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The Nevada State Legislature's 80th regular session made history with the first female majority in the nation. This session focused on issues such as healthcare, energy, construction, and employment. Holland & Hart's Nevada legislative team— Ed Garcia and Brittany Walker—was deeply engaged in many of these issues. On behalf of its clients, the team reviewed hundreds of bill drafts; closely monitored all priority legislation throughout the process including amendments; provided support testimony on the record; and represented client interests in private meetings with legislators.

Holland & Hart managed the unamended passage of SB 426 which was critical legislation for our transportation client. SB 426 provides our client with the flexibility it needs to meet the southern Nevada community's transportation needs.

Holland & Hart's team was also engaged to defend client interests against a sweeping overhaul of the utility exit process in Nevada, as well as major changes to renewable energy tax abatements. SB 547 imposes new regulations on both new electric resource providers and eligible customers leaving the utility to purchase energy on the open market. Most significantly, SB 547 revises the process that a Nevada existing or prospective customer must go through to purchase energy elsewhere by changing the application criteria and terms and conditions that must be imposed upon leaving the utility. SB 298 increased accountability and revised the requirements to qualify for Renewable Energy Tax Abatements, most significantly amending the definition of wages to exclude benefits. Holland & Hart was instrumental in exempting its clients from these new stringent provisions.

On behalf of a client engaged in bringing businesses to Nevada, Holland & Hart worked with lawmakers to keep Nevada a business-friendly state by amending and supporting AB 207. AB 207 bolsters Nevada's business advantage by clarifying the fiduciary duties of LLC, updating the laws regarding business record delivery, brokering non-votes, and clarifying Nevada's forum selection laws. Holland & Hart's team was also involved on behalf of clients in the historic revisions to Nevada's K-12 education funding formula and worked on tax incentive legislation that would have benefited economic development in Southern Nevada.

Holland & Hart's attorneys also worked on the passage of SB 388 which provides a narrow exception to the public records law for personally identifiable information collected by a government agency by automated means specifically intended to protect sensitive meta-data information collecting as part of a smart city initiative.

Below is an update on some of the major legislation passed this session.

ENERGY

Legislators introduced SB 358 to implement the renewable energy standard goals approved of by the voters in 2018 with the approval of ballot question six. SB 358 requires Nevada electricity providers to deliver 50 percent of its electricity from renewable resources by 2030 and aims for 100 percent carbon-free resources by 2050. Proponents believe SB 358 encourages and accelerates the development of new renewable energy projects for the economic, health, and environmental benefits provided to the people of Nevada.

Existing law allows renewable energy developers to qualify for sales and property tax abatements if they meet certain requirements such as having 50 percent of its workforce be Nevada residents, paying competitive wages, and providing health benefits. SB 298 imposes new reporting and record retention requirements on these recipients and provides the Governor's Office of Energy with auditing powers. In addition, health benefit amounts used to be included in the minimum wage threshold but are now excluded.

CONSTRUCTION

AB 421 amends the laws governing residential construction defects. Key changes include extending the statute of repose from six to ten years and no longer requiring an expert to be present at an inspection concerning an alleged construction defect. Proponents of this legislation stated that it will protect Nevada's homebuyers and encourage homebuilders to build to a higher standard. Opponents of this legislation stated that it will increase costs to new homebuyers and exacerbate the affordable housing issues facing Nevada.

AB 440 requires contractors who build new, single family residences to provide a disclosure of the purchaser's rights and a one-year warranty from punch list completion that guarantees all home systems, workmanship, materials, plumbing, electrical and mechanical systems, appliances installed by the contractor, fixtures, equipment, and structural components.

SB 397 authorizes a licensed contractor to perform work in other license classifications which he or she does not have a license for when: (1) the value of the work is less than \$1,000 and does not require a permit; and (2) the work is not of a type performed by a plumbing, electrical, refrigeration, or air-conditioning contractor. Essentially, this bill provides a handyman exception for contractors to perform work outside the scope of their license, which will help consumers by allowing a contractor to complete a small project which he or she does not typically perform.

TECHNOLOGY

SB 162 updates the definition of "block chain" to include a public block chain and allows innovative government agencies to utilize blockchain

records rather than having documents certified and notarized.

SB 163 allows corporations registered in Nevada to use a blockchain to maintain all their business records and corporate documentation required by the Secretary of State.

SB 164 declares bitcoin and other digital currency to be “intangible property,” exempting such currency from property taxes, and most likely sales taxes, since Nevada sales and use taxes apply only to sales of “tangible personal property.”

LABOR & EMPLOYMENT

AB 132 makes Nevada the first state to ban most employers from refusing to hire based on pre-employment marijuana tests. Exceptions include firefighters, emergency medical technicians, those who operate motor vehicles, or “that, in the determination of the employer, could adversely affect the safety of others.” This law does not apply if it is inconsistent with an employment contract, collective bargaining agreement, or federal law. Additionally, the bill provides employees with an opportunity to rebut positive results from the first test by submitting an additional screening test at their own expense within thirty days.

Under AB 181, an employer cannot require an employee to be physically present to notify the employer they are sick or injured and cannot work. Employers who violate this bill will be subject to an administrative penalty up to \$5,000.

AB 456 increases the minimum wage over the next five years, starting with \$7.25 beginning July 2019, for those whose employer offers health insurance. The increases then go up to \$8.00 in July 2020, \$8.75 in July 2021, \$9.50 in July 2022, \$10.25 in July 2023, and finally ending with the maximum increase in 2024, to \$11.00 for those whose employers offer health insurance. For those whose employers do not offer health insurance, the wage rate is \$1.00 more per hour.

AB 221 allows adults 18-21 years of age to work for gaming manufacturers and distributors. This bill was supported by the industry and educational institutions because it allows trade school graduates to be hired in the gaming industry's technology sector and allows for more internship and part-time work opportunities.

HEALTHCARE

SB 378 has two primary components. The first creates the Prescription Drug Affordability Board to manage drug prices in Nevada and the second establishes the Silver State Scripts Program, which gives the State the ability to create a group purchasing program for pharmaceuticals. This could include State agencies and local governments.

AB 469 aims to protect persons suffering a true medical emergency from facing unexpected medical bills due to visiting an out-of-network emergency room or receiving services from an out-of-network provider. In

such a case, the patient need only pay their typical deductible or copay.

SB544 creates an 11-person Patient Protection Commission to address the quality, accessibility, and affordability of healthcare. The overall goal of the bill is to ensure compromise from both sides of the political spectrum in terms of determining the healthcare needs of Nevada. The Commission will be comprised of: “two persons who have expertise and experience advocating on behalf of patients”; two providers of healthcare representatives; two hospital representatives; two health insurer representatives; one healthcare policy academic; one prescription drug representative; and one general public representative. Two voting members will be selected by the Governor from a list of persons proposed by the Majority Leader of the Senate, and an additional two voting members will be selected by the Governor from a list of persons proposed by the Speaker of the Assembly. The Commission will report their activities to the legislature twice a year. The Commission is also able to submit three bill draft requests in each legislative session.