

**MINUTES OF THE
SENATE COMMITTEE ON JUDICIARY**

**Eighty-second Session
June 1, 2023**

The Senate Committee on Judiciary was called to order by Chair Melanie Scheible at 2:26 p.m. on Thursday, June 1, 2023, in Room 2135 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 Melanie Scheible, Chair
Senator Dallas Harris, Vice Chair
Senator Rochelle T. Nguyen
Senator Ira Hansen
Senator Jeff Stone

COMMITTEE MEMBERS ABSENT:

Senator James Ohrenschall (Excused)
Senator Marilyn Dondero Loop (Excused)
Senator Lisa Krasner (Excused)

GUEST LEGISLATORS PRESENT:

Assemblyman Philip P.K. O'Neill, Assembly District No. 40

STAFF MEMBERS PRESENT:

Patrick Guinan, Policy Analyst
Karly O'Krent, Counsel
Kelsey DeLozier, Deputy Counsel
Jan Brase, Committee Secretary

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OTHERS PRESENT:

Andrew LePeilbet, United Veterans Legislative Council
Christopher P. Dericco, Chair, State Board of Parole Commissioners
Christine Jones Brady, Assistant Attorney General, Office of the Nevada
Attorney General
Bryan Wachter, Retail Association of Nevada
Sarah Collins, Nevada Petroleum Marketers and Convenience Store Association
Paul Moradkhan, Vegas Chamber
Tray Abney, National Federation of Independent Business
Christopher Ries, Las Vegas Metropolitan Police Department

CHAIR SCHEIBLE:

I will open the hearing on Assembly Bill (A.B.) 260.

ASSEMBLY BILL 260: Exempts veterans service organizations from various fees imposed on persons conducting business in this State. (BDR 7-73)

ASSEMBLYMAN PHILIP P.K. O'NEILL (Assembly District No. 40):

Assembly Bill 260 exempts officers and agents of veterans service organizations from the annual fees imposed by the Office of the Secretary of State. I want to clarify that A.B. 260 only exempts federally recognized veteran service organizations and their officers and agents of these organizations when making their business entity filings related to the veterans service organizations. This bill does not exempt businesses which are owned by veterans from the Business License Fee and any other business entity file filing fees under Title 7 of *Nevada Revised Statutes (NRS)*, and that is in the bill digest.

ANDREW LEPEILBET (United Veterans Legislative Council):

We support A.B. 260. We have many small veterans groups around our State and membership is declining. This is mainly because of 30 years of peacetime military and the reduction in enlistment. Some of our veterans' organizations cannot afford to pay rent for their meeting facilities.

We are in a transition period. More than two-thirds of our Vietnam combat veterans have passed away. Veterans of the Afghanistan and Iraq Wars are raising their families and going to school. It is difficult for some of these groups to stay in existence. This will not change for as many as 20 years. The bill does contain a small fiscal note. We ask for the Committee's support.

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SENATOR HANSEN:

We just celebrated Memorial Day, and I regret we did not talk about it much in the Senate. Mr. LePeilbet, it may make you uncomfortable, but I wonder whether you would share information about the recognitions you received while in military service. You earned combat commendations, and it may be difficult to discuss.

The reason I am asking is that this gentleman sitting in front of us is a war hero in my book. He is also a great hero to the veterans for whom he advocates during many Legislative Sessions. I would love to have you discuss the medals you won in combat.

MR. LEPEILBET:

Can I preface my comments by saying the real heroes are those who did not come home to their families? We celebrated them last weekend. They gave their all and left it on the battlefields. In my war, there were 58,000 of these heroes. In the wars in Iraq and Afghanistan we lost 7,000 heroes. In World War II, 408,000 Americans died. These are the real heroes.

In answer to your question, Senator Hansen, I am uncomfortable discussing my service medals but will share the information. As an infantry officer in Vietnam, I ran an infantry platoon. I hold our Nation's second-highest decoration, the Distinguished Service Cross for extraordinary heroism. I earned the Purple Heart when I was briefly paralyzed from the waist down. I earned the Combat Infantryman Badge. I have two Silver Star Medals, which is our Country's third-highest award. I have a Bronze Star Medal. I have the Air Medal because I was part of an air combat mobile unit. I have the Army Commendation Medal, and I have all the other stuff they give you because you are in the Army.

CHAIR SCHEIBLE:

Thank you very much for sharing with us. Thank you, Senator Hansen for thinking of it and putting our friend on the spot. You are a fantastic advocate for veterans. We appreciate your service to our Country, to our veterans and the State as an advocate in the Legislature.

ASSEMBLYMAN O'NEILL:

I want to make the Committee aware of a fiscal note determining a negative biennial impact of \$9,000. In the scale of our budget, you cannot even call that

budget dust. I want to say something about Mr. LePeilbet. If you will notice, he always sits in the back of the room. Whatever room he is in, he is always sitting in the back. That is an example of a good and humble leader who represents our veterans. I respectfully request the Committee support A.B. 260.

CHAIR SCHEIBLE:

We have received one letter ([Exhibit C](#)) from the Henderson Chamber of Commerce in support of A.B. 260. I will accept a motion to do pass A.B. 260.

SENATOR NGUYEN MOVED TO DO PASS A.B. 260.

SENATOR HANSEN SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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CHAIR SCHEIBLE:

I will close the hearing on A.B. 260 and open the hearing on A.B. 462.

ASSEMBLY BILL 462: Revises provisions governing the State Board of Parole Commissioners. (BDR 16-1073)

CHRISTOPHER P. DERICCO (Chair, State Board of Parole Commissioners):

Assembly Bill 462 amends NRS 213 and provides that the chair of the State Board of Parole Commissioners shall appoint an executive director. Assembly Bill 462 includes the delegation of certain powers and duties to the executive director, the relocation of supervision of the executive secretary from the Board to the executive director and makes conforming changes to indicate the proper placement in NRS 213. Funds for the executive director position were approved when our budget was closed on May 1, 2023, contingent upon the passage of A.B. 462. There are no amendments to this bill.

CHAIR SCHEIBLE:

I will accept a motion to do pass A.B. 462.

SENATOR STONE MOVED TO DO PASS A.B. 462.

SENATOR NGUYEN SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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CHAIR SCHEIBLE:

I will close the hearing on A.B. 462 and open the hearing on A.B. 50.

ASSEMBLY BILL 50 (1st Reprint): Revises provisions relating to the prosecution of certain crimes. (BDR 15-429)

CHRISTINE JONES BRADY (Assistant Attorney General, Office of the Nevada Attorney General):

I am here to discuss organized retail crime. Let us start with the basics. What is organized retail crime? We are not talking about shoplifters who steal items for personal use. Organized retail crime or organized retail theft refers to criminal activity in which perpetrators target retail stores to steal massive amounts of products and resell those items in different venues such as the Internet. *Nevada Revised Statutes* 205.08345 defines organized retail theft as committing, either alone or with any other person or persons, a series of thefts of retail merchandise against one or more merchants, either on the premises of a merchant or through the use of the Internet or network site.

The perpetrators' goal in these crimes is to either return the merchandise to the victim against their knowledge for value, to resell or to barter merchandise for value. Top merchandise items stolen include laundry detergent, designer handbags, allergy medicine and razors.

The National Retail Federation stated in the 2021 Retail Security Survey that retailers report these gangs are more aggressive and violent than in years past. Some 65 percent of respondents noted the increase in violence, while 37 percent of organized retail crime gangs were much more aggressive than in the past. The study also names Las Vegas in the top ten cities affected by organized retail crime. You will be hearing more from retail stakeholders and the law enforcement community about what they are encountering in their day-to-day duties.

It has become obvious more effort is needed to combat organized retail crime and the Office of the Attorney General (OAG) must be part of the conversation on the method for combating these crimes. While the OAG will not be the

boots-on-the-ground force at the outset, we are requesting an appropriation for a senior deputy attorney general for prosecuting organized retail crime. To that end, we have submitted an amendment ([Exhibit D](#)) for your consideration.

Section 1 of A.B. 50 addresses organized retail theft. Section 2 addresses forged or counterfeit merchandise. Section 3 refers to the pattern and practice of deceptive trade and fraud.

BRYAN WACHTER (Retail Association of Nevada):

Organized retail theft instances are much more violent now than in the past. This is both an employee safety bill and a tax revenue retention bill. For example, at two Home Depot stores in North Las Vegas over the last six months, several store associates were stabbed for being in the wrong place at the wrong time. Associates in the self-checkout area ask patrons to produce receipts. When patrons are stealing the items, they sometimes react violently. The response is not to leave the items and walk out, the response is to injure employees.

Organized retail theft directly impacts product safety. Baby formula is one of the most frequently stolen items. Thieves sell the formula on Facebook marketplace and eBay. It is important to note when baby formula is stored incorrectly, it becomes toxic. Anyone hoping to find a good deal by buying stolen baby formula is risking the health of one's infant. This is just one of many examples of product safety concerns related to organized retail theft.

Over the biennium, the State is losing approximately \$120 million to \$150 million in sales tax on products that are leaving the stores and being diverted out of those traditional retail areas.

Assembly Bill 50 is a significant step in the right direction for Nevada to be able to understand and organize an effort to address these multinational and multijurisdictional issues. Empowering the OAG to prosecute and start looking at the issue from a holistic point of view will help us reduce crime in Nevada. This is a gateway crime. Thieves will use young people to steal products. This is certainly a way to steer youth into organized criminal activity.

SENATOR NGUYEN:

I understand why you want the authority. Obviously, this law is already in statute. Is there any particular reason you are not able to take action without

A.B. 50? Investigations and prosecutions of these crimes are typically handled by district attorneys' offices. Are there areas they are not covering that require additional authority for you?

MS. JONES BRADY:

The OAG jurisdiction is specifically enumerated in statute. In answer to your question, district attorneys typically prosecute organized retail theft. However, with the proliferation of social media and Internet sales, the OAG is best positioned to combat the expanding nature of these crimes.

Our office can address Statewide fraud and can follow the money more effectively. We are better equipped and have more resources because we prosecute fraud in other matters across the State. The bill gives us concurrent jurisdiction for law enforcement to be able to bring these cases to us for prosecution and possibly additional investigation.

SENATOR HANSEN:

Can you explain the definition of organized theft? I was horrified to see situations in Chicago where literally hundreds of people pour into stores. Clearly, these were not spontaneous events and involved some level of organization. Would the definition of organized theft in A.B. 50 allow the Attorney General to prosecute in such situations?

MS. JONES BRADY:

Yes. By definition, an organized retail crime could be one person going into a store during a vulnerable period of time, stealing a quantity of goods and reselling them. Under the bill, the OAG would have jurisdiction regardless of the number of individuals involved.

SENATOR HANSEN:

Four Walmart stores closed in Chicago because of the situation. In 2019, we passed a bill raising the value threshold of retail theft before thieves would be prosecuted. I saw an interview of Attorney General Aaron Ford in which he suggested we need to revisit this concept. He talked about a 20 percent spike in retail theft since passage of that law, which amounted to decriminalization to a certain degree. Mr. Wachter, is there any correlation between the decriminalization of low-level theft and the spike you are describing in these various stores?

MR. WACHTER:

I am not aware of the specifics of Attorney General Ford's comments. What I can share with you is the Retail Association of Nevada (RAN) does recognize a significant connection between the legislation and the massive increases we have seen since 2019. We would find that inflationary pressures, the economy and some kind of political virtual signaling over the last two years would have much more of an effect than the increase in the theft threshold. I cannot provide a scientific answer, but anecdotally that is not the driving force bringing us here with A.B. 50.

SENATOR HANSEN:

What percentage change have you seen in the last few years? You mentioned a spike. Can you provide a percentage of increase? I am asking because you represent the business community, large and small businesses.

MR. WACHTER:

We reported \$859 million worth of stolen products over the last biennium in Nevada. In 2019, that number was in the \$700 million range. The effect of the COVID-19 period contributed to changes in what is called "criminal supply chains." It became easier to fence and buy stolen items anonymously through the Internet.

SENATOR HANSEN:

The bottom line is A.B. 50 will help law enforcement efforts to curb the problem. I support the bill.

Ms. JONES BRADY:

With A.B. 50, we are not necessarily talking about one-time thefts of merchandise valued at less than \$1,000. We are looking at an aggregate. For example, the OAG could investigate and charge for multiple thefts of an item costing \$500 over a period of time.

SENATOR STONE:

I would argue there is a nexus between the felony theft threshold and the amount of merchandise that is stolen. In San Francisco, following the change in law, 17 Walgreens stores closed. In Portland, all the Walmart stores closed.

These sophisticated organized crime units go into stores and start by stealing pocket calculators. They work in teams and make certain that each team only

steals items valued under the felony theft threshold. Security guards are prohibited in many cases from preventing them from leaving a store, which is a prudent policy based on the potential for violence. They are getting away with thousands of dollars of merchandise. The police basically issue tickets if the thieves are caught.

Has RAN conducted studies of the effects of the increase in the felony theft threshold and organized retail theft? I will opine and predict an increase in theft in Nevada similar to that seen in California and Oregon.

Allowing for cumulative prosecution is an important tool for the OAG and district attorneys. These crimes threaten businesses across the State, especially essential business such as pharmacies.

MR. WACHTER:

In response to your question, Senator Stone, RAN has not conducted a study of possible connections between the felony theft threshold and organized retail crime.

SENATOR STONE:

California and Nevada are certainly different states. We appreciate that fact. We have worked with law enforcement agencies and district attorneys over the past couple of years on statistics. With OAG expertise, it is possible to curb this rising crime trend.

The aggregate aspect of the crimes is important. We are not discussing theft for need. These are teams of any number of people who enter a store. One person confuses the manager and another tracks the security guards' location. They have shopping lists of the most often resold items. Assembly Bill 50 will help us fight back against these people.

SARAH COLLINS (Nevada Petroleum Marketers and Convenience Store Association):

We experience organized fuel theft and support A.B. 50 as a deterrent to crime.

MR. LEPEILBET:

The United Veterans Legislative Council supports A.B. 50. It is an excellent bill that will help control organized retail crime in the State.

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PAUL MORADKHAN (Vegas Chamber):

We support A.B. 50 because of the safety and cost protections for businesses, employees and consumers.

TRAY ABNEY (National Federation of Independent Business):

We represent 2,000 member businesses, agree with earlier testimony and support A.B. 50. Organized theft can close small businesses. Those with only one location cannot retain customers by referring them to another of their properties.

CHRISTOPHER RIES (Las Vegas Metropolitan Police Department):

We support A.B. 50. We support all efforts to combat organized retail theft in southern Nevada.

CHAIR SCHEIBLE:

I will close the hearing on A.B. 50. I have reviewed the submitted amendment, [Exhibit D](#), but we cannot consider a fiscal amendment in this Committee. I will accept a motion to do pass and send the bill to the Floor. The bill will be referred to the Senate Committee on Finance for consideration of the amendment.

SENATOR HANSEN MOVED TO DO PASS A.B. 50.

SENATOR STONE SECONDED THE MOTION.

SENATOR HANSEN:

For the record, A.B. No. 236 of the 80th Session changed the amount from \$650 to \$1,200 for misdemeanor theft. I continue to question whether there is a correlation between the change and increased retail theft.

THE MOTION PASSED UNANIMOUSLY.

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CHAIR SCHEIBLE:
I will adjourn the meeting at 7:17 p.m.

RESPECTFULLY SUBMITTED:

Jan Brase,
Committee Secretary

APPROVED BY:

Senator Melanie Scheible, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit Letter	Introduced on Minute Report Page No.	Witness / Entity	Description
	A	1		Agenda
	B	1		Attendance Roster
A.B. 260	C	4	Henderson Chamber of Commerce	Letter of Support
A.B. 50	D	6	Office of the Attorney General	Proposed Amendment