weapons in some cases, in orifices on their body. This just seems to, once again, put way too much burden on the law enforcement people and create a whole series of potential lawsuits and just endless problems.

I mean, I want to be humane and treat people well, but this bill puts so much burden on the law enforcement people as to make it almost impossible to be able to do just normal functions without running into some kind of a problem in Nevada law that they could be sued over. So while I do want to be humane about it, I think this bill goes way too far. The current language, which they've been incorporating now for several years, is completely sufficient.

SENATOR ELLISON:
When we got into committee and we got into the discussion, there were so many issues that were brought up, so I am definitely a no.

CHAIR SCHEIBLE:
We're going to table this item very briefly just to confirm that we are all looking at the same amendment.

SENATOR OHRENSCHALL:
I withdraw my motion for the time being.

CHAIR SCHEIBLE:
Thank you. Let's move on to the next bill on our work session, S.B. 303.

SENATE BILL 303: Revises provisions relating to civil liability to persons using certain premises for recreational activity under certain circumstances. (BDR 3-1021)

MR. MCDONALD:
Senate Bill 303 revises provisions related to civil liability to persons using certain premises for recreational activity under certain circumstances. This was sponsored by this committee and heard on April 7. The bill provides that the existing law granting a limitation on liability to an owner, lessee or occupant of a premises who gives permission to another person to participate in recreational activities upon those premises may also be known and cited as the Recreational Use of Land Statute.

We do have one amendment (Exhibit G) proposed for this bill and it was handed out to the members prior to this hearing. I have submitted the work session document (Exhibit H).

SENATOR HANSEN:
Actually, we just got that amendment, and in my opinion, it makes it significantly worse. Remember, the whole intent of the original law that we're trying to amend was to remove liability from people, especially people who have private land, to allow people to recreate on it. The current law says very clearly that people who own, lease or occupy a property owe no duty to keep the premises safe for entry or use by others for participating in any recreational activity, or to give warning of any hazardous condition, activity or use of any structure on the premises to persons entering for those purposes.

The owner, lessee or occupant does not thereby extend any assurance that the premises are safe for that purpose or assume any responsibility for or incur liability for any injury to person or property caused by any act of persons to whom the permission is granted.

This amendment changes that completely, and what is going to happen—and I am talking now just for private landowners—is there is going to be a huge shift in potential liability, and it takes away the entire idea behind the original law. The whole idea was to allow people who have private property to allow people

to recreate on that property without any liability whatsoever. And once we raise this bar of liability, then people who have these types of properties are just simply going to deny the public the right to use them. That's issue one.

The other is the change in expanding the liability for the government agencies. We talked at length about that in the hearing. Because I just got the amendment, there are some questions on that, but in my mind, this whole bill defeats a series of purposes protecting private property owners. Also, by bumping the liability up from $750 to $1.5 million, you create a situation where the municipalities by their testimony may have difficulty even getting insurance to cover that. Secondly, the amount of money they are going to pay for the insurance now is going to reduce the ability for them to actually maintain the parks and the recreational facilities and defeat the very purpose, if the purpose was in fact to make the parks safer.

So the whole idea behind S.B. 303 is just completely flawed, and I am honestly surprised it got brought forward at all. I don't think this is good for the State. It is definitely not good for private property owners. It seems to be only good for people that want to sue—on a liability basis—the individuals, both private and the municipalities, who testified exclusively. I do not think there was a single municipality in the State of Nevada that came and testified in favor of S.B. 303. So I am a strong no on this one too, especially with the amendment, which makes it even worse.

SENATOR ELLISON:
I had a problem with this from the beginning. When we had the ranch, we'd always allow people to have different rodeos or 4-H groups or FFA kids or Christian women groups that come out and use the ranch or the arenas for private use. Under this bill, that would create a big problem of liability back to the ranch. If this bill goes through, that would come to a dead end at that point. So, I am a strong no.

SENATOR NGUYEN:
If I could just make it very clear, I presented this bill during the committee, and the amendment is clearly a working document. I know that we did reach out to the cities and counties. Unfortunately, as a part of the amendment, they were asking for interlocutory appeal rights to go directly to the Supreme Court, which we were willing to entertain for recreational immunity. However, they wanted

all government immunities existing in statute and common law, which was well beyond the context of this as far as expanding liability protections.

Senator Hansen had mentioned something about increased insurance caps from $750,000 to 1 point something million dollars. This is not in this bill. I know that in another committee, there was a bill with that, but there are no insurance premium caps designated in this bill. There's none of that in this bill. So I just wanted to make sure that that was very clear. Again, I will continue working on this, but this is as amended and how it was presented during the committee.

CHAIR SCHEIBLE:
Not seeing any other questions on S.B. 303, I would accept a motion.

> SENATOR FLORES MOVED TO AMEND AND TO DO PASS AS AMENDED S.B. 303.
>
> SENATOR OHRENSCHALL SECONDED THE MOTION.

SENATOR KRASNER:
I am going to be voting yes to get this out of committee with the right to change my vote prior to floor.

SENATOR HANSEN:
I stand corrected on the liability. Senator Nguyen is correct. I was thinking of a different bill. Nevertheless, my initial concern is still there.

This is going to expand the ability for people to sue private individuals who currently will allow people to use those recreational opportunities on private property. The law the way it's written right now in statute protects them almost exclusively for any liability. This is going to expand it, and all it is going to do is shut down the recreational opportunities on private property for ordinary citizens. Because once a private property owner has an expansion of liability and is going to get sued for allowing people to use his property, he is going to very understandably block that usage. So I would still strongly urge people to vote no on that if we, in fact, want to encourage recreational opportunities in Nevada on private property.

THE MOTION CARRIED. (SENATORS ELLISON AND HANSEN VOTED NO.)

* * * * *

CHAIR SCHEIBLE:
We will move on from our work session and go to our first bill hearing: S.B. 371.

SENATE BILL 371: Revises provisions relating to crimes. (BDR 15-908)

I would like to make sure that all of the members are looking at the amendment (Exhibit I) that should have been provided to you yesterday. It is a gut and replace for S.B. 371.

SENATOR JOHN STEINBECK (Senatorial District No. 18):
I appreciate the opportunity to present S.B. 371 today which revises provisions related to crimes. I would also like to add that Senator Fabian Doñate has agreed to cosponsor on this bill. Senate Bill 371 as introduced will be amended to delete all existing language and replace it with an amendment, Exhibit I, to revise NRS 207.200.

Last session, this Legislature approved S.B. No. 412 of the 82nd Session, which added a lookback period for trespass warnings. Any person who willfully goes or remains upon any land or in any building after having been warned during the previous 24 months by the owner or occupant there not to trespass is guilty of a misdemeanor. This amendment will extend that lookback period from 24 to 36 months.

Our Nevada economy is still and always will be heavily reliant on tourism. It's what we do the very best in the world. This bill is intended to increase our safety and security for our businesses, our visitors and our amazing workers in our resorts. A crime committed in our resorts not only affects the direct victim but threatens the livelihood of all Nevadans.

NICK VASSILIADIS (Nevada Resort Association):
After more than 30 years with the Clark County Fire Department, nearly 5 years as chief, Senator Steinbeck intimately knows situations that first responders and law enforcement face every day and night in our tourism districts. His

experience in this area is invaluable. Together, we will explain why S.B. 371 is critical to ensuring the safety of nearly 366,000 Nevadans working in leisure and hospitality across the State, nearly half of whom work directly in hotel casinos.

There's no higher priority for the resort industry than safety. We're always one bad headline away from an economic disaster. Resort employees want to feel safe at work and while walking to and from the workplaces. That feeling is essential to their well-being. Safety is also vital to the resort industry's efforts to attract and retain great talent. I would like to make it abundantly clear that the Las Vegas Metropolitan Police Department, the Reno Police Department and many local, state and federal law enforcement partners are doing an excellent job at keeping our tourism districts safe.

The resort security teams work closely with law enforcement and act as a force multiplier—having a visible and effective presence to deter criminal activity and protect team members and our guests. Further, we appreciate the important role the district attorneys' (DAs) offices play in prosecuting these repeat offenders. However, there remain those career criminals that are not deterred, and despite all our best collective efforts, they continue to perpetuate crime.

Over the past few years, the resort industry has worked with law enforcement, district attorneys and local jurisdictions to address recidivism in the resort areas. While strong tools have been put into place, S.B. 371 will add another necessary tool to stop chronic trespassers who repeatedly commit crimes in tourist areas despite being trespassed or arrested over and over again.

This legislation with Exhibit I would update NRS 207.200, [sub]section 1, subsection [paragraph] (b) regarding trespass offenses to extend the lookback period for warnings from the previous 24 months to 36 months. You might be asking yourselves why 36 months. It's our experience over the past couple of years that 24 months is simply not enough time to provide a complete picture. Increasing this time frame allows law enforcement, prosecutors, the courts and resort security to identify specific patterns of behavior by chronic offenders and make more informed decisions in terms of the consequences, including the appropriate charges and sentencings needed to end this repetitive cycle.

Law enforcement and resort security have witnessed firsthand a person trespass at one location, simply move on to another location down the street

and continue the same illegal conduct until they are noticed there and trespass there. As we have seen before, they continue to just keep moving down the street.

Further, if a person is not convicted, they are not subject to the order-out corridors. We know from practical experience that they will return to continue their activity. With a longer trespass on record, we believe it gives law enforcement and security a much-needed tool to remove them from the area over a longer period of time.

Right now, repeat misdemeanors are consuming a lot of time and resources that would be better served elsewhere. We have habitual offenders who have been trespassed from a resource more than 100 times. This is diverting security's attention. It is also a huge blow to the morale and confidence of resort employees who see the same person on property committing the same crimes over and over again and not feeling like we are doing anything about it.

Senate Bill 371 will address those circumstances where a habitual offender slips through the system, committing crimes unchecked, allowing him or her to continue with those same crimes—or in many circumstances, grow bolder—and escalating those patterns of behaviors into more serious offenses, including felonies. It's the industry position that we simply cannot allow this to happen. I think it is no mystery to anybody that we're at a pivotal time with a lot at stake with a rather volatile and uncertain future ahead of us.

As you consider S.B. 371, we ask you to keep in mind that tourism districts are the workplace of hundreds of thousands of Nevadans and tens of millions of visitors. We really believe this is a commonsense measure that you can support.

SENATOR HANSEN:
The original bill is pretty much gone, and the whole bill is just 24 to 36. I didn't have any real problem with the original bill. The problem with the new language, ironically, is the original one dealt mainly with property of a resort hotel. By bumping it up to 36 months for the entire State, it really dramatically impacts the rural areas too. We have a bunch of problems right now with people claiming to own property that they don't own and areas that should be fenced and are not properly marked, so people are being accused of trespassing frequently on land that actually belongs to the federal government, BLM or U.S. Forest Service.

Consequently, this amendment is probably fine for populations over 700,000, but to bump it up to 36 in my rural areas—I've got some issues with that. If it was just limited to properties of a resort hotel or something like that, I'd be okay with it, but because this is statewide, adding that additional year—I've got some issues.

Is there any possibility of amending the amendment a little bit to keep it so it's resort hotels or something limited to Clark County rather than for the entire State?

MR. VASSILIADIS:
I think that is something we'd certainly be open to considering.

SENATOR HANSEN:
It's just a thought. I just heard about the bill and just read the amendment, so my apologies for not reaching out earlier. But if you could do something like that to make the bill a lot more palatable for those of us who represent rural areas and have issues with people being accused of trespassing when, in many cases, they are not guilty at all of that.

SENATOR NGUYEN:
Just to make this clear, you would have to have a conviction for trespass, right?

MR. VASSILIADIS:
Yes.

SENATOR ELLISON:
I see where you are coming from, but in the rurals, they are having the same problems in commercial buildings and smaller commercial buildings with trespasses. They keep kicking them out, and they keep coming back, and the police are there constantly trying to stop fights, and most of them are homeless people that are just walking into the businesses and the banks and whatever, and they keep moving them.

It seemed to me that this feels broad and good for the casinos and stuff. But I am a little different on what my colleague says in that I think that this should be open more toward any place that is a commercial business that has the same problems as a casino but maybe on a smaller level. Any kind of commercial

building could fall into this, and I just think that the impact back to those businesses are just as much as it is to the larger ones.

SENATOR STEINBECK:
Thank you, Senator Ellison and Senator Hansen, for your comments. Madam Chair, I would like to commit to meeting with both of them to try to figure out the best way we could possibly amend or make a change to represent some of the other areas that this bill was not necessarily aimed at.

CHAIR SCHEIBLE:
We'll move to testimony in support of S.B. 371 as amended.

JOSHUA MARTINEZ (Las Vegas Metropolitan Police Department):
I am with the Las Vegas Metropolitan Police Department (Metro), and we agree with everything that was presented. This would give us a tool in our tool bag as law enforcement to be able to deal with the repeat offenders that frequent locations and reoffend on the trespassing, so we support this measure.

ERIN MIDBY (Boyd Gaming Corporation):
In the interest of time, I will echo everything that my colleague, Nick Vassiliadis, said and put on the record that we do think that keeping our tourists and our team members safe is of utmost and paramount importance to us. This bill gives another tool to be able to help do that and combat some of this habitual crime.

VIRGINIA VALENTINE (President, Nevada Resort Association):
As you have heard, safety is above all in the resort industry's priority. It guides nearly every decision we make. I want to assure you that we have continued to work on everything we can do at the local level to reduce crime and to ensure the safety and security of our team members and our guests. We've been working for over a decade now with Metro, resort security chiefs, gaming enforcement, the DA's office, justice court judges and social services representatives; all have been working on commonsense solutions to changing the environment.

Through the years, that group has collaborated to develop ordinances to keep our team members and visitors safe. A few examples include addressing handbillers, securing obstruction-free zones for pedestrians, creating pedestrian flow zones, the order-out ordinance, resort court and, most recently in 2023,

asking this body to expand the lookback at offender's history of trespassing to 24 months. These are successful tools that continue to work well.

However, we are starting to see an increase in repeat trespassers who are up to no good. To address this gap before it increases any further, we ask that you expand the lookback to 36 months. Our members are doing all they can to ensure a safe and secure environment, and we believe no employee should have to think about their safety before coming to work.

JASON GRAY (MGM Resorts International):
I am here to testify in support of the amendment, Exhibit I, to S.B. 371. At MGM Resorts, the safety and security of our employees and guests are, of course, our highest priorities. With approximately 45,000 team members based in Las Vegas who spend an average of 25 to 30 percent of their daily lives with us, we're dedicated to creating a safe and secure environment where everyone can feel protected. We're equally committed to providing a safe and enjoyable experience for all of our guests.

Public safety at resorts, hotels and tourism assets is of existential importance to our destination and to the State. It is crucial that our visitors continue to view Las Vegas as welcoming and safe. Relative to the proposed amendment to S.B. 371, as has been stated, we face ongoing challenges with repeat trespassers whose conduct over time can escalate in severity and consequence, underscoring the need for more effective measures to address and prevent unlawful behavior to ensure the safety of our team members and our guests.

Put simply, this amendment helps everybody involved understand how long we've had issues with specific individuals, allowing for more informed decision-making relative to habitual offenders. We believe this amendment will create a safer environment for our team members and guests in the broader community. We respectfully encourage your support and look forward to continued dialogue on public safety measures to improve safety throughout our communities broadly, including in areas of highly critical economic activity.

KARLOS LASANE (Caesars Entertainment):
Caesars Entertainment fully supports S.B. 371 as amended. Crime is on the rise, and our employees and guests deserve not to be victimized by these repeat offenders. We spent nearly $10 million in the last few years at Caesars Entertainment to enhance security measures for protections of team members

and our guests. We're anticipating spending even more for our Reno-based properties this year. This is a very serious matter, and that is why we urge you to support S.B. 371. I would like to take the time to also thank Senator Steinback for bringing this bill forward.

CHAIR SCHEIBLE:
I will take opposition testimony at this time.

PALOMA GUERRERO (Clark County Public Defender's Office):
In 2023 in Las Vegas, we created a special court; it was called the Strip Resort Corridor Court, where if any offense was committed on The Strip corridor, it went to that single court. I practiced in that courtroom for a year. Thankfully, that courtroom was dissolved in November 2024. That courtroom, along with a new crime called the "violation of the order out," which was a misdemeanor, created a cycle of incarceration for people that was really hard to witness.

What happened is that people would be brought in for misdemeanor offenses and given an order to stay out of the corridor as a requirement for their release. But most people were unhoused, and as some of you may know, we have a huge population of our unhoused community that live under the tunnels on The Strip, and the entrances to those tunnels are also on the on The Strip. So they would be found on The Strip and in violation of that order out and be brought into jail and then given that new misdemeanor of violating that order out.

It would just create this cycle of just being released, being found on The Strip, being brought back, spending time in jail. And each time that jail time was longer and longer, and the cycle was just continuing and continuing because we also did not give them any resources. We don't have the resources or treatment options for people, so we're just creating this cycle of incarceration without giving people a way out or a way to resolve their issues or to stop this cycle.

Two years is already a long time for a trespass. I think three years is only going to, again, get more people into the cycle of incarceration where we don't have any sort of treatment options or any sort of resources to give people a way out of that cycle.

CHAIR SCHEIBLE:
I will take neutral testimony now.

SAM SANCHEZ:
I am in Las Vegas, and I am listening to the arguments here. I have worked on The Strip for a couple of properties. I was trying to submit an opposition to this bill originally. It does sound like this is not addressing the true cause if there are homeless people approaching and entering these casinos. Of course, I understand the casinos wanting something to be taken care of, and as a former employee of several casinos, I can understand that viewpoint as well.

However, I do agree that this is not a measure that might help the root cause of this. Homelessness is going to be on the rise, given the direction that we are seeing the economy here. And just to field people further and further into jails with the longer and longer consequences without providing any support doesn't really seem like it is tackling the true problem. It might just be exacerbating it.

In addition, I do not see how this bill as it stands would help in rural areas, given a previous message. I would hate for this to go through, and—on top of all my reasons for opposing it—I now see it causing more problems in rural areas, which are affected differently from cities. That needs to be looked at there. Thank you.

CHAIR SCHEIBLE:
That brings us to the conclusion of our testimony. I will close the hearing on S.B. 371. In the interest of time, I will go ahead and open up a work session on S.B. 371. You all just heard the bill, so we will not summarize it for you. Not seeing any questions, I will take a motion to amend and do pass.

> SENATOR NGUYEN MOVED TO AMEND AND DO PASS AS AMENDED S.B. 371.
>
> SENATOR LANGE SECONDED THE MOTION.

SENATOR HANSEN:
The bill sponsor did confirm that he will try to work to get an amendment to figure out a way to carve out some of the rural folks on the trespass issue. So I just want to make sure, as we move this thing forward, that is in the works.

CHAIR SCHEIBLE:
Senator Steinbeck is nodding his head yes. I will also just suggest that we are limited in the carveouts we can make geographically due to the constitutional protections we all have to equal treatment. I understand what you are saying.

SENATOR HANSEN:
I went over that with Mr. Wilkinson, and he told me what I could and couldn't do and that one of the things I wanted to do I can't, so we will try to come up with something now.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

CHAIR SCHEIBLE:
I will open the hearing on S.B. 121.

SENATE BILL 121: Revises provisions governing common-interest communities. (BDR 10-80)

SENATOR DINA NEAL (Senatorial District No. 4):
This bill is pretty much focused on a laundry list of changes that I would like to make to homeowners' associations (HOAs). It came about because of the portion in the bill where I am regulating HOAs to allow small businesses or individuals to have advertisement on their personal vehicles. I found out that if you work for a company, and you are able to take the car home, and you park it in front of your house that you are paying a mortgage for, the HOA could actually fine you and tow you and move the vehicle, and then you could get the car back, and then they would tell you to cover up the signage.

I immediately thought that was an intrusion because I started thinking, "Well, what is happening with small businesses? Are small businesses now not able to park their car in front of their house that they are paying the mortgage for because an HOA is dictating what is going on?"

Pretty much the answer was "Yes." So that is what kind of drove this bill, and then I started to get into several other aspects of HOA issues that I felt just needed to be managed and dealt with.

Breaking down this bill, one of the major parts of section 1 gets into the landscaping. I do not know if everybody on the committee is actually lives in an HOA or you have been spared from the experience, but if you live in an HOA and you move into your house, you have six months to landscape the backyard. So when you move in and you are buying the refrigerator, you are buying the blinds and you have all these expenses, then you have this pressure on the back end saying, "Hey, you need to then go spend $27,000 potentially; go get a loan and then landscape your backyard."

I wanted to be able to flex that provision, and I believe there's an amendment (Exhibit J) that was submitted from the Nevada Association of Community Managers on that subject. My goal there was to try to flex that ability and try to give some economic relief to the families who basically are saying, "I just moved in, and I actually don't have the money to go and landscape my backyard and spend X amount of dollars."

In section 2, I was trying to go after the issue of the 30-day past due notice. What I noticed when I had conversations with different HOAs is that sometimes it's 10 days, sometimes it's 15 days, but there is no uniformity, so I wanted it to be in line with how we do debt collection reporting; it should just be every 30 days.

Section 3, on page 5 of the bill, subsection 6, paragraph (b) deals with the oil stain that is not actually located in the owner's driveway. Listen, I can tell you the woes of the HOA space in this, but ultimately, I spend a lot of time just talking to regular human beings who are saying, "Why is it exactly that I am being told that I have to go clean the oil stain off the asphalt, which technically does not belong to me? It's not like it's in my driveway."

I just want to make it clear for all of the very special HOAs that are very intricately involved in the lives of the people—in which they manage and charge fees and who drive around the neighborhood and look for anything that seems out of order—if it is on the actual black asphalt, you should not force a person to go out there with kitty litter and a broom and sweep it out, and if they don't, you fine them. That is just common sense, basic, and let's limit the intrusion.

Section 4 relates to businesses with advertisements on their car or employees with advertisements on their cars. There were long conversations about this where we asked, "What if there are pornographic images, or what if it is a

cannabis car?" I was like, if we start going down the sliding scale of everything that is offensive, no one's going to have a car that's going to be able to be parked in their driveway. So I just limited it to the actual sexual portrayal, thinking about children, thinking about maybe a person owns a strip club and maybe they are advertising the humans on the car. I don't know, but I agreed with that, and I allowed for that to go into the provision of the exception in the bill.

The rest was in the back of the bill on page 9 that refers to posting notices and what is required regarding that notice. Also, in the amendment, Exhibit J, there is a change from "not less than 45 days," to "not less than 40 days."

SENATOR ELLISON:
I really love this. Are we going to put an amendment to the bill to say, "No HOA cops?" I understand that they've got some pretty strong restrictions. I don't live in one or will never live in one, but doesn't everybody in an HOA vote on these issues? Don't they all have a say-so on a lot of this stuff, or is it just management?

SENATOR NEAL:
There is an HOA board, and typically in the community you get a letter they'll send to say there's an opening, and then you can go and apply to get on that board, and then there's a secret ballot, and there's a vote. Not all people get on the board, and you also have to have time to commit to that experience. So yes, that exists. But in this case, if an issue is statutorily there, and if you are against it or outnumbered in what you believe, you're going to lose.

I'll give a horrible example that might get me in trouble. If you are a less Type A person, and you're just like, "I just want to pull in the driveway, pay my mortgage, which for some reason you have an actual legitimate interest in that I don't really believe in," but you really believe that everything should be uniform, and those individuals outnumber you on the board. Let's say you go in and you say, "You know, I have a real problem with you coming around and telling me that my shrub is actually too high or that the 16 shrubs that the builder actually put in my front yard—one of them died, and I can only water once a week."

Sometimes it causes problems, and you're not actually getting your vote or your voice heard. That process may not be the best vehicle for you to get your issue

translated for change in your own neighborhood. I know you don't live in an HOA, but you should have this experience, Senator Ellison, you really should.

I am just going to leave it there. It's not always easy, and I just wanted to just put some commonsense stuff into law and say about these areas, "How about we just have a bright-line rule and don't do it."

SENATOR ELLISON:
But the problem is they don't let you have horses and cows in it, so there I'm done.

SENATOR NGUYEN:
I fortunately do not live in an HOA now, but I have lived in an HOA, and I have personally experienced some of these ridiculous community interests propagated by the HOAs, so I appreciate the intent that you have behind this bill. Did you have any other considerations of things that you wanted to consider? I have heard horror stories about people being fined because birds flying through their neighborhood pooped on their driveway, and they did not clean it up fast enough and got fines for that. So I am curious if you had heard other things. I've heard the oil stains and work vehicles from home, and any of those kind of things, so I am wondering if you have had any other things that you have considered or would consider.

SENATOR NEAL:
I am just going to keep it right here. The opposition that I may or may not have or the delicate support that I currently have on this version, I think I would rather like to keep it. I am apologizing to you, Madam Chair, for my comedy hour that I'm having. I am just trying to reduce my stress level for the next bill that's super opposition. I am just going to leave this bill as is with my delicate support, and maybe next session I will try to go big in the HOA space.

CHAIR SCHEIBLE:
Never apologize for providing much-needed comedic relief in this committee. We will move now to support on S.B. 121.

MR. SANCHEZ:
I am in full support of this bill. I have had plenty of bad HOA experiences myself. I think anyone who's ever been a part of one certainly has a story to tell. Like was said, this is very commonsense stuff. Not every HOA is built the

same way according to the bylaws, so there's not always a chance for your average, everyday resident to make their voice heard or at least make their voice heard in a very timely manner.

Meanwhile, we have six months, and we have a big expense after having a mortgage and after being able to purchase a house. With the way the general economy is right now, everything in here sounds very reasonable—not having to be forced to have another large expenditure after making a very large purchase of a home and not being forced to have to clean up the asphalt because your car is in disrepair and you need to take care of the asphalt on top of the expense of the car in disrepair.

Then, being able to advertise your own business—I can see how this will affect small businesses and workers of those small businesses. I do not see anything wrong with this very strong support for very common sense. I support it.

KELCEY WEST:
I stand in support of this bill. Unfortunately, I do live in an HOA community. As I look outside my window, I see numerous cars that are marked with company logos on them. I see our work vehicles, and I just can't find a reason why I wouldn't want to support this bill, so thank you for this opportunity to support it.

CHAIR SCHEIBLE:
We will move to opposition testimony.

GARRETT GORDON (Community Associations Institute):
I represent the Community Associations Institute (CAI) advocating for approximately 3,000 HOAs in Nevada. I have been representing CAI for the last ten legislative sessions and certainly have to have a lot of thick skin in regard to representing HOAs. Regarding this bill, we have about five of us who will each address a different section so as not to be repetitive.

In regard to HOAs, if you look at the data, homes in associations hold their value more than homes outside of associations. Why is that? It's because there's certainty for what you are buying into; there's certainty of the CC&Rs [Covenants, Conditions and Restrictions] that every homeowner has a right to review and sign and know what they are getting into when they buy the home.

I'm not going to sit here today and say every HOA is perfect, but every session there are concerns with bills that change the rules for everyone and for every one of the 3,715 HOAs. Many of them aren't one-size-fits-all changes. I am happy to work with the sponsor. We've reached out to her this week and will continue conversations before Friday.

I will say, Madam Chair, that we always try to find a way to support something in an HOA bill that comes out. In section 2 of this bill, we are in support. There should be absolutely no reason why associations should be reporting to credit agencies. Not acceptable. There have been some third-party groups that have come into our State and attempted to report to credit agencies. But it's never been allowed. Let's codify that.

But the other issues with regard to landscaping really should be on a case-by-case basis. In regard to stains, the issue is if there's an oil stain on association property that was willfully caused by—if you look at that section in law, it is not just negligence, it is not an accident, it has to be willful—and if you willfully park a car there that has been leaking oil for five days straight, I would argue that person should be responsible. The other homeowners shouldn't have to chip in and fix the issue. That's willful; it is not negligent.

I would end with the fact that HOAs take the burden away from municipalities. Municipalities do not have to clean those roads up here; they don't have to do snow removal, clean the gutters, worry about landscaping or pay for the water. The homeowners absorb all those costs, not the municipalities, for homes and communities that are outside the HOA. I commit to you that we will work with the sponsor between now and Friday.

TONYA BATES (Community Associations Institute Nevada Chapter):
Although I am in opposition to other sections of S.B. 121, I am in support of section 2 for the following reasons. First, the amendment introduces critical protections for homeowners by prohibiting the charging of late fees sooner than 30 days after an obligation becomes past due. This provides a reasonable grace period for homeowners to address any oversight or temporary financial challenges without immediately incurring additional penalties. It acknowledges that life happens and a slight delay in payment should not be met with swift financial repercussion.

Second, and equally important, the amendment prevents associations from reporting any past due obligation to credit reporting agencies. The potential damage to a homeowner's credit score due to a relatively minor HOA debt is disproportionate and can have long-lasting negative consequences on their financial well-being. This provision ensures that HOA disputes are resolved within the community framework without unfairly impacting a homeowner's creditworthiness.

I am opposed to the oil stains section. While the intent of the broader section might be to protect homeowners from assessments for damage caused by certain service providers, this specific exemption for oil stains on common areas based solely on the location not being on the driveway undermines the community standards, shifts financial responsibility unfairly and reduces accountability. Additionally, cleaning oil stains in front of your home demonstrates pride in ownership. My vehicles do not leak, but my neighbor's do. I still clean the oil stains on the street to prevent oil from being tracked into my home. It is a maintenance obligation for homeownership.

This bill should seek a more nuanced approach focusing on reasonable cost and clear responsibility for damage regardless of the location within the common areas which would benefit the community as a whole.

ADAM CLARKSON (Community Associations Institute):
I practice community association law here in Nevada. We represent hundreds of community associations across the State. I am the chair of the CAI Legislative Action Committee. I am here today in that capacity.

I want to touch on section 1 and section 5 of the bill. With respect to section 1, the issue of landscaping is an important issue for all community associations in that every association pretty much in the entire country has construction requirements, and they have timelines for construction requirements to complete your landscape and to complete your home. A new purchaser is fully informed of that information when they purchase a home so they know whether or not they can do it.

The bright-line rule for pretty much every court in the country is they say, "Hey, don't purchase these homes if you don't want to have to do this because you don't have to purchase the home, and you don't have to agree to the CC&Rs."

The CC&Rs are contracted among the homeowners. It is an association of homeowners; a group of people who have agreed on how they want to live and what they want to be restricted. They all get to agree to that. That is one of the questions we heard earlier from Senator Ellison. He said, "Doesn't everyone vote on the issues?" The answer to that question is, "Yes, absolutely."

Every association in Nevada is governed with CC&Rs, and the members of the association—the homeowners—can change those CC&Rs.

So whenever you receive a request like this to change something that is specific to CC&Rs—because not all associations have construction requirements at the beginning—not everyone in that community will agree with that individual, and the board will not agree with that individual, so they are now coming to the Legislature to force their neighbors into this. Keep in mind, you are protecting people that bought something they couldn't afford in the first place knowing that they couldn't afford it.

At the same time, you are harming their neighbors who purchased their first new home. They were so happy to get their new home. They thought, "Oh, we're going to be in this beautiful community." But now they are not going to be in this beautiful community, and you have taken that away from them because now people don't have to complete the landscaping and they are going to have those blights in the neighborhood. That is a problem with this issue to the core.

The other issue is section 5, which precludes an association, and particularly an association community manager, from being able to terminate the contract without a 45-day notice to the membership of the termination. Now, the manager might not be getting paid, so if the manager is not getting paid, you are passing a bill that is going to compel someone to work without getting paid for 45 days, which is not appropriate. The manager may be terminating because the association is doing something unlawful. You've heard a lot of nightmare stories. There are problem HOAs, and managers will terminate those HOAs because they don't want to have a relationship with unlawful activities. You're restricting these managers and forcing them in those positions.

Same thing on the other side. Let's say you're the HOA, and you want to terminate your manager. Let's say the manager refuses to hand out pool keys and they will not get the pool keys out in a timely fashion. Now you can't

terminate them for 45 days. You've now run out half your summer on the 45-day termination. Now you finally get new management that can get your pool keys out. It is just a fundamentally bad concept. We would be happy to work to change and improve things and make things smoother, and we're always open to any possibilities of that.

GREGORY KERR (Community Associations Institute):
My area of law practice is exclusively representing HOAs. I am also the vice chair of the CAI Legislative Action Committee, and I am testifying here today in that capacity.

I heard the opening statements from Senator Neal and the motivations behind the bill, and I just want to make something clear to the committee. There is nothing in this bill that addresses fines. If that were the intent of the bill or Senator Neal, then the bill needed to be revised or drafted differently. There are no prohibitions here in this bill against imposing any fines on any homeowners.

My comments here today specifically address section 3 regarding oil stains and section 4 dealing with the commercial vehicles. This bill seeks to amend NRS 116.3115, subsection 6, which basically states that if an owner willfully or with gross negligence causes damage to an association's common areas, the association can hold that owner responsible for the cost thereof.

I don't see what is objectionable about that if somebody willfully or with gross negligence causes damage to association property, whether it's by oil stains, battery acid, fireworks or any other means. Section 3 of the bill does not address fines whatsoever. I believe associations should still have the ability to hold owners responsible when they willfully or with gross negligence cause damage to association property.

As to section 4 dealing with commercial signs on vehicles, this section seeks to amend NRS 116.350. Basically, what that statute does is it provides an exemption from associations' parking rules that allows certain vehicles to park anywhere in the common area designated for parking spaces. Those vehicles that are exempted and defined in that statute include utility vehicles, law enforcement vehicles and emergency vehicles. It makes sense to exempt those vehicles because all of those vehicles need to be used by the registered owners of those vehicles to respond to crimes and medical emergencies, downed power lines or broken water main lines. There are exemptions in the statute to allow

folks to keep those vehicles at their properties to respond to those types of emergencies.

A vehicle that simply has a commercial sign on it like Greg's Mobile Notary Service is not a vehicle that needs an exemption in the same way that a law enforcement vehicle, emergency vehicle or utility vehicle does. In many associations that I represent, one of the biggest problems they have is parking because developers build a lot of units and no parking. So association boards are forced to put in place strict parking policies. I live in a homeowners' association that has such a policy. My association says first you've got to park your vehicle in the garage, then you can park on the driveway, but under no circumstances can you park in the guest parking areas because it is limited. So residents can't park there.

What this bill would allow me to do is take a magnet that says Greg's Mobile Notary Service, stick it on my door and now I can park anywhere I want in the community, despite the fact that associations have very limited parking and deal with parking issues consistently. I wish that Senator Neal would have worked with CAI on this bill before it came out. I think that there are areas we have agreement on in terms of the concepts of where Senator Neal is trying to get with this bill. Unfortunately, the language as it's written does not come close based on what I heard the purpose of the bill was.

I am hopeful that between now and when this is voted on, if there's some opportunity for Senator Neal to work with CAI, I would greatly appreciate it, and I know the rest of the committee would. I think we could come up with a bill that would make both sides comfortable.

ROB FORNEY:
I live in an HOA at Legacy Village in Henderson. I came to talk about the landscaping issue, but I had no idea that I live in such an oppressive community. I gotta go home to my family and kids and tell them we have been oppressing each other. I want to talk about the landscaping, but for 20 years I have lived in my HOA, and we have gotten along, and we talk to each other, and we come up with ideas to look after ourselves. We come up with rules.

Kudos to Senator Ellison for recognizing that we govern ourselves. And I thought we were the best to decide what's in our best interests. I had no idea that living in an HOA was such a foregone conclusion as a horrible thing. I

thought HOAs made the great State of Nevada even better by keeping property values up.

I will say this when it comes to oil stains, I thought everyone knew this. Maybe it is just something with me, but the two most damaging things to asphalt are sunlight because sun degrades asphalt and the asphalt binder, and oil because it literally erodes asphalt. If you think I am wrong, walk out in a parking lot, look at where the engines would be on every parking space and you'll see the asphalt degrading. It is incredible; it just dissolves the asphalt.

I was not going to talk about asphalt, but that is a big one—a great reason for someone to remove the oil that is spilled. I actually came to talk about landscaping, but I find I am now just talking about HOAs.

I live in an HOA, and we are the best people to govern ourselves. If someone doesn't like it and they run for the board and things don't change, they can voluntarily move to a different HOA unless you pass a law that makes that rule the same for everywhere you go. So I would say, respectfully, do not overreach; let communities govern themselves.

Finally, I would say that in this day and age, as Legislators, I am sure half the people love you, and the other half hate you. I would like to say that I appreciate everything you are doing for making the great State of Nevada even better. I am sure it is a completely thankless job. Thank you so much for listening to me. I was born in a foreign country. I am a U.S. citizen. It is amazing that you guys will listen to me right now and take what I have under consideration. So thank you very much. Keep up the hard work. But I think you guys are off base on this one.

MARK LEON (Mountain's Edge Master Association):
I am a board member and president of the Mountain's Edge Master Association, a community of 12,000 single family homes in Southwest Las Vegas. I am opposed to S.B. 121, section 1. A three-year delay is a ridiculously long time for a property owner to delay backyard landscaping. People who purchase brand-new builds know there will be expenses after moving in. An example would be window coverings. Would you delay covering your windows for three years? If landscaping your backyard is too much of a burden for you to handle, then buy a house that is already landscaped.

The thin layer of rock language is equally silly. How big is the rock? How thin is the layer? If a homeowner scatters a bag of construction sand, can you argue they have not technically followed the language of the statute? This section only has the effect of pandering to homeowners who are too lazy or too unwilling to follow through on their obligation to the community. That directly affects the property values of their neighbors who are working hard to build value in their new homes.

CHAIR SCHEIBLE:
I will take neutral testimony on S.B. 121.

SAMANTHA BARNES (Nevada Association of Community Managers):
This has been a work in progress since the interim. We appreciate Senator Neal's willingness to work on the bill with us and bring us to a neutral position.

VALERIE SANTANA:
I have been a portfolio manager, which means I am not on site. I have overseen many different properties for the last 19 years, everything from nine units to 1,300 homes. I'm going to say I am neutral in the bill and that I have concerns about section 6 [section 5, subsection 6]. I don't know that it is bad or good at this point, but as a practicing manager, whether I am the one receiving a contract in potentially 45 days or handing it off in 45 days, at the very least, section 5, subsection 6, paragraph (a) in its posting requirements is muddled to me as somebody that would have to be in charge of this.

It says posting in common areas which assumes there's a reasonable location. In a condominium project, there might be mailboxes, but in my single-family homes where I have multiple roads coming in and out, there are no mailbox banks. What would that mean for me? Who's supposed to do the posting? Is it the management company or the outgoing management company that does such things?

And on either side of it, what am I supposed to post? Am I just supposed to say there's management change? You are notified. Do I need to say what the date is, what the management company is, who's the point of contact? Depending on if I am coming or going, if I am the management company that's coming in, am I stepping on toes to go onto a property I don't technically manage yet because my contract doesn't start for 45 days? If I am the management

company in charge and I am losing this contract, how do I know who the actual manager is going to be and what the contact information is?

Larger management companies compartmentalize these things so payments are one place and the point of contact is another. They may not have a manager assigned. So I just feel like if this language is going to stay, I feel like it needs to be clarified a little bit more or at least have when practical for the noticing of when and where to post and what needs to be put in there. I think it is going to widely depend on the particular association and how that would be applied.

SENATOR NEAL:
If you see at the top of the bill, it was prefiled January 28. Technically I was still in the building until February 18, so I worked with Samantha Barnes and a group of southern managers through phone conversations and Zoom.

Section 6 [section 5, subsection 6] was language they provided to me because there was an issue of when management companies change and giving notice and making sure that the homeowners now know there's a new management company that has taken over and now your payments are going to a different individual company or website. They were saying it's a problem for when they were actually getting notice, and sometimes they wouldn't even turn anything in. So we worked on that section and decided we would come up with information.

I took slight offense to the idea that you should not buy the home if you can't afford to landscape your backyard, which basically is telling somebody that when you see the CC&Rs and when you are all happy and ready to buy your house, you are probably thinking you can afford it, and then all of a sudden you can't. I don't believe that a homeowner should be labeled as lazy, or that you shouldn't purchase or go forward or find another HOA to move into if you don't like those rules.

As if you can do hopscotch with houses seems to be a very awesome theory, but I don't think it's actually possible to do that because it's a true investment, and there are families that buy homes and are cash-strapped. Ultimately, that is something that is a living, breathing ideal and something that is real for families who are making $50,000 and they've managed to get into a home.

I appreciate you hearing this bill. I feel like there are commonsense measures in here. And I just want to note that it was a prefiled bill that has been out there for a really long time. Prior to me actually not being here and being in the hospital when folks are saying that I should have found them and I should have contacted them—I am sorry I wasn't available and able to be physically here, but once again, it was prefiled.

CHAIR SCHEIBLE:
I will close the hearing on S.B. 121, and again, in the interest of time, I will now open up a work session for this bill. We will not summarize the bill for you because you just heard it, and I presume there are no questions since you just had the chance to ask them. I would still move to amend and do pass.

> SENATOR NGUYEN MOVED TO AMEND AND DO PASS AS AMENDED S.B. 121.
>
> SENATOR FLORES SECONDED THE MOTION.
>
> THE MOTION CARRIED. (SENATOR HANSEN VOTED NO.)

* * * * *

CHAIR SCHEIBLE:
I will open up the hearing now on S.B. 391.

SENATE BILL 391: Revises provisions relating to real property. (BDR 10-84)

SENATOR DINA NEAL (Senatorial District No. 4):
Senate Bill 391 is a second bite at the apple to try to regulate corporate investors. I had this bill in 2023, and it was vetoed. I am now bringing it back with a small change—instead of 1,000 units, it is 100 units. Before I get into that, I gave you an amendment (Exhibit K) because this is my first day back in the building and I noticed that there were errors in sections 3, 4 and 5, and I put the lines in where those errors were occurring.

In section 3, it should replace the Secretary of State with the county recorder's office. The way it reads, it has the Secretary of State actually creating the deeds, and that is not correct, so I am not putting the Secretary of State in the position where they are now going to have to create a deed that now will deal

with investors. I know it was last minute, it came probably in about 30 minutes ago, but I was just able to sit down and look through it and realized those were errors in the bill, and we replaced all the references to Secretary of State with county recorder's office.

To get into how I dropped the number from 1,000 units down to 100, it was a weird event. As soon as we hit sine die last session, literally right after that, there was a transaction of 155 homes that were purchased. It was by the same corporate investor that had previously purchased 264 homes, which roughly amounted to $98 million in the Vegas market. Right after that, I was like, "I really need to drop this number because it is amazing that someone in one day could buy 264 homes and not bat an eye." I knew that we needed to figure out the housing solution to the conversations we were having about how to deal with the shortage of houses. Also, how do we deal with the fact that our middle-class families are competing against corporate investors?

This was one of my solutions that I put on the table in the landscape of the different housing solutions that were out there. We were talking about rent caps as we were trying to figure out how to make houses available. Then I really considered how can I move this forward and then bring this back? I know the question has been asked, "How can you temporarily restrict a corporate investor?"

I looked deeply into that, and I looked at what are considered the police powers that are given to states and when can states actually go about protecting the public when there is a housing crisis. There are powers that the state can use and it's not forever or like you're going to ban the activity of corporate investors buying up properties for the next 30 years, but you are going to restrict them while there is a housing crisis.

Then, I was asked the question, "Isn't this preventing middle-class homeowners from actually purchasing a home where they want to?" Turns out, there is data in a Harvard study that basically says that corporate investors were going after and buying all the middle-class homes that middle-class families could afford. So that means they are now owned by someone else, and their whole point and purpose of going after that market was to make sure they were going into markets that were going to have the highest appreciation and they could go in and lock down that market and then own properties.

We have several examples where our Lied Center for Real Estate studies at the University of Nevada, Las Vegas (UNLV), has cited that the real estate investors in Las Vegas own roughly 15 percent of our market. They've gone into low-income communities in North Las Vegas and in the broader Clark County and purchased homes. This begged the question, "How do we make sure that our families who want the American dream of owning a home are not fighting against the corporate investors?" And how do we protect the market to make sure those houses are still available within the price range? As you know, there are no houses in the price range. The argument has been that because of that intrusion of corporate investors into the market, it has spiked the housing prices.

I personally have an example of a family who happen to be my neighbors who got a house, and then a corporate investor sweet-talked them into selling their house for cash. Do you know what ended up happening? They ended up moving down the street into a rental property owned by a corporate investor. I didn't know how I should intrude upon their life because they lived next door to me for about two years. Should I go down and say, "You really should've just stayed in this house," because they were thinking they could take their $330,000 cash and go find another house in the market. There was no other house in the market; there was actually nothing available.

This happened in 2022. I go and I periodically check on this family, and they're still in that rental home where they were thinking they were going to be able to take this cash purchase and then move and buy another house that was better, and they couldn't. That is when I started thinking, "What is really going on in the market, and how do I figure out how to restrict this behavior," because I want to make sure that families that look like regular Nevadans can go qualify for a mortgage, as stressful as that is in general, and actually be able to go out and buy a home.

The argument is that not everybody wants the American dream; not everybody wants to own a home; they want to be a renter. And I say, that may be true but there are families who do want the American dream—they actually want to take their pharmacy job; they want to take their teaching job, and they want to translate that money into a mortgage, and they want to own a home. They are not able to do that in this current market, and the way the trend has been going, it is just spiraling and skyrocketing where they are taking a large portion of the market.

In one case, where the UNLV Lied group said they were taking over 15 percent of the market, there were folks that then brought to me the Guinn study which said that 15 percent of the market—and if I am misquoting this, they can correct me—that 15 percent of the homeowners were middle-class homeowners seeking to find a home. Is there a correlation or connection between the 15 percent that is owned by corporate investors and the 15 percent of middle-class families in Nevada who are actually seeking to own a home?

The whole purpose of this bill is to make sure we are leveling the playing field. We're using our police powers in the housing crisis to go after the corporate investors and limit what they purchase. So how does that mechanically work? That is what the rest of the bill gets into. I've had a long conversation starting in 2022 with the Securities Division of the Secretary of State. I went to them and said, "Are we at all looking at who are the hedge funds, who are the different corporate investors that are playing in Nevada?" And they said "Yes; however, we do not have a way to find out who those investors are or force them to register."

If you can't have the investor register, then you don't know who they are. Then I started talking to the county recorder in the south and I said, "Do we have any deeds that reflect or make an investor have to record that they are an investor?" And the answer was "No." So I started thinking, "We have to create a process between the Securities Division and the county recorder down south and then figure out who's playing in Nevada." First off, you have to create a registration system. That's super important.

The second thing is, we also need to have a deed created where instead of going in and just marking that you are buying the home, we need to know that it's an actual investor because I started thinking, if we can collect the data on who is actually purchasing, then we can figure out how we can limit, go after and cut off the ability for these investors to buy up homes.

So when you look at page 3 of the bill, it basically lays out this registration process. When we looked at what the Securities Division already has in place, we started talking about the existing forms that we could go in and tweak because of course, I am always thinking about the fiscal note. Then we started talking about what would be the effective date of this bill because they were going through a process of transitioning their system at the Secretary of State's Office. There was a conversation on whether or not any of these changes could

align and the programming could align to make this more feasible. The aim was to create this registration and then having the county recorder and the Secretary of State share information so we could have a trigger point where when we reach that 100 homes, it basically stops, and you're no longer going to be able to record.

If you go to section 3, the bill was laying out—and these are where the errors are—where they were going to have to adopt regulations and try to make sure the content of the deed was going to reflect the actual ownership. We had a conversation about what if it's the affiliate. What if the investor owns subsidiaries? What happens then? We needed to make sure the language was going to fit that whether or not it is purchased by a corporation, the limited liability company or the affiliate of that entity.

One thing that happened in our conversation was when we learned who might be buying the home could be someone else, they could change their business registration and then file under another name and then go in and buy homes. We needed to make sure that we were going to cast a wide enough net to make sure that these particular corporate investors that are already playing in Nevada, these hedge funds, could actually be limited in their purchasing of homes, which has risen to a large enough number that we should be concerned and worried about. I say this because from what I am seeing on the street in regular neighborhoods, I have doctors telling me they can't afford to go out and buy a home. I already mentioned pharmacists, who are making somewhere between $110,000 and $170,000, yet they cannot go out into the market and buy a home. They're renting. Do they want to continue to rent? No, they don't, but they also can't afford to go back out into the market because prices are skyrocketing. In 2018, you could buy a nice house for $250,000, and that house now is $480,000. This is just one part of a larger housing solution to go after the corporate investor/hedge funds who have siphoned up the market and who are preventing our regular families to go out and purchase homes.

SENATOR HANSEN:
You may recall that you and I worked together on that one last time. I am the only Republican that supported it. Now, we would have two years worth of data because one of the main things we were trying to figure out at that time is whether there is, in fact, a problem in the market. Are there big hedge funds coming in and artificially inflating the value of the properties? Two years later, we now know the answer was, "Yes." And your bill is attempting to address

that again just like last time—you want them to have to have a registry so we can really find out who's buying these things.

It's interesting that my party overall has been super concerned about China buying farmland in the United States. We actually have several states in the Midwest that have made it illegal for those kind of places—hedge funds if you will—that are financed through China to buy American farmland. Yet, we haven't applied that same standard to situations like you are describing. Now, the Lied study you mentioned is flat scary—25 percent of the houses now are owned in North Las Vegas by these corporations/hedge funds and so forth. So, I am fully supportive.

Originally, it was 1,000 units you wanted to stop, and now you have dropped it to 100. If this is a true market condition and the market is just causing the prices to rise, that is good for the people who own the property. But this is an artificial thing. We're dealing with corporations. I met with a BlackRock guy, and I like him very much, but it is a tough market at the moment for guys like me. Thirteen trillion in assets for BlackRock corporation. Trillion. That's half of what the entire United States outputs in a normal year.

When you're bidding against a corporation like that—say, if Senator Ellison, Senator Hansen and Senator Krasner all want to buy the same house—we bid against each other, right? But what if you're bidding against somebody that can literally say, "Well, the market value right now is like you're saying, say $400,000," and they can easily, very comfortably push it to $1 million and win the bid? That is what is happening in these markets. And all the people, like my younger children, when they are trying to purchase homes, how can they compete with that?

Now, if it was just the normal market forces, fine. But as you are describing, we've got a huge problem here because we literally have international corporations coming in, buying up all of the housing as it comes on the market, forcing the younger people to pay a higher and higher price and deliberately pricing them out of the market, and then forcing them to rent back from the same people because they can't afford to purchase a home. If that was normal market price forces, fine. It is not. That is why I am pretty much a free market guy. But in this case, it is pretty clear that we have a huge problem in Nevada—and perhaps in other areas as well—that we need to address.

And so, to your bill—I am going to support the Governor because I'm a good party guy to a degree, but we need to get a handle on this because it is absolutely crushing the middle class in Nevada, especially younger people who can't buy into the market and are therefore forced to pay exorbitant rents as well because the rental prices have gone through the roof, too. It's to the point where everybody out there who is middle class or lower are really struggling to be able to have decent housing.

The American dream is to own a property, not rent a property, and that is becoming increasingly difficult in this kind of market. So once again, I want to reiterate that, just like last time, I supported S.B. No. 395 of the 82nd Session, and I am going to support this one. Of course, there are issues with it. But overall, the idea is something that we as a legislative body need to help address because the other problem you've got is you're going to be up against corporations that have literally unlimited resources to hire lobbyists and influence Legislators, and all the policy people are going to be like, "Wow, we can't interfere with the free market." This is not the free market; this is an artificially manipulated market. So that is my little rant. I am glad to see you back. We'll have some of these kind of discussions as you helped educate me on this, and I do support the bill, and I think you are on the right track. I think this is in the best interest of the State of Nevada overall, and I hope this bill goes forward.

CHAIR SCHEIBLE:
I also wanted to make a kind of a comment, but I want to ask if part of the thinking behind the bill is that as we are trying to attract more people into those professions that are so desperately needed in Nevada—doctors, healthcare workers, pharmacists—it seems to me like it may be discouraging people from moving here if they go to look on Zillow or Redfin to check out the housing in the area where they want to move in Las Vegas and they see tons and tons of homes for rent but nothing available to buy. I would imagine that could be off-putting for people who are thinking about making their home here in Nevada. A bill like this might open up more of that inventory and help us with recruiting some of those trained professionals that we need. Do you think so?

SENATOR NEAL:
I do think so, because I am currently seeing the hamster wheel now. They're renters, and the average rent is around either $2,000 or $2,500. So if you are paying that every month—and let's say you are making $5,000 a month—then

you subtract utilities, car note, insurance, etc., how much actual money do you have to save to put toward a down payment? At the end of the day, you end up having to stay in the rental property because there's a certain amount of money the bank would like to see in your savings account to show that you can afford this house that you're wanting to buy.

Unless you have super kind sisters or brothers, most of your family is not offering to have you move in with them for the next year or six months while you save up that money so you can go back to the bank and prove that you have enough cash to do the down payment, the closing costs and any other fees that may be associated with it. So you are forced into this kind of hamster wheel of continuing to pay that rent.

I am just trying to create an environment where all those professionals who want to earn money can reap the benefits of the money they are earning to have the house and the white picket fence—to actually own something. There's something powerful about owning a home because you are getting the equity, not the corporate investor. The family is getting the equity; it is translating to that family, and then it also promotes generational wealth.

CHAIR SCHEIBLE:
I'm glad you mentioned that last part because we do know that generational wealth starts with home ownership, and it's the biggest factor in determining whether or not generations continue to grow in their net value or not.

We'll move to testimony in support of S.B. 391.

TIA SMITH (ACLU of Nevada):
I am a policy attorney with ACLU of Nevada. We support this bill, and we urge the committee to support it as well.

MENDY ELLIOTT (Nevada Housing Coalition):
I represent the Nevada Housing Coalition, a statewide coalition committed to advancing affordable housing solutions. We believe S.B. 391 represents an important step toward leveling the playing field for Nevada families and first-time homebuyers. In recent years, the rapid growth of corporate acquisitions in the residential market has significantly contributed to rising home prices, reduced inventory and increased competition, often pricing Nevadans out of homeownership opportunities.

By placing a reasonable cap on the volume of residential property acquisitions by large-scale entities, S.B. 391 helps to preserve access to housing for individual buyers and local residents. This measure promotes a more balanced housing market and discourages speculative activity that drives up costs and displaces long-term residents. We appreciate the reporting and registry that the bill proposes which we believe will be invaluable as housing policies are created. The Nevada Housing Coalition has submitted a letter of support (Exhibit L).

JESSICA BURGER:
I live in Assembly District 10, and I am a nontraditional graduate of the College of Southern Nevada and a current UNLV student. I have faced housing insecurity, including homelessness. I have experienced firsthand how corporate landlords make it more difficult for people like myself to find stable housing. Please vote yes to S.B. 391. This bill is important because it helps Nevadans in similar situations and provides a fair path to housing opportunities for our community.

REYNA BERNAL:
I live in Senate District 10, and I am here in support of Senate Bill 391. My testimony almost quotes Senator Hansen's words. I am here in support of the bill because these corporations, in my belief, have created the housing crisis that Nevada now faces—the crisis that my children now have to face. The buying of a home has become an impossibility. My grandchildren now face the crisis of not being able to become independent or move away because the rents are too high. So I appreciate if this bill is to pass. It will definitely make life better, not only for my children and my grandchildren, but for a lot of other folks in our community. So please, I urge you to vote yes and support this bill. It will put the well-being of my family and lots of other families ahead of profits for some of the world's biggest corporations.

MIRIAM GIBSON (The Village Voices of Southern Nevada):
I am a director of a nonprofit organization called the The Village Voices of Southern Nevada. I am also a real estate broker. I have been in the real estate industry for over 20 years. I work with a lot of people in the community that have been trying to become homeowners, but because of the competition with corporations, it is almost impossible. Even though they might be preapproved for a loan, they can't top cash, and a lot of the corporations are paying cash for the properties.

We put the person who wants to be a homeowner in a very bad position. Also, corporations can afford to pay more. I support this bill. I understand the importance of having something like that, but I really see a lot of loopholes that need to be filled because even though you might put a stop to corporations purchasing properties—no more than 100 a year—they can also have proxies to buy properties instead of them. Those proxies could be individuals who are sole proprietors that can buy these properties in excess of the 100.

I really feel the direction this bill is going in is good, and I do support it, but I do also think it can use a little tweaking. We need to tighten it up a little bit to make it more affordable so buyers are put in a position where they can compete with the corporations. This is what we need.

If they are still paying out more money—even though they are allowed to buy no more than 100—what are you providing that is going to make it more competitive? That is what we want. We want to be able to control the price because if corporations are going to be paying more money, it is still going to drive the prices up. What are we going to do to stop that? How can we cap that? But I do support it, and I understand the meaning behind it.

VALERIE THOMASON (Progressive Leadership Alliance of Nevada):
I am an organizer with the Progressive Leadership Alliance of Nevada (PLAN). I also support S.B. 391. Like many people said earlier, it is estimated that if we stay on track the way that we are doing things, by 2030, more than half of all single-family homes will be owned by corporations and hedge funds, and this isn't just numbers. It does have real-world impacts.

As a renter myself, my rent goes up every single year, sometimes by hundreds of dollars when it does go up. I am a single parent. I only have one income, and I'm constantly worried about these rent increases year after year. The only way to actually stop being a renter is to buy a home, and today I can't do that either.

Nevada has one of the most expensive housing markets in the country. We are number 14. That wasn't the case more than five years ago. Study after study has shown that the impact of these hedge funds and corporations buying housing is raising the price of housing even more. Last year, they bought thousands of homes after that bill was vetoed—not to sell them, but to rent them out as forever rental homes that we still can't afford.

So I want to live in a Nevada where I can buy a home and where my kid can buy a home. Without taking action today, I don't believe that's going to be possible. So please support S.B. 391.

ANTOINETTE WHITE (Progressive Leadership Alliance of Nevada):
I am a lender with PLAN. I support this bill. I have sustained untamable conditions throughout the State of Nevada concerning rental gouging, poor management skills along with outside agencies. I have been, and am still, dealing with a slum landlord who refuses to fix or even to acknowledge me as a tenant after giving her a proposal of such conditions that were in my home, paying half of the rent.

I came from Hurricane Katrina. Leading up to be misplaced, I came to Vegas hoping to see a better future for myself and my daughter. This is not the case. I am still living with rats, roaches and black mold which caused me to be homeless before in another unit in another property dealing with mold. Please pass this bill, S.B. 391, and thank you for your attention.

TOM CLARK (Reno + Sparks Chamber of Commerce):
We support this bill. It might be kind of a surprise to have a chamber of commerce supporting this bill, but when you look at the number of units that this bill says, "No 100 units," that could be upwards of half the units that we have on the market at any given time. We are struggling with the price of rent and the price of homes in Northern Nevada, and we think that this bill will help with that cause.

MR. SANCHEZ:
I am a homeowner, and I have personally seen and experienced everything that has been listed as the reasoning why S.B. 391 is needed. I have lived in the city for over 30 years. During the market crash back in 2008, I witnessed my then in-laws' rent going up because of investors and buyers trying to capitalize on the home prices. I myself was trying to purchase a home around that time, and I had plenty of homes. I lost a bit to cash investor buyers. It was a problem then, and I have seen it become a problem now.

It's common knowledge among people that the squeeze is you pay more to rent than you do to own, and you can't afford to own because you pay so much to rent. The figures cited about 15 percent of these homes being investor-bought

back in 2023. The UNLV Lied Center for Real Estate, if I am getting the name correctly, had that figure last year at 25 percent.

This is not helping homeowners like myself. My home's value that I am currently in is one I worked very hard to get, but I also came into quite a lot of luck for it. That is not benefiting me because if I were to sell my home at its price and valuation now and take some of that price and valuation to go purchase a new home, I would be stuck. The home prices are just too high, and that is because they are being run up by investors who are playing with a whole larger pool of money than myself.

I live here; I work here; I spend money here and contribute to the local economy. I support my neighbors; I support my coworkers; all of that. But that is at risk when you have a large corporate investor able to purchase large swaths of homes in neighborhoods like mine and poor neighborhoods as well and you don't allow anyone to get an upper hand or to get a foothold on their own happiness and security.

I love this bill because not only does it close a potential loophole by categorizing affiliates, and not only does it allow us to see which companies are purchasing these homes and which companies are proposing to be our landlords rather than just participating in a housing market, it also puts limits on them to give people like me a shot. My family is outgrowing our home right now, and we do not have anywhere to go because I know that if I go back to renting, I just might stay there for far too long.

I want to prosper, and I thought I was given that ability in the U.S. Constitution to pursue life, liberty and the pursuit of happiness. I want that prosperity; I want that prosperity for my kid when she grows up, and I want that prosperity for the people in my neighborhood. So I want this bill to go through.

TAMEKA HENRY (The Obodo Collective):
I am here on behalf of the The Obodo Collective. We are a community-rooted nonprofit based in the Historic Westside of Las Vegas. Our mission is to eliminate multigenerational poverty, including food access, health, stability and economic empowerment.

I am here in strong support of S.B. 391 which takes meaningful steps to address the growing crisis of corporate ownership in Nevada's housing market.

We've seen corporate investors buy up residential homes and turn them into high-cost rentals—pricing out the very families and individuals who built and sustained our neighborhoods for generations. This trend is displacing long-time residents, driving up rent and deepening the housing insecurity that already burdens so many low-income and working class Nevadans.

Senate Bill 391 offers a path forward, protecting everyday Nevadans' ability to live and thrive in their communities. It prioritizes homes for people, not profit, and helps ensure that neighborhoods remain places of belonging and stability and not just investments.

At Obodo Collective, we work with families every day who are facing housing instability. They need relief, they need protection, and they need opportunity. This bill delivers on all three. We urge you to support this critical bill and thank you, Senator Neal, for your time and leadership in bringing this forward.

TARA WEBSTER (Progressive Leadership Alliance of Nevada):
On behalf of PLAN, I want to express how refreshing it is to see Senator Neal back in the building, bringing commonsense housing policy to the table. We support S.B. 391 because Nevadans are facing a housing crisis, and predatory corporate investors are contributing to price-gouging tenant and homeowner harassment and price-fixing across our State. Predatory is the keyword here.

I am fortunate to be a homeowner, but over the past six years, I have received countless solicitations from corporations offering to buy my home for cash. While these corporations are scooping up thousands of residential homes, they have no intention of modernizing them to comply with local building codes, improving the energy efficiency of these homes, or even returning them to the market for home buyers to have them at an affordable cost. Instead, these corporate-owned properties cut middle-class Nevada out of the housing market and trap families with exorbitant rental rates that are subject to yearly increases.

We at PLAN believe in an equitable housing market where single-family homes are affordable and accessible so that working Nevadans can build wealth and retire with housing stability. We urge you to return the housing market to working Nevadans and support S.B. 391.

ABRAHAM CAMEJO:
I am calling in today from beautiful Las Vegas in support of this bill. Thank you for bringing it back. As a father of six children, I am worried about the future. Will my children be able to purchase a home when they get old enough? The scary answer is "No." Corporations are currently buying all these homes, and they are renting them, raising the rents and not investing in fixing them up. If there are any issues, let's say air conditioning issues, and they are out of the state, they are not fixing these issues in a timely manner. This is affecting our community.

Part of the American dream that my parents came to America for was to buy a house for us to live in and to grow up. I am proud to be a Nevada resident born and raised. I am encouraging everybody to please support this bill. It is essential to kick out the big corporate greedy companies and help us be able to buy an affordable home and actually make a home a place where we can raise our children.

HECTOR [Unintelligible]:
I am a policy fellow with the Nevada Environmental Justice Coalition. Wall Street backs firms buying up homes and making them into rentals. These corporations claim that people prefer to rent. But the truth is, they are eliminating the choice altogether. Look at the state of Ohio where it was their testing ground with 30 percent of their homes that are now rentals, locking families into a cycle of unstable housing and rising costs.

In 2024, Nevada homelessness soared by 20 percent due to unaffordable housing, and when people lose access to housing, they lose access to safety. During times of extreme weather, housing is necessary to protect us from the elements, including the extreme heat from the summers and extreme cold from the winters. In Clark County, heat-related deaths skyrocketed by 78 percent over 2 years with roughly 500 people losing their lives in 2024 alone.

These are not just statistics; they are our neighbors forced onto the streets by corporate greed. Senate Bill 391 is about dignity, safety and survival. Nevada homes should belong to Nevadans, not Wall Street, and I urge you to support this bill.

NICK CHRISTIE:
I am calling in strong support of S.B. 391. I am now in my forties and I have only ever been a renter. I have lived in Las Vegas for about 16 years. I would love at this point in my life to get onto the property ladder, but it just seems that the harder I try, the people at the top of that ladder keep kind of pulling it out of reach. I am trying to build savings in order to pay a down payment while paying 35 percent to 45 percent of my income on rent every month. This means that my savings are just not happening, and the housing prices are just escalating that down payment that I am trying to save for. It is just getting out of reach.

Like the previous caller, I also have children. I would love to start building that generational wealth for them so I can hand down a home for them and give them the best start in life. Likewise, they are only little right now, but once they are starting out on their own, they are probably going to start out as renters. I would like for them to have the best opportunities—and yes, here in Las Vegas, that would be great.

It is great that the current conversation about housing is also focused on how we build more new housing. That seems to be the main solution that people can think of, and that is fine. There are problems with that, though, like where do we build? How do we build? There's a lot to talk about zoning and how we get the land back from the federal government. That's fine, but this conversation is focused on the existing housing supply of which there is a distinct lack. That is why the market is dried up, and that is why prices are so high because ordinary Nevada citizens are being boxed out by the big banks who have all the money and all the power and all the ability to do this.

Senate Bill 391 really seeks to address the lack of transparency between all these companies. It is a deliberate mechanism done by creating various legal entities. They split up these different entities under various different names. You'll have the same company owning dozens and dozens of different LLCs because they are doing this to hide their ownership and also to get around the Commerce Tax. I find that fascinating because in the Governor's veto message of Senator Neal's previous version of this bill, he specifically cited that this would stifle our income to Nevada through the Commerce Tax, which is kind of fascinating because the banks aren't really paying that because they are splitting up all their LLCs to get around that $4 million income threshold.

There is another bill over on the Assembly side, Assembly Bill 457.

ASSEMBLY BILL 457: Revises provisions governing the commerce tax. (BDR 32-167)

Apologies to the secretary for citing another bill, but Assemblymember Venicia Considine has a bill that tries to tackle that issue too. It is complex and convoluted; it is not transparent and that is by design.

There's also another bill that seeks to address this. Senator Flores has S.B. 242.

SENATE BILL 242: Revises provisions relating to the sale of residential property. (BDR 10-328)

That bill would basically tackle the corporate banks from being able to jump into the market instantly. There was an article in *The Washington Post* from 2011 that talked about a particular bank—Progress or Pretium Bank—with an algorithm that basically looks out for housing that just pops up on the market. Because they have the money and the resources, they can put in an offer on a listing within two hours of a house jumping on the market.

If you think about independent—you know, normal—people, do we make a decision on whether we want to put in an offer on a house within two hours of it going up for sale? No, the market is not fair; we're being boxed out. This bill should be a no-brainer; it should be a free market, and a free market only works if it's fair. I submitted a letter of support (Exhibit M).

ANDREW BARBANO:
I am a resident of Reno, and I have very little to add to what the previous caller said. I admire his expertise and his comments. I have been involved in renter's rights and housing equity issues in Nevada since the 1970s. I have resided in Nevada since 1969, renting in both Las Vegas and Reno before I bought my Reno home.

Nevada renters have always had precious few rights in law and even fewer when they need to assert those rights. Wall Street is awash in cash and outbidding actual homebuyers who need housing, then turning them into exploited renters. This bill is a modest attempt to right the ship, and I wholeheartedly support it. You may read decades of research on these issues at

my site, rentvolution.org, including the seldom told tale of how the Reno City Council actually passed rent control back in the 1970s. It did not end well for the Reno City Council, and they reneged. Please support S.B. 391. Be well, raise hell. I submitted a letter of support (Exhibit N).

BROOKE PAGE (Director of the Southwest Geography, Corporation for Supportive Housing):
I live in North Las Vegas and am a proud homeowner in complete support of this bill. I ask for your support as well. I would like to say ditto, and I will submit my comments for public record.

MR. WEST:
I am a homeowner, and I serve as a pastor here in Las Vegas. I called today echoing the sentiments of other parents who have called, I am the father of three adult sons, and never in my wildest imagination would I have thought that they would not have a fair opportunity to become homeowners. My favorite childhood game growing up was, and still is, Monopoly, and at the start of every game, properties are available.

If we don't support a bill such as S.B. 391, students coming out of high school and students coming out of college would not have a fair opportunity at the start of the game to buy properties. You know as well as I know that you can't win at Monopoly without some properties. I am not asking for my children to be able to go right into Boardwalk or Park Place or the green properties, but once upon a time we had started properties like Baltic Avenue, Mediterranean and the light blues, maybe even the purples.

So I am asking that we not allow those who can automatically afford the yellows and the reds to buy up the properties that we once knew as starter homes. I stand in support of S.B. 391.

MATHILDA GUERRERO MILLER (Native Voters Alliance Nevada):
I am in strong support of S.B. 391. This bill is about pushing back against a rigged system, one where hard-working Nevadans are forced to compete for homes with faceless corporations that treat our neighborhoods like commodities on a trading board. What this bill says is, "Enough is enough—if you are a corporate buyer looking to scoop up hundreds of homes in a year in Nevada, it is no longer for sale."

Some argue that corporate ownership is minimal. If that's actually the case, this bill shouldn't bother them unless they are planning to keep buying up our neighborhoods at a large scale. The truth is, they are not afraid of red tape, they are afraid of losing control over a market that they've been quietly dominating one family home at a time. While they may dismiss our concerns as a narrative, the reality is this: Nevadans watching rent spikes and being shut out of home ownership aren't living a narrative. They're living the consequences of corporate greed.

Most importantly, thank you to Senator Neal for championing this critical bill, and thank you to Senator Hansen for standing up for Nevadans even when it means going against the grain. I submitted our letter of support (Exhibit O).

DORA MARTINEZ (Nevada Disability Action Coalition):
I sincerely hope that you support this bill, and I ditto the people who called before me.

ANGELINA SALDANA:
I'm calling in support of S.B. 391 because it will help even the playing field with corporate landlords and Nevada families. The last three homes my parents sold in Las Vegas were sold to companies, not families. The last home I rented initially belonged to a small-time landlord, and during my tenancy, it was sold to a corporate landlord who then attempted to evict me despite a year left on my rental contract. When that attempt failed, they then tried to sign me into a new lease that would raise my rent 30 percent. A lot of these businesses are really artificially raising the cost of housing in our State.

I think it is so important that this bill is in the Legislature right now. The rate that homes are moving from family ownership to company ownership is very destabilizing. Renters aren't able to buy because rent is too high and homes are too expensive. Homeowners are not able to sell and buy nicer homes because homes are more expensive. Please support this bill.

CHAIR SCHEIBLE:
The committee received a letter of support (Exhibit P). We will move now to opposition testimony on S.B. 391.

CHRIS ANDERSON (Tricon Residential):
My client does not meaningfully compete with individuals or families for real estate in Nevada. They actually lose out on nine of every ten properties they bid on because they place a high importance in improving properties and renting them at below-market rates. We're at a very unique time right now where it is cheaper to rent than to buy in almost every housing market in the United States. Many families are locked out of neighborhoods close to their jobs and good schools due to high prices.

In this context, we need to look out not only for people seeking to be homeowners, but also for folks who don't have the means to buy a home now but have the income for a good home. When Tricon buys homes, invests in them and positions them for rent, the result is a new housing supply in well-resourced neighborhoods. Research shows that neighborhoods are the number one factor in a family's socioeconomic future—good schools, parks and services impact whether a child attends college, builds savings and owns a home in the future. By helping families access better neighborhoods in collaboration with Harvard's Opportunity Insights lab, Tricon is helping build brighter futures.

Contrary to the popular narrative, single-family home investors have no demonstrated impact on for-sale supply or housing costs, as illustrated by the University of Southern California and Federal Reserve research (Exhibit Q) that is in the record on this bill. And that actually makes sense to anyone familiar with Nevada's recent economic cycles. During the financial crisis, there was strong demand for investment into the State, yet we didn't see rents or home prices elevate significantly until pandemic market forces took hold around 2020.

In closing, this bill not only would discourage crucial investment in Nevada, it would also not result in lower prices and would actually make it more difficult for Nevadans to find attractive homes in neighborhoods that will positively impact them for generations to come.

MACKENZIE WARREN KAY (Latin Chamber of Commerce, Nevada):
At the risk of muddling the legislative record, but also acknowledging that cell service and Wi-Fi in the room are difficult, we've had some conversations with Senator Neal, and we understand there will be a forthcoming amendment. We want to continue working with her on that, but under the committee rules, I will remain in opposition. This is a nuanced conversation. Corporate homeownership

is complex. I think the conversation that you all have had on the dais is reflective of that.

The Latin Chamber is here in opposition to S.B. 391 because the Chamber feels this puts government in a place where it likely does not belong. We are not in favor of corporations scooping up entire neighborhoods. We agree with Senator Neal that buying a house should be attainable in Nevada. This is part of the American dream. We want to protect that right for everyday Nevadans and families to be able to buy and sell real estate and transact. It may involve an LLC for example, perhaps for liability purposes, not because they are a corporate investor.

When government starts putting a cap on real estate transactions as S.B. 391 proposes to do—picking winners and losers—we are interfering with the free market principles and opening the door to further restricting real estate. The fear here is that S.B. 391 will stifle economic growth, potentially leading to fewer shovels in the ground, fewer jobs and fewer choices, all without reducing rents.

The database portion of S.B. 391 in section 2 places more administrative burdens on those mom-and-pop landlords and risks sending a chilling effect into the housing market that we know is already struggling. This halts investment, reduces inventory, and we know this leads to higher rents and home prices. Bottom line, S.B. 391 brings uncertainty, and we know that uncertainty is the enemy of investment. Nevada's housing market needs more development and incentives, not less. We will continue to work with Senator Neal on this bill.

JEFF ROGAN (Clark County):
On behalf of Clark County, I just want to offer some comments. I want to be clear that the County really takes no position on the policy itself. We do not have an opinion on it. What we're mostly concerned about is the representation and the work of our recorders who would be responsible for enforcing it. To that extent, I have a few comments that we'd like for you to take into consideration about the actual process of the bill.

One of the things is that the bill does not require corporations that are purchasing less than ten homes or ten properties to register and obtain a certificate. Unfortunately, when it comes to our recorders, we won't know that. So we will not know whether this corporation or this business is simply not complying with the requirement to obtain a certificate or if they are exempt, so

that is kind of a problem for them. They will not know whether they'll need to record or not record.

The same is true about intercorporate transfers in section 2. We won't know whether this is exempt because it is an intercorporate transfer or not at the window in the recorder's office. We also believe that the certificates would also need to be recorded so we can keep track of who is purchasing those homes and run appropriate reports. Right now, it's just show the certificate. We need to be able to demonstrate that we're complying with any regulations in the law.

Next, with regard to the amendment, the concern we have is that the amendment now directs each of 17 counties with creating a deed form as well as 17 different regulations. We believe that it should be one form of deed and one system of regulations rather than 17. If you look at NRS 111, you'll see that statutes provide for forms of deeds throughout the entire chapter, like a form for a deed upon death.

Lastly, in reading the proposed bill, I do not believe that the county recorders will be responsible for denying recordation if the corporation or business has exceeded their share of 100 homes. If that is the intent, I do not see it. But if it is, we would have difficulty enforcing that as well, simply because people and corporations purchase homes throughout the State, and our county recorders are only recording in their county. So we will not know what Washoe or Douglas County has recorded for that same corporation.

These are our specific issues with the bill, and we are happy to work with Senator Neal, either in this House or the next House, to resolve these very specific issues.

CADENCE MATIJEVICH (Washoe County):
In the interest of time, I will concur with the comments from Clark County and really emphasize that piece of the concerns about the recorders recording their own county. How will they know what exists on a record in another county? And what about the potential increased workloads if—in order to record documents—they now have to go and search the records of the other 16 counties to ensure they are not potentially recording a deed that is in violation of this bill?

Again, Washoe County does not have a policy position on what Senator Neal is trying to achieve here. We look forward to working with her. I do believe that the recorders had initially reached out to her, and the amendment that was brought forth today does raise those concerns even more, so we'll continue to work with her.

AZIM JESSA (Nevada Realtors):
Nevada Realtors respectfully oppose S.B. 391. While we recognize and appreciate the intent behind this bill to address concerns regarding corporate ownership of residential real estate, we believe it may have significant unintended consequences that could negatively impact Nevada's housing market, property rights and the overall economy.

Senate Bill 391 restricts certain entities from acquiring more than 100 residential units per year. While the bill seeks to address corporate consolidation of housing, it may inadvertently disrupt market dynamics, particularly in new developments and large-scale housing projects that rely on corporate investment. These projects are often funded by corporations, LLCs and affiliated entities that play a critical role in expanding or improving Nevada's housing supply. For example, flippers buy rundown homes for cash or at foreclosure auctions. These homes can't be purchased using traditional financing, so by purchasing these homes, rehabilitating them and then selling them on the open market, that puts the homes back in the hands of a Nevada homeowner.

Some of these Nevada businesses purchase more than 100 homes a year and employ hundreds of people. They'd cease to exist. Instead, the homes would be sold in bulk by banks to corporate entities, often without paying real property transfer tax. And let me just add on a side note—the Nevada Realtors is working with our federal delegation to address this issue to ensure that any foreclosures that are government-backed by Fannie or Freddie, those homes work their way back into the hands of Nevada homeowners and not into corporate ownership.

This is the type of thing that this bill is trying to do—prevent homes from being sold by banks into corporate ownership. Limiting a corporation's ability to invest could slow down development, exasperate housing shortages and make it more difficult to meet the State's growing housing demands. We truly appreciate the concerns that have led to this proposal, but we urge the committee to carefully consider the broader implications. Rather than imposing restrictive limits that

could hinder the necessary supply that Nevada needs, we believe there are alternative solutions that can balance transparency, responsible corporate investment and housing affordability without the unintended disruptions in the real estate market. For these reasons, Nevada Realtors respectfully opposes S.B. 391.

SHAWNYNE GARREN (Douglas County Recorder):
I am calling to echo the sentiments of concern that have been set forth by Clark County and Washoe County from a recorder position. One of the things that I would like to expand upon is just to make clear what the role and responsibility truly is up to the recorder. Because we are unable to practice law, we don't audit or regulate the content of documents that are submitted for recording. There's a very limited set of standards as to what needs to be included in a document and gets recorded. It is our job to record and provide that public notice and make them available for public inspection.

Given the recent last-minute amendment that we found out about, we do anticipate that we will be able to continue the conversation with Senator Neal, and we appreciate the conversations that we have had with her to date on other bills as well. We just have some very real concerns about the level of responsibility and the ability to carry out what appears to be expected every quarter.

ERIN HOUSTON (Office of the Secretary of State):
We are testifying in the neutral position on S.B. 391, and we stand ready to support the legislation if passed.

JOHN SANDE (Nevada State Apartment Association):
I really appreciate this process that allows people to get together and figure out meanings behind bills. I am here in the neutral position.

Just to clarify, the term residential real property seemingly could incorporate multifamily properties. From the conversation today, I don't think that is the intent of the bill, and I think there are good reasons for that. There are numerous properties that have well over 100 units within them, and this bill would effectively make it impossible to sell those to a single buyer. They'd have to separate between multiple companies or corporations in order to comply with the law.

Second, I think back to my younger days when my parents actually bought a 12-unit apartment complex on Holcomb Lane. They didn't last long as landlords because it was definitely not for them, but I don't think that this bill is trying to target and require small owners of smaller complexes to have to go and register. My dad is a very competent lawyer, and I am sure he would have known his requirements with that complex he bought, but I don't know that everybody who purchases something that is just over ten units would know to go and register as this bill would require. Because we don't believe it's the intent of the bill, we are here in neutral but just wanted to clarify that for the record.

CHAIR SCHEIBLE:
Seeing no one else wanting to testify on S.B. 391, I am submitting five opposition letters (Exhibit R). We will close the hearing on S.B. 391. I will now open the work session on S.B. 391.

> SENATOR HANSEN MOVED TO AMEND AND DO PASS AS AMENDED S.B. 391 WITH THE CONCEPTUAL AMENDMENT EXHIBIT K, ADDING THAT THIS BILL WILL EXCLUDE MULTIFAMILY HOUSING UNITS AND MANUFACTURED HOMES.
>
> SENATOR FLORES SECONDED THE MOTION.

SENATOR ELLISON:
As we speak, the Governor is working on large projects for housing throughout the whole State. The chamber of commerce is working on a large housing development to extend from public lands to expand the city. I also believe that this State was built by private enterprise. By putting restrictions on the people that are in the State right now—I think is going to hurt the State of Nevada the way it is right now. It won't expand the way it is because it'll put so many restrictions on it.

Even though I like the idea of being able to try to keep foreign investors out over keeping the locals and the people out, and that means stores, gas stations, small markets—everything—somebody's got to invest this money to make these projects work. So I am going to be a no.

THE MOTION CARRIED. (SENATORS ELLISON AND KRASNER VOTED NO.)

* * * * *

CHAIR SCHEIBLE:
We're going to continue with work sessions. We'll continue to table S.B. 7, and I will open the work session on S.B. 141. This amendment is also updated from the version that was previously provided to the committee and previously provided on NELIS, and I will open it up for any questions on the revised amendment. Not seeing any questions, I would accept a motion to amend and do pass.

SENATOR LANGE MOVED TO AMEND AND DO PASS AS AMENDED S.B. 141.

SENATOR NGUYEN SECONDED THE MOTION.

SENATOR HANSEN:
I just want to reiterate my earlier concerns. I still have my same objections that I already put on the record.

THE MOTION CARRIED. (SENATORS ELLISON, HANSEN AND KRASNER VOTED NO.)

* * * * *

CHAIR SCHEIBLE:
I will open a work session on S.B. 404.

SENATE BILL 404: Revises provisions relating to estates. (BDR 12-901)

MR. MCDONALD:
Senate Bill 404 revises provisions related to estates. It was sponsored by this committee and heard April 7. The bill provides that a person may be legally qualified to serve as an administrator upon a finding of good cause based on certain evidence. We have two amendments proposed for this bill.

The first was submitted by Senator Scheible. It proposes to delete from section 1, subsection 1, paragraph (j) the required report from an heir as defined

in NRS 139.135 and amend section 2 of the bill to prevent specific parties from gaining independent administration in probate cases.

We also have the conceptual amendment submitted by the Legislative Committee of the Probate and Trust Section of the State Bar of Nevada that was presented in the hearing. It was a 50-page amendment, so we provided the summary that they provided, and you could take a look at that. I have submitted the work session document (Exhibit S).

CHAIR SCHEIBLE:
Not seeing any questions, I would accept a motion to amend and do pass.

> SENATOR OHRENSCHALL MOVED TO AMEND AND DO PASS AS AMENDED S.B. 404.
>
> SENATOR NGUYEN SECONDED THE MOTION.
>
> THE MOTION CARRIED UNANIMOUSLY.

* * * * *

CHAIR SCHEIBLE:
That takes us to the work session on S.B. 450.

SENATE BILL 450: Revises provisions relating to bailiffs and deputy marshals in certain courts. (BDR 1-1019)

MR. MCDONALD:
Senate Bill 450 revises provisions related to bailiffs and deputy marshals in certain courts. It was sponsored by the Senate Committee on Government Affairs and heard on April 7. It provides that bailiffs and deputy marshals in a county with a population of 700,000 or more are local government employees of the county. It also establishes provisions governing the assignment of such bailiffs and deputy marshals for the court in lieu of such persons being appointed by the judge or justice of the peace. It removes the requirement for deputy marshals to comply with any duties prescribed by the judicial office, and it authorizes a bailiff or deputy marshal to provide services of process. Lastly, it removes the requirement for bailiffs and deputy marshals to provide a bond.

We have no amendments on this bill. I submitted the work session document (Exhibit T).

SENATOR FLORES MOVED TO DO PASS S.B. 450.

SENATOR LANGE SECONDED THE MOTION.

SENATOR HANSEN:
I am going to be a mild no on this one. Right now, as I understand it, the deputy marshal serves at the pleasure of the judge and is actually appointed by the judge. We're kind of interfering in a relationship that is a very close one in a court system, and I don't see why we are doing it. I do not see where there's anything broken. I think we should leave this up to the Judicial Branch, and the way they've been doing it for years seems to be perfectly adequate. So I will be a mild no.

SENATOR ELLISON:
I did have a no on this, too, but mine was because I thought that Washoe County did come in opposition to this, did they not? For the sake of time, I will go ahead and vote yes, and I will reserve my right to change my vote.

THE MOTION CARRIED. (SENATORS HANSEN AND KRASNER VOTED NO.)

* * * * *

CHAIR SCHEIBLE:
That brings us to the conclusion of our work session. I will open the hearing on S.B. 432, our last bill for the day.

SENATE BILL 432: Revises provisions relating to privacy. (BDR 11-1020)

VICE CHAIR FLORES:
We will open up the final hearing for today.

SENATOR MELANIE SCHEIBLE (Senatorial District No. 9):
I am happy to be here to introduce Marshal Willick, who will present S.B. 432 via Zoom.

MARSHAL WILLICK:
I've practiced family law in Nevada for over 40 years. I am a certified specialist and the managing editor of the *Nevada Family Law Practice Manual*. For more than 150 years, this body has repeatedly acknowledged that family law is different than other legal disputes and taken measures to protect the personal privacy of parties and children involved in family law cases. Today, those policy decisions have been endangered by a couple of recent judicial decisions, and legislative action is necessary to restore them.

Senate Bill 432 is an update of a bill previously proposed by Senator Ohrenschall given new urgency by the Nevada Supreme Court opinions in *Falconi v. Eighth Judicial District Court,* 140 Nev., Advance Opinion 8 (2024) and *Nester v. Dist. Court* (Gamble), 141 Nev. Adv. Op. 4 (Jan. 30, 2025), which have ruled unconstitutional NRS 125.080 and two related local rules.

The explanation of how we got here and how to address the resulting problems spans a great deal of time, and I'll attempt to summarize and then answer any questions. The statute now known as NRS 125.080 has been on the books since 1865 and was last updated in 2007. The statute permits closed hearings and divorce trials upon the request of any party. Its purpose was to provide a measure of privacy to people dealing at trial with the most intimate and sensitive topics in their lives. It was written in an era when unmarried people did not have custody cases, and some children were still considered illegitimate. So on its face, it only applied to divorce cases.

In 2024, in *Falconi*, the Nevada Supreme Court decided on a four-to-three vote that the statute was unconstitutional because all court hearings are presumptively open, and the statute did not permit the trial court to exercise its discretion to decide whether closure was warranted. The dissent correctly argued that family court was inherently different, coming from an entirely separate legal history starting in the ecclesiastical courts of England, and that this Legislature had recognized the special privacy protections to be given to litigants since 1865.

There was massive confusion in the district courts. One judge in a case called *Nester* said that given *Falconi*, he could not close hearings under any circumstances since the Nevada Supreme Court had struck down the closed hearing rule. The Supreme Court reversed that decision in the *Nester* opinion,

saying that a district court does have the discretion to close hearings by applying its lengthy and somewhat rambling opinion in *Falconi*.

Almost 100 years ago, this body enacted the sealed files rule, NRS 125.110. It has been on the books since 1931 and was slightly updated in 1963. In it, this Legislature struck a balance between public access to divorce files and the privacy rights of divorce litigants and their children by making the complaint, answer and reply, and all court orders, and the final decree open to public inspection while all other papers can be sealed as a matter of right upon the request of either party.

Like the closed hearing statute, it did not consider the possibility that unmarried people would be in family court. The terminology was written before there was such a thing as a video record or broadcasting or the internet. Now, the same people who targeted the closed hearing rule are attacking the sealed file rule, claiming that because it allows an order to be entered at the request of a party, it should be struck down so that no one has any ability to protect their financial, medical or any other records in their divorce cases.

Senate Bill 432 is a means of addressing all those issues. Today, about half of custody cases are between people who were never married. Property cases between unmarried cohabitants constitute a large and growing percentage of the disputes between couples who are splitting up. So section 2 of the bill provides an equal protection of the procedural rules to all family court litigants in all family court cases covered by Title 11 of NRS, including divorces, domestic partnerships, adoptions, guardianships, terminations of parental rights, premarital agreements and other kinds of cases.

Section 3 codifies the *Falconi* holding and gives guidance to the district courts as to how to apply it. It starts with the presumption like the case did that proceedings are open. It then lists factors that a court can and should apply in determining whether to close the hearing, including the best interest of the child, as stressed in *Nester*—whether permitting third parties to observe or record the proceeding would violate a federal or state law including laws prohibiting disclosure of personal identifying information, whether a child or party may suffer harassment, indignity, embarrassment, shame, financial loss, stigmatization, harm to reputation or other emotional harm. This was also specifically mentioned by the Supreme Court in *Nester* as a reason to close hearings.

Finally, to weigh the fundamental privacy right of all persons which various federal and state cases have also announced is a fundamental inherent right of people to decide whether the closure serves a compelling interest as required by the *Falconi* decision, the statute gives guidance to trial courts asking them to determine if the hearing is not closed, would an identified fundamental interest be harmed, and whether there are any practical alternatives to closure as required by the cases.

In section 3, subsections 5, 6 and 7, if the court finds that the proceeding should be closed, it gives the same directions as to who to include and exclude that this Legislature has already determined is appropriate in the current statute. Section 3, subsection 8 provides that the electronic copy of a closed hearing is confidential and not to be distributed or broadcast. Section 3, subsection 9 enforces the rules giving courts a means to enforce their orders, closing hearings and sealing files.

Section 4 of the bill updates and replaces existing NRS 125.110. Subsection 1, paragraph (a) keeps the balance between records open to inspection and what can be kept private from existing law. It is more specific in paragraph (b) as to what records are not open to inspection except by court order for good cause shown, including a party's private medical and financial documents; child custody evaluations; documents that are sealed by the court; and records that are prohibited by federal or state law from being copied or distributed. It then provides that everything else is presumptively open but that the court can seal or redact any part of that everything else, if it finds that ceiling or redaction outweighs the public interest and access.

The statute provides some detail so that personal identifying information that this Legislature or the federal government requires to be kept confidential is defined as a compelling interest. For the first time, the statute specifies the conditions under which material can be unsealed, including stipulation of the parties, the court's own motion for good cause shown or the motion of a party for good cause. The statute provides factors for determining good cause to unseal, including federal or state law requiring confidentiality, and whether a party seeking to unseal a record has demonstrated a legitimate interest to do so for a purpose related to the case.

Echoing some very old caselaw, whether unsealing is being sought to "gratify private spite or promote public scandal," and whether unsealing would subject a

party or a child to harassment, indignity, embarrassment, shame, financial loss, stigmatization, harm to reputation, anxiety, fear or other harm, section 5 provides some teeth to the rest of the bill by providing for penalties for those who willingly violate statutes requiring the confidential information to remain private.

Section 6 formally repeals existing NRS 125.080, which has been declared unconstitutional, and NRS 125.110, which is now under attack.

In conclusion, the right of privacy in parentage, custody and divorce matters has been woven into Nevada law since the founding of the State. It has been reaffirmed in legislative enactments and court decisions repeatedly since then. This bill intends to preserve the public policy determinations made by this body in 1864 and 1931, and many times since then, that the right of privacy is a fundamental right which is a necessary component of the well-established right to personal liberty which the Nevada Constitution guarantees is inalienable.

This bill brings those public policy determinations into the twenty-first century, treating married and unmarried people equally in terms of their rights to privacy and accommodating the newly found presumption of openness by providing for application of appropriate judicial discretion in both the closing of hearings, and the sealing and unsealing of files. It provides structure for the district courts to make those determinations and properly respects the multitude of state and federal laws dealing with what information is open to public dissemination and what information is required to be kept confidential.

Recent cases have made updating those old statutes a necessity. I urge this body to adopt S.B. 432 in the interest of all people whose private lives and sensitive issues require their passage through the family courts. And I will gladly answer any questions as to any aspects of the history or this bill.

SENATOR ELLISON:
I just have one question. Could this be challenged—taken to the Supreme Court and be challenged the way this is written? Or do you think this will be the law of the land?

MR. WILLICK:
Of course, it can be challenged; anything could be challenged. My guess is that the people who want open and free access to every aspect of every person's

personal and private information will indeed challenge it. However, the core of the decision was not that closing hearings or sealing files is bad; they just wanted it to be a matter of judicial discretion. So this bill makes it a matter of judicial discretion. I've found that it is never a really good thing to guess what a court is going to do, but my guess would be, based on the decision as written since this bill enacts what the holding of the opinion was, that it will pass muster by that court.

VICE CHAIR FLORES:
Seeing no one wishing to testify in support of S.B. 432, I'll open it up to opposition testimony.

CODY GAMBLE:
Nobody ever regrets standing up for the truth; they only regret that they did not stand up sooner. On February 17, 2024, I did just that, not out of anger but out of duty. I blew the whistle, I protected identities, including that of the opposing party, and I followed the law. I acted with integrity, not because there's anything good in me, but because of how I was trained as a Nevada Army National Guard soldier and as a father.

Under S.B. 432, I would be a Category C felon for that. My family court case was sealed, not after any findings but upon demand of opposing counsel under the statute—no balancing, no discretion, no process, no room for me to object. Then a false allegation came, and I knew it was coming as soon as the case went dark—predictable as gravity. It was not against me, it was against my sons. It split my family in two. Child Protective Services (CPS) investigated, and they unsubstantiated the claims. There was no finding, but there was also no accountability.

Still, I couldn't get access to the records that I needed to protect the sibling bonds. The file was sealed by default. Later, I was falsely flagged by a technician for having photos on my phone of my daughter's eczema. There was no arrest, there were no charges, just a report; CPS got it and it lingered unproven, unexplained and uncorrected in the record, and it's still there to this day; another unchecked claim behind closed doors.

So I did what my military training teaches—when conventional tools fail, you go unconventional—you adapt, you go outside the wire and you find another way. When I argued this before the Nevada Supreme Court yesterday, Justice

Kristina Pickering asked the question that S.B. 432 cannot answer: how can anyone determine if a court order is fair when they can't see what was argued or the evidence that supported it? And that is the core issue.

This bill doesn't protect families; it weaponizes secrecy, it shields dysfunction and criminalizes accountability. It punishes the very people who refuse to give up when the system breaks down. So, S.B. 432 would make telling the truth when there's no other remedy a felony. And if that is the law, then I am guilty, but I will never be ashamed.

ALEX FALCONI (Nevada Open Government Coalition; The Nevada Press Association; Our Nevada Judge, Inc.):
We submitted detailed written opposition testimony (Exhibit U), which I urge this committee to review because I am going to spend the remainder of our two minutes on other points. I also want to add that our written submission contains a reference to the Legal Aid Coalition's amicus brief, supporting my position in the Supreme Court. But we want to clarify to this committee to not infer that they are joining us in opposition to this bill.

As the law stands today, the judiciary is capable of closing the courts and denying camera access. The best example that I can give you is, conveniently, the case mentioned by the letter filed in support of this bill by a litigant politician whose claims unfairly portrayed a family court and failed to describe the lengths at which the family division goes to ensure that all relevant constitutional factors and privacy factors are considered before allowing access to their courtrooms.

The family court judge did not rule in favor of the father in that case. In fact, she expressly denounced his failures to brief the public access issues. Instead, the judge independently came to the aid of the public, consistent with First Amendment principles. The judge specifically ordered that my cameras were the only ones allowed in the courtroom and that everyone else was prohibited from recording. The judge also closed the court for the portions of the testimony that she deemed appropriate. Efforts to curtail this discretion so early and without enough of a discussion could have very serious consequences, as section 5 is so overly broad that it makes it a Category C felony for speaking publicly on issues that are not even limited to family court. Openness promotes public understanding, confidence and acceptance of judicial processes and results, while secrecy encourages misunderstanding, distrust and

disrespect for the courts. Those are not our words, those are the words of the Supreme Court of Nevada.

MS. SMITH:
I am a policy attorney with the ACLU of Nevada. Senate Bill 432 risks limiting public access to records and hearings in a way that will lessen accountability. The bill allows for broad discretion to close proceedings based on subjective standards like reputational harm or emotional discomfort—terms that without clearer limits could be misused to shield misconduct or unfair outcomes from public scrutiny. This bill needs to be more narrowly tailored to ensure transparency and uphold the public's right to open courts.

VICE CHAIR FLORES:
Seeing no one else wishing to testify in opposition or neutral, I will submit a letter of support (Exhibit V) that we received. I will close the hearing on S.B. 432 and open public comment.

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

CHAIR SCHEIBLE:
Seeing no public comment, thank you everyone; we are adjourned at 4:32 p.m.

RESPECTFULLY SUBMITTED:

Linda Hiller,
Committee Secretary

APPROVED BY:

Senator Melanie Scheible, Chair

DATE:

EXHIBIT SUMMARY				
Bill	**Exhibit Letter**	**Introduced on Minute Report Page No.**	**Witness / Entity**	**Description**
	A	1		Agenda
	B	1		Attendance Roster
S.B. 7	C	3	Jered McDonald	Work Session Document
S.B. 17	D	5	Jered McDonald	Work Session Document
S.B. 26	E	6	Jered McDonald	Work Session Document
S.B. 141	F	9	Jered McDonald	Work Session Document
S.B. 303	G	10	Justin Watkins / Battle Born Injury Lawyers	Proposed Amendment
S.B. 303	H	10	Jered McDonald	Work Session Document
S.B. 371	I	13	Senator John Steinbeck	Conceptual amendment
S.B. 121	J	22	Samantha Barnes / Nevada Association of Community Managers	Proposed Amendment
S.B. 391	K	34	Senator Dina Neal	Conceptual Amendment
S.B. 391	L	42	Mendy Elliott / Nevada Housing Coalition	Letter of Support
S.B. 391	M	49	Nick Christie	Letter of Support
S.B. 391	N	50	Andrew Barbano	Letter of Support
S.B. 391	O	51	Mathilda Guerrero Miller / Native Voters Alliance Nevada	Letter of Support
S.B. 391	P	52	Senator Melanie Scheible	Letter of Support from Taira Birnbaum
S.B. 391	Q	52	Chris Anderson /	USC Federal Reserve Study

			Tricon Residential	on SFR Impact
S.B. 391	R	57	Senator Melanie Scheible	Five Opposition Letters
S.B. 404	S	59	Jered McDonald	Work Session Document
S.B. 450	T	60	Jered McDonald	Work Session Document
S.B. 432	U	66	Alex Falconi / Our Nevada Judges, Inc.	Letter of Opposition
S.B. 432	V	67	Beth Smith	Letter of Support