

**MINUTES OF THE  
SENATE COMMITTEE ON COMMERCE AND LABOR**

**Eighty-second Session  
February 8, 2023**

The Senate Committee on Commerce and Labor was called to order by Chair Pat Spearman at 8:02 a.m. on Wednesday, February 8, 2023, in Room 2134 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412E of the Grant Sawyer State Office Building, 555 East Washington Avenue, 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 Pat Spearman, Chair  
Senator Roberta Lange, Vice Chair  
Senator Melanie Scheible  
Senator Skip Daly  
Senator Julie Pazina  
Senator Carrie A. Buck  
Senator Jeff Stone

**COMMITTEE MEMBERS ABSENT:**

Senator Scott Hammond (Excused)

**STAFF MEMBERS PRESENT:**

Cesar Melgarejo, Policy Analyst  
Bryan Fernley, Counsel  
Veda Wooley, Counsel  
Kelly Clark, Committee Secretary  
Terri Miller, Committee Manager  
Chauntille Roberts, Legislative Assistant  
Lynn Hendricks, Committee Secretary

**OTHERS PRESENT:**

Aaron Ford, Nevada Attorney General  
Heather Procter, Chief Deputy Attorney General, Post-Conviction Division,  
Office of the Attorney General  
Kevin Ingram, Executive Director, Private Investigator's Licensing Board

**CHAIR SPEARMAN:**

I would like to take a moment to go over some basic housekeeping items.

The Senate Committee on Commerce and Labor is scheduled to meet at 8:00 a.m. on Monday, Wednesday and Friday unless otherwise notified. Because we meet just before the Senate Floor Session and I want to respect everyone's time, we will try to start at 8:00 a.m. exactly. If you are going to be late, please let me or our policy analyst know. All these meetings can be viewed through the Nevada State Legislature YouTube channel or through the Legislative Counsel Bureau (LCB) website at <https://www.leg.state.nv.us/>.

There are various methods for members of the public to participate in the committee process. These include appearing in person in Carson City, appearing via video teleconferencing at the Grant Sawyer Building in Las Vegas, testifying via telephone using the instructions in the agenda, submitting written comments to the Committee's email address listed on the agenda or sharing your opinion via the Legislature's opinion poll application on the LCB website.

Anyone wishing to testify should sign in on the Attendance Roster on the table by the door. If you have a business card, please present it to the Committee Secretary.

Any exhibits must be submitted in electronic format no later than 8:00 a.m. the day before the meeting to either the Committee Manager or the Committee Policy Analyst. This is so your exhibit can be uploaded to the Senate Commerce and Labor Committee page on the Legislature's website. If you submit an exhibit 30 minutes before the meeting, as some got into the habit of doing in the last Legislative Session, it is not going to appear online. Committee contact information may be found on the Senate Commerce and Labor Committee page.

When testifying, please remember to turn your microphone on and clearly state your name and the entity you represent at the beginning of your testimony

every time you speak. Speak clearly and please project your voice. There are a number of people who listen to us over the Internet, and when you mumble or speak softly, they cannot hear what you are saying.

To all those who testify, let me remind you that pursuant to *Nevada Revised Statutes* (NRS) 218E.085, it is unlawful for a person to knowingly misrepresent facts when testifying before a legislative committee. A person who knowingly does so is guilty of a misdemeanor. In other words, you cannot come up here and just make stuff up.

Any person proposing an amendment to a bill being heard by the Committee must first talk to the sponsor and inform them that you intend to submit an amendment. I will not entertain any amendments if the bill's sponsor is not aware of the amendment. The proposed amendment must be submitted in writing 24 hours before the meeting. Please include the bill number, a statement of intent and your contact information.

Finally, please turn off all electronic devices or put them on silent mode during meetings.

I want to start with the adoption of our Committee Rules, which are available online ([Exhibit C](#)). With respect to item 18 of [Exhibit C](#), let me add that this is a committee where acrimony will not be allowed. We will not have testifiers disrespecting folks. If you do, we will kindly oblige your request to be removed from the building.

Is there any public comment on the Committee Rules? I hear none.

SENATOR STONE MOVED TO ADOPT THE COMMITTEE RULES AS NOTED IN [EXHIBIT C](#).

SENATOR DALY SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

\* \* \* \* \*

CHAIR SPEARMAN:

We will now review our Committee Brief ([Exhibit D](#)).

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CESAR MELGAREJO (Policy Analyst):

I would note for the record that as nonpartisan staff, I cannot advocate for or against any of the measures that come before the Committee.

[Exhibit D](#) provides background information on the work of the Committee during the Eighty-first Legislative Session and the type of bills that may come before the Committee this Session. Topics generally heard in this committee include banking and financial institutions, insurance, industrial relations, labor, manufactured housing and occupational professional licensing, among other issues.

CHAIR SPEARMAN:

We will now open the hearing on Senate Bill (S.B.) 32.

**[SENATE BILL 32](#)**: Exempts persons engaged exclusively in transporting persons between certain states for certain purposes from provisions governing private investigators and related professions. (BDR 54-420)

AARON FORD (Nevada Attorney General):

Before I speak to the bill, I would like to give you a quick overview of the Office of the Attorney General. My office consists of nearly 350 dedicated and hardworking individuals who are committed to enforcing Nevada law and upholding justice for the protection and benefit of all of our residents. As the State's chief law enforcement officer, the Office represents the people of Nevada. I am the people's lawyer. We represent the people's best interests before State and federal trial and appellate courts in criminal and civil matters. We also serve as legal counsel to State officers, State departments and most State boards and commissions. Additionally, my office works with our local, State and federal law enforcement partners to protect the public.

My job is to ensure justice for all Nevadans. As Attorney General, I have directed all employees in my office to approach the work in that same vein. Hence, our motto is "Our job is justice." To support the office's mission of justice, I have adopted what we call our five Cs: constitutional rights, criminal justice and reform, consumer protection, client service and community engagement. These Cs serve as a moral compass to guide the way my Office can and does serve Nevada.

We are here today to discuss S.B. 32, which relates to the Private Investigator's Licensing Board (PILB) and the extradition process. An extradition occurs when a person located in one state has a criminal proceeding pending against them in another state, such as untried criminal charges, time to serve on an existing criminal sentence or parole or probation violations. Interstate extraditions often occur between neighboring states but can also involve states on the other side of the U.S. Once that extradition is approved, the person must be transported from a state jail where they are being held based on a Nevada arrest warrant or a state prison where they are currently serving time for other crimes. The extradition process is dictated by NRS 179.177 to NRS 179.235.

Transportation is governed nationally by the Interstate Transportation of Dangerous Criminals Act of 2000, also known as Jeanna's Act. To transport the person, the Nevada prosecutor works with the local law enforcement agency. That law enforcement agency generally has two choices for transport: use its own officers or use a prisoner transportation company. Therein lies the problem.

HEATHER PROCTER (Chief Deputy Attorney General, Post-Conviction Division, Office of the Attorney General):

At this time, Nevada is in a crisis because we have no contract with a third-party prisoner transportation company. This is an important issue for law enforcement and prosecutors regarding the safe and efficient transportation of wanted persons between states in a cost-effective manner during an extradition. This issue has hit a crisis level.

As Attorney General Ford stated, a law enforcement agency generally has two choices to transport: use its own officers or use a prisoner transportation company. If the agency uses its own officers, transport requires a minimum of two officers and can take two days to five days or more depending on the current location of the wanted persons and other considerations. Some agencies cannot utilize their own officers, due to either a shortage of staff and the burden of losing two officers for that length of time or to a lack of adequate equipment and vehicles to conduct an interstate extradition.

For these reasons, some agencies instead use a private prisoner transportation company, which is a private third-party company that transports prisoners between states. Some of those companies employ retired law enforcement officers to conduct transports. Because these companies travel between states,

they must comply with a number of federal guidelines. Those guidelines include Jeanna's Act, which sets out minimum standards for background and drug testing for all potential employees. It also sets out required training for transport officers, places restrictions on the number of hours worked by each transport officer, sets a mandatory officer-to-prisoner ratio and specifies the minimum restraints required during a transport, such as shackles or handcuffs. The U.S. Department of Transportation also has statutes and regulations setting forth requirements for the transport vehicles.

Why is the Office of the Attorney General involved in extradition transportation? Nevada is one of only three states in the U.S. that reimburses local law enforcement for the cost associated with extradition transport. Reimbursement does not include officer or employee hours, but it does include actual costs, such as flights, car rentals, meals and fees for using a prisoner transportation company. As a result, the extradition officer in the Office of the Attorney General sets forth travel guidelines, which local law enforcement agencies are expected to follow in requesting reimbursement. Historically, those guidelines suggested that local law enforcement agencies use prisoner transportation companies that had an existing vendor contract with Nevada. This permitted the State to ensure that such vendors retained mandatory licensure hours and provided uniformity and control for the costs associated with an extradition. Notably, the cost of an extradition has increased substantially since the onset of Covid, as most agencies and prisoner transportation companies now primarily use flights to transport inmates rather than ground transport.

The process of extending a State contract is lengthy and detailed. In the past, the State received multiple bids from prisoner transportation companies to perform these services. Most of the companies already had federal licenses and complied with federal regulations. Through the vendor bidding process, the Nevada Department of Administration, Purchasing Division, sets forth specific requirements for vendors to qualify under Nevada law. These requirements addressed the safety and security of transported persons, minimum liability insurance and compliance with applicable State and federal licensing or certification requirements. However, as I mentioned earlier, the State does not have a contract with a prisoner transportation company at this time, and it has not for the past three years, despite interest from several companies to perform such services. This is because few companies are willing to obtain licensure prior to being awarded a State contract, as required by the PILB, which requires

all transportation companies to obtain a special license as a private patrol officer.

The licensure provision of NRS 648.140 addresses licensure of private patrol officers and requires the licensee to do several things: first, maintain a location within the State for records relating to employment, compensation, licensure and registration of employees; second, furnish the PILB with information regarding all registered employees; and third, notify the Board after employees begin their employment. The PILB requires each company to obtain the license before they submit a bid for a State vendor contract. Why do companies not wish to obtain a PILB license? First, they must do so before they even know if they qualify for and have been selected to receive a State contract. Second, the process for obtaining a license is expensive, time-consuming and invasive, especially since the company may only spend a limited time in Nevada and is already required to meet existing federal requirements.

The vendor contract process itself includes many of the protections afforded by such a license. According to our research, neighboring states do not require these state licenses. With no prisoner transportation company contracted with the State, all State, county and city law enforcement agencies have been left scrambling to find alternate means to safely transport wanted persons. This has led to increased costs and strain on existing staff. A State-contracted private transportation company provides a uniform process and, we hope, additional validated choices that all State and local agencies may use.

Thus, a State-based contract leads to increased uniformity and cost control by giving the State increased negotiation power for cheaper rates due to a higher transport volume. Just as important, the State-based contract ensures any outside agency meets the mandatory requirements under the State vendor contract, which increases the safety and security of the transported persons, transporting officers and our communities.

The struggle is not new. For nearly 15 years, the Office of the Attorney General has attempted to work with the PILB to revise their requirements, including the possibility of requiring a license only after the State provisionally approves a company for a contract. Historically, the PILB has not been willing to ease this requirement. As a result, over the past decade, the State entered into a contract with a single vendor that obtained a PILB license. That contract lasted several years. The company had open employment, and while they employed some

retired law enforcement, it was not a requirement. Because that company had a monopoly on extradition transport, they forced the State to renegotiate the contract multiple times, each time increasing the costs and mandatory provisions within the contract, and the State had no choice but to comply.

During this time, we learned that throughout the life of the contract, the company was the source of multiple complaints by prisoners of mistreatment during transportation, as well as other issues. Toward the end of the contract, the company failed to renew their PILB license. As a result, the State refused to renew the contract. Therefore, the State has not had a contract with a prisoner transportation company for the last three years.

Given the constraints on local law enforcement and the concerns for the health and safety of both wanted persons and the communities through which these companies travel, the Office seeks to exempt prisoner transportation companies whose sole purpose is to extradite persons to, from and through Nevada from the PILB licensing requirements. That proposed amendment of NRS is contained in section 1 of S.B. 32.

We do not intend to simply drop the PILB licensing requirements with nothing in their place. The Investigation Division of the Office of the Attorney General can conduct background checks for the qualifying agent and corporate officers of these companies during the contract bidding process consistent with the current PILB process. We also intend to adopt an annual reporting requirement for any company that obtains a contract. This would verify that the company continues to comply with existing federal laws and provisions of the State contract, including minimum insurance, training, manhours and security measures. We also intend to include our local law enforcement partners in developing internal requirements for the State bidding process. In addition, local law enforcement representatives will be included on the State contract vetting and selection committee. This will ensure that our local law enforcement partner agencies will have a stronger voice in vetting and selecting the companies they may use in the future.

In closing, the State and local law enforcement agencies are in crisis mode. We must have a safe, reliable and cost-effective means to extradite wanted persons to Nevada for prosecution and to serve their sentences. However, the system is broken. Local agencies often lack the manpower and/or equipment to conduct a transport themselves. A company that can secure a State contract, one that all



State and local agencies can use, will lock in costs for all parties and ensure that the company meets the necessary requirements. Securing multiple contracts will avoid the adverse monopoly we recently experienced while offering agencies a choice of companies to work with. Such contracts serve to meet our most critical concerns: fiscal security as to the costs of extraditions, ensuring continued compliance with applicable laws and protecting those transported, our law enforcement personnel and our communities.

SENATOR STONE:

I do not know how you have been surviving the past few years without a vendor. It seems like the PILB has been uncooperative in coming up with some type of an abbreviated license that allows background checks to make sure they have the proper insurance. It is unfortunate that we cannot convince them to have a reasonable license fee, because I imagine it is cost prohibitive for companies that are not sure they are going to get a contract. It sounds like the shackles have been put on you rather than on the accused coming into Nevada. I am sure you have been working with the PILB, but it is a shame that there has not been cooperation.

You mentioned there were three states that were different from the other states in this area. Is it the onerous licensing process that has negated your ability to actually have competition so we can keep the cost down for the citizens of Nevada and your Office?

MS. PROCTER:

I would like to note that the PILB has voted to support S.B. 32 in full. The reference to three states was that we are one of three states in the U.S. that reimburse counties for extradition costs. I do not know which other states have state licensure for this function. We only checked the neighboring states, but it has been difficult because that license is difficult to obtain, and we desperately need a prisoner transportation company.

SENATOR STONE:

I look forward to supporting your efforts to safely extradite people into Nevada.

SENATOR DALY:

I do not actually have a question on the language of the bill. I think it is pretty straightforward and appears to be in order.

I am curious about the contract process. I assume you go through State Purchasing and there are requests for proposals. Are you involved in the process of establishing the criteria and the standards for these contracts? Are local law enforcement agencies involved in the process? Will you have multiple vendors or just one?

MS. PROCTER:

I have been involved in the State purchasing process, but it is primarily done by our Nevada Extraditions Coordinator, Trina Gibson. However, we do work very closely with State Purchasing. We are involved with them every step of the way for requesting bids, evaluating those bids and ultimately determining who will be awarded the contract.

In the past, we have not included our local law enforcement agencies in that process. We would like to do so going forward, as this certainly has a direct impact on them.

Our hope is to have more than one vendor. Multiple companies have expressed interest, and we would like to contract with two or three if possible so our law enforcement agencies can choose which vendor to use.

SENATOR SCHEIBLE:

I understand that it is not working to have companies pay for licensure before they get the contract. Would they still be required to get that PILB license after they are awarded the contract, or are we replacing that with the reporting requirements and the State bidding process?

MS. PROCTER:

The intent is to entirely exempt prisoner transportation companies from licensure requirements. We would adopt those additional requirements either through the contract bidding process or through our own Office.

CHAIR SPEARMAN:

If I understand the testimony correctly, one company has had a monopoly in this area, and that company has not complied with existing requirements for treatment of prisoners. You do not have to answer, but I am wondering if there are any consequences for doing something like that. I cannot imagine a company being able to get away with malfeasance like that.

ATTORNEY GENERAL FORD:

We will accept your invitation to not answer that question.

KEVIN INGRAM (Executive Director, Private Investigator's Licensing Board):

We are in support of S.B. 32 and feel the previous testimony is 100 percent accurate. The Office of the Attorney General has been working with me for many years trying to propose amendments to existing regulations, specifically *Nevada Administrative Code 648.570*, to allow companies that want to place a bid for prisoner transport to be exempted from licensure until after they are awarded the contract. There are many companies that want to bid, but they do not want to go through that process and then lose the bid. That is understandable.

I am happy to report that on December 15, 2022, the PILB unanimously voted to support S.B. 32 as written. We hope this is something we can get moving on, and we are happy to offer any support the Office of the Attorney General needs to write those requirements.

SENATOR LANGE MOVED TO DO PASS S.B. 32.

SENATOR STONE SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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CHAIR SPEARMAN:

Is there any public comment? Hearing none, I will adjourn at 8:51 a.m.

RESPECTFULLY SUBMITTED:

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Lynn Hendricks,  
Committee Secretary

APPROVED BY:

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Senator Pat Spearman, Chair

DATE: \_\_\_\_\_

<b>EXHIBIT SUMMARY</b>				
<b>Bill</b>	<b>Exhibit Letter</b>	<b>Introduced on Minute Report Page No.</b>	<b>Witness / Entity</b>	<b>Description</b>
	A	1		Agenda
	B	1		Attendance Roster
	C	3	Cesar Melgarejo	Senate Committee on Commerce and Labor 82nd Session Committee Rules
	D	3	Cesar Melgarejo	Senate Committee on Commerce and Labor Committee Brief