MINUTES OF THE MEETING OF THE ASSEMBLY COMMITTEE ON LEGISLATIVE OPERATIONS AND ELECTIONS

Eighty-Second Session February 21, 2023

The Committee on Legislative Operations and Elections was called to order by Chair Michelle Gorelow at 4:01 p.m. on Tuesday, February 21, 2023, in Room 3142 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4406 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda [Exhibit A], the Attendance Roster [Exhibit B], and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/App/NELIS/REL/82nd2023.

COMMITTEE MEMBERS PRESENT:

Assemblywoman Michelle Gorelow, Chair Assemblywoman Brittney Miller, Vice Chair Assemblyman Rich DeLong Assemblywoman Jill Dickman Assemblyman Reuben D'Silva Assemblywoman Cecelia González Assemblyman Brian Hibbetts Assemblyman Brian Hibbetts Assemblyman Cameron (C.H.) Miller Assemblywoman Daniele Monroe-Moreno Assemblyman Richard McArthur Assemblywoman Sabra Newby Assemblyman Steve Yeager

<u>COMMITTEE MEMBERS ABSENT</u>:

None

GUEST LEGISLATORS PRESENT:

None



STAFF MEMBERS PRESENT:

Bryan Fernley, Committee Counsel Haley Proehl, Committee Policy Analyst Shuruk Ismail, Committee Manager Kristi Howard, Committee Secretary Garrett Kingen, Committee Assistant

OTHERS PRESENT:

Francisco V. Aguilar, Secretary of State Mark Wlaschin, Deputy for Elections. Office of the Secretary of State Janine Hansen, State Chairman, Independent American Party Lynn Chapman, State Vice President, Nevada Families for Freedom Kim Wallin, Chair, Commission on Ethics Ross E. Armstrong, Executive Director, Commission on Ethics Nick Schneider, Government Affairs Analyst, Vegas Chamber

Chair Gorelow:

[Roll was taken. Committee rules and protocol were explained.] I will open with the hearing on <u>Assembly Bill 64</u>.

Assembly Bill 64: Makes changes to civil penalties for certain violations relating to campaign finance reports. (BDR 24-410)

Francisco V. Aguilar, Secretary of State:

I am joined today by my Deputy for Elections, Mark Wlaschin, to present <u>Assembly Bill 64</u>. This bill proposes to amend the fee schedule specifically relating to certain contribution and expense reports contained within *Nevada Revised Statutes* (NRS) Chapter 294A. At its core, this bill is intended to provide relief to candidates for local office who wanted to serve their community and wanted to see their name on the ballot but may not have realized they could become liable for thousands of dollars in fines. I know we all recognize the importance of transparency and understand how critical these campaign finance reports are to the public and press. This bill does not suggest that these reports are not important, but recognizes that many individuals who want to get involved at the local level may view one or more potential \$10,000 fines as a deterrent. It does have a chilling effect. I will now turn the presentation over to Deputy Wlaschin to discuss the details and reasons for this bill.

Mark Wlaschin, Deputy for Elections, Office of the Secretary of State:

Candidates for office are required to file financial reports. These required reports include contribution and expense (C&E) reports that must be filed during an election year on a quarterly basis, typically April 15, July 15, October 15, and on January 15 of the year immediately following the election. When a candidate fails to file a C&E on time, the fee schedule pursuant to NRS 294A.420, subsection 3, requires a fine that accumulates each day. The fine is \$25 for each of the first seven days. It then becomes a \$50 fine each day from the

eighth to the fifteenth days and becomes a \$100 daily fine starting on the sixteenth day. The maximum fee is met on the 110th day. At this point, that candidate owes \$10,000. Each of the four C&E reports is considered independently. If a candidate fails to file all four C&E reports, we are statutorily required to levy a total of \$40,000 in fines.

Existing law allows that a civil penalty imposed against the public officer who by law is not entitled to receive compensation for his or her office or a candidate for such an office must not exceed a total of \$100, but only if the public officer or candidate received no contributions and made no expenditures during the relevant reporting periods. In other words, if the public officer is a volunteer or the candidate is running for a public office that is a volunteer position and they do not receive or expend any funds during that period, then their maximum fee for each late report cannot exceed \$100. Those reports which reflect zero-dollars contributed and zero-dollars expended are referred to as zero-dollar reports. These are mostly filed by public officers and candidates running a grassroots or word-ofmouth campaign in county or city races where they do not plan to expend or receive any funds.

<u>Assembly Bill 64</u> proposes to expand the universe of public officers and candidates who would be eligible for a maximum fine of \$100, from just volunteer positions who submit zero-dollar reports, to include anyone who files a zero-dollar report. This would ensure that a fine was levied reflecting the importance of the reports and the importance of transparency, but without deterring individuals from entering public service.

As an example, in the 2022 election cycle, there were 1,231 candidates who filed for office. Those candidates each had to file four C&E reports, totaling a little under 5,000 total reports. Just under 10 percent of the reports were filed late, a total of 432. Of those, 70 percent, or 303, were filed by candidates filing zero-dollar reports. These candidates had an average assessed fine of \$1,845. Seven candidates received \$10,000 fines, although they had raised no money and spent no money. One of them received two \$10,000 fines. Again, this would not apply to anyone who received any contribution or made any expenditure during the reporting period. For context, I could not find a single member of our state Legislature or any constitutional officer who has filed a zero-dollar report late.

Finally, this is but one of our efforts to enhance the campaign finance process. We have already instituted an automated email reminder, which led to a significant increase in compliance. We have additional plans in the works to further enhance transparency. If the system works better for you, it might make things easier on us. We remain available for questions.

Chair Gorelow:

Are there any questions from Committee members?

Assemblyman Yeager:

I have just a couple of questions, and one of them is based on some of the information we just received. We heard that there were sometimes substantial fines against people who ultimately filed zero-dollar reports, but I noted in the statute that there is the ability for the Secretary of State to waive fines. I guess I am being generous, but I wondered if you could shed some light on whether, in those circumstances, we could assume that those people did not know they had to file. Are those fines usually waived or do they end up getting paid? I am asking about those examples where large fines were levied against candidates who filed zero-dollar reports but missed their deadline.

Mark Wlaschin:

Thank you for the question, Speaker Yeager. Regarding the waiver process specifically, we have standardized and enhanced what the waiver process looks like. Both in statute and in regulation, there are very strict requirements to meet the waiver. We have a group of individuals who meet on a weekly basis to assess and discuss waiver requests. This group includes a member from the Office of the Attorney General, to ensure this is not an independent discussion. We want to make sure that there is consistency and have even developed a matrix lined up with the statute regulation to make sure the fines are levied appropriately.

When we looked at the maximum fine and the history of the legislative intent of those statutes that relate to campaign finance, though, there was really no indication that the maximum fine of \$10,000 was created with an intent, so the Office of the Secretary of State could eliminate that completely in any situation. Therefore, that ultimately results in the reason for this bill. I will say the waiver process is used, and we take that very seriously so that we do not deter folks from running for office while at the same time not negating the effect of the statutes.

Assemblyman Yeager:

Ultimately, we all want the person to file, and that is when we assume the financial transparency starts. I understand the philosophy behind the bill, and I think it essentially sets up a system that makes sense. What do we do in the situation where someone is just not filing? How does your office become aware of this? In such a case, I would assume that fines accrue because the quarterly reporting dates are easy to track. I know that you must base fines accrued on what is in statute, but what is your remedy if someone ultimately just does not file? How do you ensure that this person is a zero-dollar reporter versus somebody else who raised money?

Mark Wlaschin:

If an individual does not file, again, we ultimately identify that as quickly as possible and attempt to remediate that, typically through contacting them. Oftentimes we use whatever contact information they have provided in the Aurora campaign finance disclosure system, which sometimes is their campaign account, and oftentimes was not being monitored. We do try to contact them. We have a small staff, so tracking down 1,231 individuals or those that do not file every 90 days can be challenging, but we do try to get in touch with individuals to

identify first and foremost that they are aware that they need to be filing. When somebody does find out that they missed a deadline, the first step is always compliance. They must file a report first; then we discuss the waiver process and begin to build an understanding of their situation.

Chair Gorelow:

Are there any other questions from Committee members?

Assemblywoman Dickman:

I think we have all probably looked at other people's C&E reports. When they do not file, do you really assess those huge fines? If so, are they collected?

Secretary Aguilar:

We are trying to find a balance between those individuals who are sophisticated candidates, and those candidates who might need this assistance. Sophisticated candidates are those who can run a real campaign and have an organized team who possesses the knowledge to file these reports. With <u>A.B. 64</u> our goal is trying to address individuals who do not necessarily understand the system or its intent. These candidates do not have intent not to file but lack awareness and sophistication in the political game. Our goal is to make sure we are as inclusive as possible and find a balance between those who are trying to engage in the process and the system and those who are taking advantage of the system. Yes, there are fines assessed. Sometimes they are imposed and sometimes we continue to try to find that balance.

Assemblywoman Dickman:

Are the fines hard to collect?

Mark Wlaschin:

They can be. We do set up payment schedules, which have gone as low as \$20 a month. Again, we attempt to recognize everyone's unique situation across the state, but yes, we do collect fines.

Chair Gorelow:

Are there any other questions?

Assemblywoman Monroe-Moreno:

Secretary of State Aguilar, thank you for your kind remarks regarding sophisticated candidates. I have a comment, not a question. When you file to run for office, you also must sign an affidavit. Shame on the person who does not read it and did not know what they were getting into. I do not feel sorry for the person who does not file their documentation and whatever fines that they received, because they signed on the dotted line. These people are running for office to represent the citizens of this state. We hope that everyone who decides to run for office is honorable, honest, and ethical. I do not mind the fines getting assessed to them. I feel it should be fair, but I do appreciate your comment that maybe there

is a lack of knowledge. I just feel that people should be held accountable for reading what they sign.

Chair Gorelow:

You mentioned that you do notify candidates, and I know I have received those emails reminding me to submit. If someone does not submit, how do you contact them? Is it only via email? Do you see someone who has been missing the reporting period for a while and decide to give them a call? I know you are short-staffed, so I was hoping you could walk me through the process used when people are not filing their reports.

Mark Wlaschin:

The way we notify individuals varies based on the information candidates put into Aurora. If candidates leave only an address, then that is the only way we can reach out to them. Most candidates leave an email address with a phone number we can use as a follow-up contact. Our goal when it comes to compliance is to be uniform. We want to contact everyone in the alphabet who is out of compliance.

Typically, our contact is through email. There are additional notifications that go out to warn candidates of noncompliance as well. Receiving a notice of noncompliance is usually the best way to encourage individuals to reach out to our office. After that, the first step is to get them into compliance. Once that report has been filed, there is usually a level of alarm at the fees, depending on where the individual is at or what their role is in the state. We then explain the fee schedule and point them towards the statutes and regulations that allow for waivers so that they can assess them. If they qualify, or feel that they qualify, we explain that they can provide their explanation to us in writing. At this point, we will put it through the waiver process.

Chair Gorelow:

We will now hear testimony in support of Assembly Bill 64.

Janine Hansen, State Chairman, Independent American Party:

We have had as many as 50 candidates in the past. Many of our candidates, especially those running for local office, have never run before and are unfamiliar with the process. We must hold their hand through many of the things that they need to do. We have taken it upon ourselves to remind people by text or call them on the phone when their reports are due. Many of them, especially in local offices, do not have big campaigns. They do not spend anything or receive any donations. We feel that this change in the law would be very helpful for people who are just starting out and trying to get involved in the process, whatever their party might be. I do believe they need to read everything, but we know that is just the nature of many human beings. They do not always understand or remember all the deadlines. I think it is important that we have some compassion and understanding and provide less work for the Secretary of State's Office. What do we gain by imposing these fines on people who have spent or received no money? Thousands of dollars? What we are assured of is that they will never participate again. We think <u>A.B. 64</u> is very reasonable and compassionate. The Independent American Party goes on the record in support.

Chair Gorelow:

Is there anyone else who would like to come to the table in support? I do not see anyone. Is there anyone to testify in support in Las Vegas? [There was no one.] Do we have any callers in support?

Lynn Chapman, State Vice President, Nevada Families for Freedom:

We are in support of <u>A.B. 64</u>. In the past we have encouraged people to run for office, knowing that they have never run before. Most really do not understand the process. For some it is a scary situation. We should be encouraging candidates and helping them out, not discouraging them from running. Large fines levied against people who miss a reporting deadline when they have raised and spent no money will be a deterrent. For that reason, we are in support of this bill. Let us please continue to help our candidates and keep people running for office.

Chair Gorelow:

Are there any other callers in support? [There were none.] Is there testimony in opposition in Carson City, Las Vegas, or on the phone? [There was none.] Is there testimony in neutral in Carson City, Las Vegas, or on the phone? [There was none.] Secretary of State Aguilar, would you like to make final comments?

Secretary Aguilar:

We are trying to present an issue we are facing within our office. Assessing fines is not a fun task, nor a fun part of the job. While I understand accountability and want to continue to hold candidates accountable, I feel we need to understand and be realistic about what we are trying to accomplish here.

Chair Gorelow:

With that I would like to close the hearing on <u>Assembly Bill 64</u> and open the hearing on <u>Assembly Bill 66</u>. I would like to welcome Ross Armstrong, Executive Director of the Commission on Ethics and Kim Wallin, Chair of the Commission on Ethics.

Assembly Bill 66: Revises provisions relating to ethics in government. (BDR 23-264)

Kim Wallin, Chair, Commission on Ethics:

I will be giving a brief introduction on the overview of the <u>Assembly Bill 66</u> and the jurisdiction of the Commission on Ethics. I am joined in the audience by my Vice Chair, Brian Duffrin, if there are additional questions. The Commission on Ethics (NCOE) has jurisdiction over the Executive Branch, both the state and local governments, boards, and commissions. The Commission on Judicial Discipline has jurisdiction over judges. The NCOE has very limited jurisdiction over the legislators.

When <u>Assembly Bill 496 of the 78th Session</u> was passed in 2015, it removed almost all the jurisdiction of the NCOE over legislators. The only oversight that we have now regarding the legislators is misuse of government property, self-dealing contracts, and honorariums. We also provide advisory opinions to the legislators. We rarely have any complaints against

the legislators. When we do, we do not have jurisdiction over them because of legislative immunity. We had one case last session that was dismissed because of legislative immunity. The last time we had a complaint filed against a legislator prior to 2021 was in 2014. As you can see, the NCOE has very limited jurisdiction over legislators, and we rarely receive any complaints because of the limited jurisdiction.

<u>Assembly Bill 66</u> has four main provisions: to improve the confidentiality protections of the requester, to improve due process for those who have had a complaint filed against them, to clarify our ethical standards, and to provide procedural clarity and streamlined processes which will help the commission to operate more efficiently.

Thank you for your consideration of <u>A.B. 66</u>. I will turn the presentation over to NCOE Executive Director Armstrong,

Ross E. Armstrong, Executive Director, Commission on Ethics:

<u>Assembly Bill 66</u> is more than a housekeeping bill, but it is also far less than a total overhaul of the Nevada Ethics in Government Law. It comes from experiences in the last several years of processing ethics cases of all types. In the interim, the NCOE established a legislative subcommittee that met three times and had public meetings to discuss and adopt these proposals. The proposals we bring to you today are primarily rooted in the language of <u>Assembly Bill 65 of the 81st Session</u>. Language and proposed changes are based on experiences where we have hit issues in the processing of cases and realized that we could do a better job.

I will be referencing the handout titled "Summary of Key Provisions" [Exhibit C]. As I walk you through the major changes in the bill, the first set of changes really seeks to better protect the confidential information not only of people accused of ethics violations, but those who are filing complaints and asking us to look at a particular issue.

Under the section titled "Confidentiality and Due Process Protections" [page 1, <u>Exhibit C</u>], the first issue on the sheet refers to providing an advisory opinion process where individuals can ask for advice to deal with a potential ethical situation. One of the main topics that we get questions about has to do with the cooling-off period between an employee's former and future employer. We have cooling-off provisions that state you cannot seek or accept certain employment with individuals. The question that is often asked is, When do you cross this line? The solution we are prepared to offer is to provide an advisory opinion to a potential employer to ensure that an ethics law has not been violated. We are prepared to thoroughly research and provide the best ethical advice in our advisory opinion. This is noted in section 28, subsection 6.

The next change refers to the current law which asks somebody who is accused of an ethics violation to respond to the complaint. Responses are generally submitted by lay people who are not working in ethics law. These responses normally contain a lot of information and complaints that are not relevant to the actual ethics issue. In addition, a complaint response is information. Section 36 and section 39 create a notice of investigation and notice of

charges process to enhance protections for confidential requesters and to provide clarity to the subject of a complaint on what issues to address in the response and adjudicatory hearing. Our intent is to offer guidelines as to what types of information a response should contain.

Next, when someone files an ethics complaint, they are entitled to confidentiality protections if there is a bona fide threat of physical harm to themselves or their family or they are currently working at the same agency that the subject of the complaint works at. What we seek to do in section 40 is to expand confidentiality protection to someone who has recently departed an agency if they file a complaint against someone at the agency they just left. With this change, they may be less fearful of retaliation. Our solution expands the confidentiality protections for the complaint requester to add former coworkers in certain circumstances

In section 41, we seek to make some changes to ensure protection of certain materials from public disclosure including any information that could disclose the identity of a requester after confidentiality protections are applied. In addition, in <u>A.B. 66</u>, section 41, we want to clarify that information obtained by subpoena in the investigatory file is confidential. We want to ensure safety as well as confidentiality.

Continuing to "Enhances and Clarifies Ethical Standards" [page 2, <u>Exhibit C</u>], the focus is on changes to the actual substantive ethics rules and the standards contained in <u>A.B. 66</u>. I want to start with an example of what a cooling-off period could refer to. There are two things that the cooling-off law does: it prohibits who you can work for, and no matter who you work for, it prohibits what type of activities you can do. For example, if you are a regulating agency, you cannot go to work for the industry that you regulated during the cooling-off period. Currently, that applies to all individuals in that regulating industry.

In section 28, subsection 3, what we seek to do is narrow regulatory industry cooling-off provisions to apply only to management-level public officials, or those who have a more robust role in that regulatory process. It narrows cooling-off provisions so as to not capture, for example, a receptionist processing applications or licenses as they come in.

Second, current Ethics Law cooling-off provisions only consider the awarding of a contract for purposes of cooling off and have not kept up with modern contracting activities. As a solution, in section 28, subsection 5, we offer a clarification of vendor cooling-off prohibitions to include government activities of implementing, managing, or administering contracts. Currently, if a vendor has a contract of more than \$25,000 within the last year, you cannot go work for that vendor. That applies to everybody under the Ethics Law, including state and local governments, not just state Executive Branch governments. What we know is that contract processes have changed over time and current law just says, if a contract has been awarded within the last year, that is what triggers the cooling-off provisions. The changes in this particular provision would expand that to include individuals who had process over the management of that contract and the renewal of that contract. It is not just that moment of awarding that single contract. If you were involved in that contract within the last year, it can trigger that cooling-off requirement, which more accurately reflects how we manage contracts these days. It requires that you have a substantial involvement in managing that contract.

Section 25, subsection 7 clears up the matter of public officials claiming informal or unwritten policies as a defense to improperly use public time, equipment, or facilities. We have a limited-use exception, but we have run into issues in cases where someone says as a defense that written policies do not have to be in place or have made up policies on the fly. Our solution is to revise section 25, subsection 7, to state that the policy cited in defense of a complaint inquiry must have been in writing at the time of the conduct in question. That policy must be in writing at the time of the alleged misconduct to use the advantages of the limited use exception.

Some public officers have commitments in a private capacity which are confidential in nature, such as attorney-client, but current law requires disclosure of those confidential relationships. In section 27, subsection 2, our solution is to clarify that disclosure requirements do not require the public officer or employee to disclose information confidential by contract of law so long as the individual abstains from the matter. We had one person make an inquiry who had recently been hired as the defense attorney for someone who was coming before their board. This would allow that attorney to reveal that they had a confidential relationship with someone involved in this matter, so they were not going to participate. With this change, they would still be in compliance with the Ethics Law.

We have an ethics standard about not being able to receive unwarranted benefit from a public position, but there is nothing in our ethical standards that says a public position cannot be used to cause unwarranted harm. The current focus is all about benefits. In some of the cases we have seen, unwarranted harm had been caused, but we had no way to prosecute it. Examples of individuals who use their public position to cause unwarranted harm to others might include a person who oversees the licensing department and with no legal basis denies a license to someone. Maybe the individual oversees an investigatory agency and wants to investigate a person and use their public power to cause unwarranted harm. We currently can do nothing, but it is not good government and not ethical government.

Section 25, subsection 11 allows us to establish the "unwarranted harm" standard, which prohibits a public official from using their position to create unwarranted harm to someone.

Procedural clarity and streamlining [page 3, <u>Exhibit C</u>] allows us to address housekeepingtype provisions in the law. These will allow us to effectively pursue litigation or defend litigation when it comes forward. These include litigation authority delegation, in section 7 and section 20; extension of deadlines for good cause allowed by Chair but limited to once per deadline in section 8; duties of the Chair to the Vice Chair or other designated commissioner when the Chair is unable to act in section 17; express statutory authority to allow a review panel commissioner to oversee a settlement conference in section 18; statute of limitations for advisory opinions set to two years similarly to complaint cases in section 21; and confidentiality waiver for advisory hearings when requester requests a public hearing in section 33. One of the most helpful additions to <u>A.B. 66</u> is to get statutory authority to allow a review panel commissioner to serve as a settlement conference chair in section 18. Currently, once a review panel is completed, under the law the review panel commissioner is conflicted off the main commission hearing. Our position is that by allowing a review panel commissioner to chair a settlement conference, we can more efficiently process cases. In all sorts of legal realms, we have seen where having a settlement conference before gearing up for a full-blown hearing can get the parties together where maybe they could not on their own. The addition to section 18 would address this and allow legislative authorization.

The other important change from this section is that we want to set a statute of limitations for complaints of two years in section 21. We do not currently have a limit on the time frame for someone to ask for an advisory opinion. If you think you might have violated the Ethics Law in 1987, it does not make much sense to come ask us now, but we cannot say no. We would still process that complaint without that change.

Under "reoccurring language clean-up" [page 3, <u>Exhibit C</u>] we would like to change the word "rendered" to "issued" and "submitted" to "presented" for clarity on date calculation. That is really the bulk of our presentation. We have a handful of things that focus on confidentiality and enhancing the process for protecting the confidentiality of people who file complaints. Under the current process it can be murky for those who have been accused of an ethics violation to move forward. I am happy to answer any questions about <u>A.B. 66</u>.

Chair Gorelow:

Committee members, are there any questions?

Assemblyman Yeager:

I was not on this Committee last session, and this obviously is a very involved bill. It may be the longest digest I have ever seen on one of our bills. If you covered this question, I apologize. We had a bill very similar to this bill last session in front of this Committee that was amended and then vetoed. Can you give me a sense of how this version of the bill that is in front of us is different from the original version of the bill that was in front of us last session? I think I heard you say there was some work done in the interim. Could you highlight that for me again?

Ross Armstrong:

In the hearing last year there were some concerns from the Committee, primarily regarding unlimited extensions which were allowed in the bill. There was also a requirement that the Executive Director be an attorney. We have removed the provision that the Executive Director has to be an attorney. In terms of the extensions, we revised section 8 to allow the Chair to do one extension for good cause. Some of the language around that unwarranted harm in section 25, subsection 11 has been added. We were concerned that it focused only on the abuse of power, and we wanted more robust, less murky, language. We already had this unwarranted benefits provision, so it made sense to use that similar analysis for the unwarranted harm provisions we felt needed to be added.

In the last bill there was a process envisioned where folks could call up the Executive Director of the Commission Council and request, in a very informal manner, an advisory opinion. We would still be required to file formal documentation, however. When we looked at it in the interim, given the increase in our caseload compared to historic numbers, we did not think we would have the resources to be able to man an ethics hotline. In brief, these are the biggest changes to last session's bill.

Assemblywoman Newby:

I have a question on section 28, subsection 5, regarding contracts and the inability to get employment from a company that got some sort of a contract. In subsection 5, it does not seem to link any actions by that individual to getting the contract or having anything to do with the contract. It only states that the agency has a contract with this company. I was hoping you could clarify that. That is my first question. My second question is that the amount of \$25,000 is exceptionally low. I think department heads can sign for \$50,000 or \$100,000 contracts just in the daily operations of a large government. Have you thought of adjusting that amount at all?

Ross Armstrong:

In section 28, the key language talks about their involvement and being materially involved and is in subsection 5. Subsection 5 establishes that standard rule. Then there are additional rules that the Executive Director would have to present to show a violation which includes the \$25,000. In subsection (b) is the one-year time period, and subsection (c) talks about the public officer or employee who, while in that position, materially affected or influenced the awarding of the contract or its implementation, management, and administration. They would have to have a material impact on the administration of that contract for that to apply. As to the \$25,000 limit, we have not taken a look at changing that. We have jurisdiction over governments all over Nevada; for some of our governments, \$25,000 is actually a large chunk of their budget, so we have not looked at an adjustment in that value.

Chair Gorelow:

Seeing no other questions, we will now hear testimony in support of <u>A.B. 66</u>. We will start in Carson City.

Nick Schneider, Government Affairs Analyst, Vegas Chamber:

The Vegas Chamber is in support of <u>A.B. 66</u>. The Vegas Chamber has been a longtime advocate for increased government transparency, accountability, and governance reform. We believe that <u>A.B. 66</u> will help strengthen the role of the Commission on Ethics, which in turn increases the trust in our government. Section 25, in particular, provides a greater degree of uniformity in applying prohibitive language to all public officers. Section 34 onwards provides an effective mechanism for the Executive Director to conduct public officer conduct investigations. We urge your support of <u>A.B. 66</u>.

Chair Gorelow:

Would anyone else like to come up to the table in support of <u>A.B. 66</u>? Seeing no one, we will go to Las Vegas. I still see no one there. Are there any callers in support? [There were none.] Is there anyone in Carson City who would like to testify in opposition to <u>A.B. 66</u>? [There was no one.] In Las Vegas? [There was no one.] Are there any callers? [There were none.] Is there anyone in Carson City who would like to testify in neutral? [There was no one.] Are there any callers for neutral? [There was no one.]

Executive Director Armstrong and Chair Wallin, would you like to come up for final remarks?

Ross Armstrong:

I will just say that ethical government is essential for good government, and good government has the potential to do great things for the people of the state of Nevada. We believe these changes will help us enhance ethical government across the state.

Kim Wallin:

I just want to echo those same comments. I think that Nevada does a very good job with their ethics laws and this bill will only improve it and make it better.

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

Chair Gorelow:

With that I will close the hearing on <u>A.B. 66</u>. Next, we will introduce a bill draft request (BDR), BDR R-897.

BDR R-897—Directs the Joint Interim Standing Committee on Growth and Infrastructure to conduct a study of the laws administered by the Nevada Transportation Authority and the Taxicab Authority. (Later introduced as <u>Assembly Concurrent Resolution 3</u>.)

This measure is sponsored by the Sunset Subcommittee of the Legislative Commission and directs the Joint Interim Standing Committee on Growth and Infrastructure to conduct a study of the laws administered by the Nevada Transportation Authority and the Taxicab Authority. Please recall that a vote in favor of introducing a BDR does not imply a commitment to support the measure later. All this action does is allow the BDR to become a bill and enter the legislative hearing process. Again, it does not imply commitment to support final passage. I will entertain a motion to introduce BDR R-897.

ASSEMBLYWOMAN MILLER MOVED FOR COMMITTEE INTRODUCTION OF BILL DRAFT REQUEST R-897.

ASSEMBLYWOMAN GONZÁLEZ SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

Chair Gorelow:

We will now go to public comment. [There was none.] Does anyone from the Committee have further comments? [There were none.] As a reminder, our next meeting will be Thursday, February 23, 2023, at 4 p.m. Again, I wish everyone safe travels, and with that we are adjourned [at 4:48 p.m.].

RESPECTFULLY SUBMITTED:

Kristi Howard Committee Secretary

APPROVED BY:

Assemblywoman Michelle Gorelow, Chair

DATE: _____

EXHIBITS

Exhibit A is the Agenda.

Exhibit B is the Attendance Roster.

<u>Exhibit C</u> is a document titled "<u>Assembly Bill 66</u>: Summary of Key Provisions," presented by Ross E. Armstrong, Executive Director, Commission on Ethics.

<u>Exhibit D</u> is a document titled "Nevada Ethics Law Basics," submitted by Ross E. Armstrong, Executive Director, Commission on Ethics.

<u>Exhibit E</u> is a document titled "Nevada Commission on Ethics Quick Reference Guide," submitted by Ross E. Armstrong, Executive Director, Commission on Ethics.

<u>Exhibit F</u> is a document titled "<u>Assembly Bill 66</u>: Section by Section Analysis," submitted by Ross E. Armstrong, Executive Director, Commission on Ethics.