ASSEMBLY JOINT RESOLUTION NO. 8–ASSEMBLYMEMBERS DALIA AND BACKUS

FEBRUARY 19, 2025

Referred to Committee on Judiciary

SUMMARY—Proposes to amend the Nevada Constitution to provide for the establishment of a business court. (BDR C-668)

FISCAL NOTE: Effect on Local Government: No. Effect on the State: No.

EXPLANATION - Matter in *bolded italics* is new; matter between brackets [omitted material] is material to be omitted.

ASSEMBLY JOINT RESOLUTION—Proposing to amend the Nevada Constitution to require the Legislature, to the extent money is available, to provide by law for the establishment of a business court.

Legislative Counsel's Digest:

1 This resolution proposes an amendment to the Nevada Constitution to require 2345678 the Legislature, to the extent money is available, to provide by law for the establishment of a business court which, if established, will have exclusive original jurisdiction to hear disputes involving shareholder rights, mergers and acquisitions, fiduciary duties, receiverships involving business entities and other commercial or business disputes in which equitable or declaratory relief is sought. If the Legislature establishes a business court, the constitutional amendment proposed by this resolution requires the Legislature to: (1) provide by law for the appointment of 9 business court judges by the Governor from among three nominees for each seat 10 chosen by the Commission on Judicial Selection; (2) prescribe by law the powers, duties and responsibilities of any such judges; and (3) fix by law the terms of any 11 such judges. The constitutional amendment proposed by this resolution also 12 13 provides that if the Legislature establishes a business court, the Supreme Court and the court of appeals will have appellate jurisdiction of cases within the original 14 15 jurisdiction of the business court. Finally, the constitutional amendment proposed by this resolution makes various conforming changes to provisions in the Nevada 16 17 Constitution relating to the business court.





RESOLVED BY THE ASSEMBLY AND SENATE OF THE STATE OF 1 2 NEVADA, JOINTLY, That a new section, designated Section 3B, be 3 added to Article 6 of the Nevada Constitution to read as follows:

4 Sec. 3B. 1. The Legislature shall, to the extent 5 money is available, provide by law for the establishment of a 6 business court consisting of three judges or such greater 7 number as the Legislature may provide by law.

8 2. If the Legislature provides by law for the establishment of a business court pursuant to subsection 1, 9 the business court shall have exclusive original jurisdiction 10 to hear disputes involving shareholder rights, mergers and 11 acquisitions, fiduciary duties, receiverships involving 12 13 business entities and other commercial or business disputes 14 in which equitable or declaratory relief is sought.

15 3. If the Legislature provides by law for the establishment of a business court pursuant to subsection 1, 16 17 the Legislature shall:

(a) **Provide for the appointment of:**

19 (1) Business court judges by the Governor in 20 accordance with subsection 4; and 21

(2) A chief judge of the business court by the Chief Justice of the Supreme Court;

duties (b) Prescribe by law the powers. and responsibilities of business court judges in accordance with subsection 5: and

(c) Fix by law the:

(1) Terms of office of business court judges in accordance with subsection 6; and

(2) Term of a chief judge of the business court in accordance with subsection 7.

The judges of the business court must be appointed 4. by the Governor from among three nominees selected for each individual seat by the permanent Commission on Judicial Selection described in subsection 3 of Section 20 of this Article. A nominee selected by the Commission must, as determined in the reasonable discretion of the Commission. have substantial experience as a practitioner or judge in one or more areas of law within the jurisdiction of the business court.

40 5. A business court judge must, for matters with the jurisdiction of the business court, have the same powers and 42 duties and be subject to the same limitations and restrictions 43 that are applicable to a district judge. 44

6. *Except* for the business court judges initially 45 appointed, the term of office of each business court judge



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1 must be 6 years. No person so appointed may serve more 2 than 2 consecutive terms. 3 Except for the initial chief judge of the business 7. 4 court, the chief judge serves a term of 6 years. The chief 5 judge may: 6 (a) Succeed himself or herself. 7 (b) Resign the position of chief judge without resigning 8 from the business court. 9 And be it further 10 RESOLVED, That Section 1 of Article 6 of the Nevada 11 Constitution be amended to read as follows: 12 Section 1. 1. The judicial power of this State is vested 13 in a court system, comprising a Supreme Court, a court of 14 appeals, a business court, if the Legislature establishes such 15 a court pursuant to Section 3B of this Article, district courts 16 and justices of the peace. 17 2. The Legislature may also establish, as part of the 18 system, courts for municipal purposes only in incorporated 19 cities and towns. 20 And be it further 21 RESOLVED. That Section 4 of Article 6 of the Nevada 22 Constitution be amended to read as follows: 23 The Supreme Court and the court of appeals Sec. 4. 1. 24 have appellate jurisdiction in all civil cases arising in district 25 courts [] or business court, if the Legislature establishes 26 such a court pursuant to Section 3B of this Article, and also 27 on questions of law alone in all criminal cases in which the 28 offense charged is within the original jurisdiction of 29 the district courts. The Supreme Court shall fix by rule the 30 jurisdiction of the court of appeals and shall provide for the 31 review, where appropriate, of appeals decided by the court of 32 appeals. The Supreme Court and the court of appeals have 33 power to issue writs of mandamus, certiorari, prohibition, quo warranto and habeas corpus and also all writs necessary or 34 35 proper to the complete exercise of their jurisdiction. Each 36 justice of the Supreme Court and judge of the court of appeals 37 may issue write of habeas corpus to any part of the State, upon petition by, or on behalf of, any person held in actual 38 custody in this State and may make such writs returnable 39 40 before the issuing justice or judge or the court of which the 41 justice or judge is a member, or before any district court in 42 the State or any judge of a district court. 43 2. In case of the disability or disqualification, for any 44 cause, of a justice of the Supreme Court, the Governor may

designate a judge of the court of appeals or a district judge to



sit in the place of the disqualified or disabled justice. The judge designated by the Governor is entitled to receive his actual expense of travel and otherwise while sitting in the Supreme Court.

3. In the case of the disability or disqualification, for any cause, of a judge of the court of appeals, the Governor may designate a district judge to sit in the place of the disabled or disqualified judge. The judge whom the Governor designates is entitled to receive his actual expense of travel and otherwise while sitting in the court of appeals.

11 And be it further

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12 RESOLVED, That Section 7 of Article 6 of the Nevada 13 Constitution be amended to read as follows:

14 Sec. 7. The times of holding the Supreme Court, the court of appeals, the business court, if the Legislature 15 16 establishes such a court pursuant to Section 3B of this 17 *Article*, and the district courts must be as fixed by law. The 18 terms of the Supreme Court must be held at the seat of 19 government unless the Legislature otherwise provides by law, 20 except that the Supreme Court may hear oral argument at other places in the State. The terms of the court of appeals 21 22 and the business court, if the Legislature establishes such a 23 court pursuant to Section 3B of this Article, must be held at 24 the place provided by law. The terms of the district courts 25 must be held at the county seats of their respective counties 26 unless the Legislature otherwise provides by law.

27 And be it further

28 RESOLVED, That Section 8 of Article 6 of the Nevada 29 Constitution be amended to read as follows:

30 Sec. 8. 1. The Legislature shall determine the number 31 of justices of the peace to be elected in each city and 32 township of the State and shall fix by law their qualifications, 33 their terms of office and the limits of their civil and criminal 34 jurisdiction, according to the amount in controversy, the 35 nature of the case, the penalty provided or any combination of 36 these.

2. The provisions of this section affecting the number, qualifications, terms of office and jurisdiction of justices of the peace become effective on the first Monday of January, 1979.

41 3. The Legislature shall also prescribe by law the 42 manner, and determine the cases, in which appeals may be 43 taken from justices and other courts. The Supreme Court, the 44 court of appeals, *the business court, if the Legislature* 45 *establishes such a court pursuant to Section 3B of this*



- Article, the district courts and such other courts as the
- 2 Legislature designates are courts of record.
- 3 And be it further

- 4 RESOLVED, That Section 11 of Article 6 of the Nevada 5 Constitution be amended to read as follows:
- 6 Sec. 11. The justices of the Supreme Court, the judges 7 of the court of appeals, the business court judges, if the 8 Legislature establishes such a court pursuant to Section 3B 9 of this Article, and the district judges are ineligible to any office, other than a judicial office, during the term for which 10 they have been elected or appointed. All elections or 11 12 appointments of any such judges by the people, Legislature or 13 otherwise during said period to any office other than judicial 14 are void.
- 15 And be it further
- 16 RESOLVED, That Section 15 of Article 6 of the Nevada 17 Constitution be amended to read as follows:
- 18 Sec. 15. The justices of the Supreme Court, the judges 19 of the court of appeals, the business court judges, if the 20 Legislature establishes a business court pursuant to Section 21 **3B** of this Article, and the district judges are each entitled to 22 receive for their services a compensation to be fixed by law 23 and paid in the manner provided by law, which must not be 24 increased or diminished during the term for which they have been elected [,] or appointed, unless a vacancy occurs, in 25 26 which case the successor of the former incumbent is entitled 27 to receive only such salary as may be provided by law at the 28 time of his election or appointment. A provision must be 29 made by law for setting apart from each year's revenue a 30 sufficient amount of money to pay such compensation.
- 31 And be it further
- RESOLVED, That Section 20 of Article 6 of the Nevada Constitution be amended to read as follows:
- 34 Sec. 20. 1. When before а vacancy occurs the 35 expiration of any term of office in the Supreme Court, [or] 36 the court of appeals or the business court, if the Legislature 37 establishes such a court pursuant to Section 3B of this 38 Article, or among the district judges, the Governor shall appoint a justice or judge from among three nominees 39 40 selected for such individual vacancy by the Commission on Judicial Selection. 41
- 42 2. [The] Except as otherwise provided in this
 43 subsection, the term of office of any justice or judge so
 44 appointed expires on the first Monday of January following
 45 the next general election. Any business court judge who is





1 appointed to fill a vacancy before the end of a term shall 2 serve the remainder of the unexpired term. 3 Each nomination for the Supreme Court, [or] the 3. 4 court of appeals or the business court, if the Legislature 5 establishes such a court pursuant to Section 3B of this 6 Article, must be made by the permanent Commission, 7 composed of: 8 (a) The Chief Justice or an associate justice designated by 9 him: (b) Three members of the State Bar of Nevada, a public 10 11 corporation created by statute, appointed by its Board of 12 Governors: and 13 (c) Three persons, not members of the legal profession, 14 appointed by the Governor. 15 4. Each nomination for the district court must be made 16 by a temporary commission composed of: 17 (a) The permanent Commission; 18 (b) A member of the State Bar of Nevada resident in the 19 judicial district in which the vacancy occurs, appointed by the 20 Board of Governors of the State Bar of Nevada; and 21 (c) A resident of such judicial district, not a member of 22 the legal profession, appointed by the Governor. 23 5. If at any time the State Bar of Nevada ceases to exist 24 as a public corporation or ceases to include all attorneys 25 admitted to practice before the courts of this State, the Legislature shall provide by law, or if it fails to do so the 26 27 Supreme Court shall provide by rule, for the appointment of 28 attorneys at law to the positions designated in this Section to 29 be occupied by members of the State Bar of Nevada. 30 6. The term of office of each appointive member of the 31 permanent Commission, except the first members, is 4 years. 32 Each appointing authority shall appoint one of the members first appointed for a term of 2 years. If a vacancy occurs, the 33 34 appointing authority shall fill the vacancy for the unexpired 35 term. The additional members of a temporary commission 36 must be appointed when a vacancy occurs, and their terms 37 expire when the nominations for such vacancy have been 38 transmitted to the Governor. 39 An appointing authority shall not appoint to the 7. 40 permanent Commission more than: 41 (a) One resident of any county. 42 (b) Two members of the same political party. 43 No member of the permanent Commission may be a 44 member of the Commission on Judicial Discipline.



8. After the expiration of 30 days from the date on which the Commission on Judicial Selection has delivered to him its list of nominees for any vacancy, if the Governor has not made the appointment required by this Section, he shall make no other appointment to any public office until he has appointed a justice or judge from the list submitted.

7 And be it further

8 RESOLVED, That Section 21 of Article 6 of the Nevada 9 Constitution be amended to read as follows:

10 1. A justice of the Supreme Court, a judge of Sec. 21. the court of appeals, *a business court judge*, *if the* 11 12 Legislature establishes such a court pursuant to Section 3B 13 of this Article, a district judge, a justice of the peace or a 14 municipal judge may, in addition to the provision of Article 7 15 for impeachment, be censured, retired, removed or otherwise 16 disciplined by the Commission on Judicial Discipline. 17 Pursuant to rules governing appeals adopted by the Supreme 18 Court, a justice or judge may appeal from the action of the 19 Commission to the Supreme Court, which may reverse such 20 action or take any alternative action provided in this 21 subsection.

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2. The Commission is composed of:

23 (a) Two justices or judges appointed by the Supreme
24 Court;

(b) Two members of the State Bar of Nevada, a public
corporation created by statute, appointed by its Board of
Governors; and

(c) Three persons, not members of the legal profession,
 appointed by the Governor.

30 \rightarrow The Commission shall elect a Chairman from among its 31 three lay members.

3. If at any time the State Bar of Nevada ceases to exist as a public corporation or ceases to include all attorneys admitted to practice before the courts of this State, the Legislature shall provide by law, or if it fails to do so the Supreme Court shall provide by rule, for the appointment of attorneys at law to the positions designated in this Section to be occupied by members of the State Bar of Nevada.

4. The term of office of each appointive member of the
Commission, except the first members, is 4 years. Each
appointing authority shall appoint one of the members first
appointed for a term of 2 years. If a vacancy occurs, the
appointing authority shall fill the vacancy for the unexpired
term. An appointing authority shall not appoint more than one
resident of any county. The Governor shall not appoint more



1	than two members of the same political party. No member
2	may be a member of a commission on judicial selection.
3	5. The Legislature shall establish:
4	(a) In addition to censure, retirement and removal, the
5	other forms of disciplinary action that the Commission may
6	impose;
7	(b) The grounds for censure and other disciplinary action
8	that the Commission may impose, including, but not limited
9	to, violations of the provisions of the Code of Judicial
10	Conduct;
11	(c) The standards for the investigation of matters relating
12	to the fitness of a justice or judge; and
13	(d) The confidentiality or nonconfidentiality, as
14	appropriate, of proceedings before the Commission, except
15	that, in any event, a decision to censure, retire or remove a
16	justice or judge must be made public.
17	6. The Supreme Court shall adopt a Code of Judicial
18	Conduct.
19	7. The Commission shall adopt rules of procedure for
20	the conduct of its hearings and any other procedural rules it
21	deems necessary to carry out its duties.
22	8. No justice or judge may by virtue of this Section be:
23	(a) Removed except for willful misconduct, willful or
24	persistent failure to perform the duties of his office or
25	habitual intemperance; or
26	(b) Retired except for advanced age which interferes with
27	the proper performance of his judicial duties, or for mental or
28	physical disability which prevents the proper performance of
29	his judicial duties and which is likely to be permanent in
30	nature.
31	9. Any matter relating to the fitness of a justice or judge
32	may be brought to the attention of the Commission by any
33	person or on the motion of the Commission. The Commission
34	shall, after preliminary investigation, dismiss the matter or
35	order a hearing to be held before it. If a hearing is ordered, a
36	statement of the matter must be served upon the justice or
37	judge against whom the proceeding is brought. The
38	Commission in its discretion may suspend a justice or judge
39	from the exercise of his office pending the determination of
40	the proceedings before the Commission. Any justice or judge
41	whose removal is sought is liable to indictment and
42	punishment according to law. A justice or judge retired for
43	disability in accordance with this Section is entitled thereafter
44	to receive such compensation as the Legislature may provide.





1 10. If a proceeding is brought against a justice of the 2 Supreme Court, no justice of the Supreme Court may sit on 3 the Commission for that proceeding. If a proceeding is 4 brought against a judge of the court of appeals, no judge of 5 the court of appeals may sit on the Commission for that 6 proceeding. If a proceeding is brought against a district judge, 7 no district judge from the same judicial district may sit on the 8 Commission for that proceeding. If a proceeding is brought 9 against a justice of the peace, no justice of the peace from the same township may sit on the Commission for that 10 proceeding. If a proceeding is brought against a municipal 11 12 judge, no municipal judge from the same city may sit on the 13 Commission for that proceeding. If an appeal is taken from an 14 action of the Commission to the Supreme Court, any justice 15 who sat on the Commission for that proceeding is disgualified 16 from participating in the consideration or decision of the 17 appeal. When any member of the Commission is disgualified 18 by this subsection, the Supreme Court shall appoint a 19 substitute from among the eligible judges. 20 The Commission may: 11.

(a) Designate for each hearing an attorney or attorneys at law to act as counsel to conduct the proceeding;

23 (b) Summon witnesses to appear and testify under oath and compel the production of books, papers, documents and 24 25 records;

26 (c) Grant immunity from prosecution or punishment when 27 the Commission deems it necessary and proper in order to 28 compel the giving of testimony under oath and the production 29 of books, papers, documents and records; and

30 (d) Exercise such further powers as the Legislature may 31 from time to time confer upon it.

32 And be it further

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33 RESOLVED. That Section 3 of Article 7 of the Nevada Constitution be amended to read as follows: 34

35 Sec. 3. For any reasonable cause to be entered on the 36 journals of each House, which may or may not be sufficient 37 grounds for impeachment, the justices of the Supreme Court, 38 the judges of the court of appeals, the judges of the business 39 court, if the Legislature establishes such a court pursuant to 40 Section 3B of Article 6 of this Constitution, and the judges of 41 the district courts must be removed from office on the vote of 42 two thirds of the members elected to each branch of the 43 Legislature. The justice or judge complained of must be 44 served with a copy of the complaint against him, and have an 45 opportunity of being heard in person or by counsel in his



- defense. No member of either branch of the Legislature is eligible to fill the vacancy occasioned by such removal.
- 3 And be it further

- 4 RESOLVED, That Section 8 of Article 15 of the Nevada 5 Constitution be amended to read as follows:
- Sec. 8. The Legislature shall provide for the speedy 6 7 publication of all statute laws of a general nature and such decisions of the Supreme Court, [and] the court of appeals 8 and the business court, if the Legislature establishes such a 9 10 court pursuant to Section 3B of Article 6 of this 11 *Constitution*, as it may deem expedient. All laws and judicial decisions must be free for publication by any person. No 12 13 judgment of the Supreme Court, for the court of appeals or 14 the business court, if the Legislature establishes such a court pursuant to Section 3B of Article 6 of this 15 *Constitution*, shall take effect and be operative until the 16 17 opinion of the court in such case is filed with the clerk of said 18 court.
- 19 And be it further
- 20 RESOLVED, That this resolution becomes effective upon 21 passage.
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