

Case No. 74335

In the Supreme Court of Nevada

THE STATE OF NEVADA, DEPARTMENT)
OF BUSINESS AND INDUSTRY,)
FINANCIAL INSTITUTIONS DIVISION,)

Appellant,)

vs.)

TITLEMAX OF NEVADA, INC., and)
TITLEBUCKS d/b/a TITLEMAX, a)
Nevada Corporation,)

Respondent,)

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Elizabeth A. Brown
Clerk of Supreme Court

APPEAL

from the Eighth Judicial District Court, Clark County
The Honorable JOE HARDY, District Judge
District Court Case No. A-16-743134-J

**RESPONDENT'S NRAP 28(f) PAMPHLET
WITH 2017 LEGISLATIVE HISTORY OF AMENDMENTS
TO NRS CHAPTER 604A**

**VOLUME 2, PART 4
PAGES 492-500**

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MOCK-UP

PROPOSED AMENDMENT 4618 TO
ASSEMBLY BILL NO. 163
SECOND REPRINT

(Showing Affected Sections Only)

PREPARED FOR SENATE COMMITTEE ON COMMERCE, LABOR AND ENERGY
MAY 12, 2017

PREPARED BY THE LEGAL DIVISION

**NOTE: THIS DOCUMENT SHOWS PROPOSED AMENDMENTS IN
CONCEPTUAL FORM. THE LANGUAGE AND ITS PLACEMENT IN THE
OFFICIAL AMENDMENT MAY DIFFER.**

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of green bold underlining is language proposed to be added in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill proposed to be retained in this amendment.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Sec. 4. NRS 604A.210 is hereby amended to read as follows:

604A.210 1. The provisions of this chapter do not prohibit a licensee from offering a customer a grace period on the repayment of a loan or an extension of a loan, except that the licensee shall not ~~recharge the~~ customer:

~~1. Any fees for granting such a grace period; or~~

~~2. Any additional fees or additional interest on the outstanding loan during such a grace period.~~

~~1.~~ grant a grace period for the purpose of artificially increasing the amount which a customer would otherwise qualify to borrow.

2. Except ~~for a loan agreement governed by~~ in compliance with the provisions of NRS 604A.408, 604A.445 or subsection 2 of NRS 604A.480 ~~if~~, where they apply, a licensee shall not:

(a) *Condition the granting of the grace period on the customer making any new loan agreement or adding any addendum or term to an existing loan agreement; or*

- 2 -

- 1 (b) Charge the customer interest at a rate in excess of that described
2 in the existing loan agreement. ~~for~~
3 ~~2. Grant a grace period for the purpose of artificially increasing the~~
4 ~~amount which a customer would otherwise qualify to borrow.~~

5 H

Committee Action:**Do Pass** _____**Amend & Do Pass** _____**Other** _____**Senate Commerce, Labor and Energy**

This measure may be considered for action during today's work session.

May 19, 2017

ASSEMBLY BILL 161 (R1)**Revises provisions relating to certain rental agreements. (BDR 10-733)****Sponsored by:** Assemblyman Flores**Date Heard:** May 10, 2017**Fiscal Impact:** Effect on Local Government: No.

Effect on the State: No.

Assembly Bill 161 requires any written rental agreement for a single-family residence to include a disclosure advising the tenant that the lack of notarization of the agreement: (1) creates a rebuttable presumption that the tenant does not have a right to lawful occupancy of the dwelling unit or premises; and (2) does not render the agreement invalid, and the landlord may enforce the agreement without regard to whether it is notarized. The bill specifies a person is presumed to know entry into a home is without permission of the owner, or the owner's agent, unless the person provides a rental agreement that is notarized and includes the current address and telephone number of the owner or authorized representative.

Amendments: Jenny Reese, Nevada Association of REALTORS, proposes the following amendment (attached):

1. Amend the bill to remove the written disclosure requirement on a written rental agreement for a single-family residence that is signed by an authorized agent licensed pursuant to Chapter 645 of *Nevada Revised Statutes*.

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON GOVERNMENT AFFAIRS**

**Seventy-Ninth Session
May 29, 2017**

The Committee on Government Affairs was called to order by Chairman Edgar Flores at 9:15 a.m. on Monday, May 29, 2017, in Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4401 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/79th2017.

COMMITTEE MEMBERS PRESENT:

Assemblyman Edgar Flores, Chairman
Assemblywoman Dina Neal, Vice Chairwoman
Assemblywoman Shannon Bilbray-Axelrod
Assemblyman Chris Brooks
Assemblyman Richard Carrillo
Assemblyman Skip Daly
Assemblyman John Ellison
Assemblywoman Amber Joiner
Assemblyman Al Kramer
Assemblyman Jim Marchant
Assemblyman Richard McArthur
Assemblyman William McCurdy II
Assemblywoman Daniele Monroe-Moreno

COMMITTEE MEMBERS ABSENT:

Assemblywoman Melissa Woodbury (excused)

GUEST LEGISLATORS PRESENT:

Senator Joyce Woodhouse, Senate District No. 5
Assemblywoman Heidi Swank, Assembly District No. 16

Minutes ID: 1298



STAFF MEMBERS PRESENT:

Jered McDonald, Committee Policy Analyst
 Jim Penrose, Committee Counsel
 Isabel Youngs, Committee Secretary
 Cheryl Williams, Committee Assistant

OTHERS PRESENT:

Jon Sasser, representing Legal Aid Center of Southern Nevada; and Washoe Legal Services
 Tennille Pereira, Attorney, Legal Aid Center of Southern Nevada
 George E. Burns, Commissioner, Division of Financial Institutions, Department of Business and Industry
 Justin S. Gardner, Founder and Chief Executive Officer, Innovative Research and Analysis LLC
 Alisa D. Nave-Worth, representing MultiState Associates Inc.
 Keith L. Lee, representing Community Loans of America, Inc.
 William Horne, representing Advance America; and Enova International, Inc.
 John Barnes, representing Veritec Solutions

Chairman Flores:

[Roll was called. Rules and protocol were explained.] We will start the meeting with Senate Bill 137 (1st Reprint).

Senate Bill 137 (1st Reprint): Revises provisions governing certain plans, programs and reports relating to veterans. (BDR 37-64)

Senator Joyce Woodhouse, Senate District No. 5:

I am here to present Senate Bill 137 (1st Reprint) today. Although I am not a veteran, I care a great deal about the health and welfare of our veterans, as I am sure we all do. This bill simply deals with the fact that many veterans do not identify themselves as veterans and thus cannot receive the services they deserve. This measure will remove that impediment.

Senate Bill 137 (1st Reprint) relates to the collection of data from veterans and victims of military sexual trauma. Section 1 requires certain state agencies and regulatory bodies to include certain questions on the forms used to collect data from a veteran that is submitted to the Interagency Council on Veterans Affairs (ICVA), Department of Veterans Services. Current law requires the ICVA to submit an annual report on or before February 15 of each year to the Legislature if it is in session, or to the Legislative Commission if it is not in session. This bill requires the following questions listed in section 1, subsection 16 to be included:

- (a) "Have you ever served on active duty in the Armed Forces of the United States and separated from such service under conditions other than dishonorable?"
- (b) "Have you ever been assigned to duty for a minimum of 6 continuous years in the National Guard or a reserve component of the Armed Forces of the United States and separated from such service under conditions other than dishonorable?"
- (c) "Have you ever served the Commissioned Corps of the United States Public Health Service or the Commissioned Corps of the National Oceanic and Atmospheric Administration of the United States in the capacity of a commissioned officer while on active duty in defense of the United States and separated from such service under conditions other than dishonorable?"

Section 2 amends *Nevada Revised Statutes* Chapter 622 to require regulatory bodies to ask these same questions if it collects information regarding whether an applicant for a license is a veteran and to include that information in its annual report to the ICVA. That is currently required relevant to licenses applied for, issued to, or renewed by veterans.

Section 3 relates to military sexual trauma. The 2015 Legislature enacted Senate Bill 268 of the 78th Session to create the Account to Assist Veterans Who Have Suffered Sexual Trauma in the State General Fund. It also prescribed uses of the money in the account. It required the Director and the Deputy Director of the Department of Veterans Services to develop plans and programs to assist veterans who have suffered sexual trauma while on active duty or during military training. The ICVA was required to include in its report to the 79th Session information provided by the Director concerning these plans and programs.

Section 3 simply removes the sunset of June 30, 2017, that was put in place by the 2015 Legislature on the provisions of S.B. 268 of the 78th Session to continue the requirement to develop plans and programs to assist veterans who have suffered military sexual trauma and to maintain the account while eliminating the requirement to transfer any remaining balance in the account on June 30, 2017.

You will find we have created a two-year window for agencies that this measure will affect. In that time, they can use up any hard copies of forms prior to reprinting and make any digital changes to their various systems. That window reduced the fiscal note. We did not have a large fiscal note on this bill, but the Department of Employment, Training and Rehabilitation was the only one with a problem.

Unfortunately, we have found that many veterans, especially women veterans and those who have served but not in combat, often do not consider themselves a veteran when they see the term on forms and applications. That is the genesis of this measure. In an effort to ensure our veterans receive the resources and the support they need and deserve, this measure will remove that impediment.

Assembly Committee on Government Affairs
May 29, 2017
Page 4

Assemblywoman Neal:

What if the person was dishonorably discharged and experienced military sexual trauma? Will we collect the information about them?

Senator Woodhouse:

It is my understanding that the person has to have met the requirement of not having been dishonorably discharged in order to receive benefits through the various programs the Department of Veterans Services provides.

Assemblywoman Neal:

I was just curious if there would be a situation where a person did experience sexual trauma and the reason they were dishonorably discharged was because maybe they fought back or injured the other person.

Assemblyman Ellison:

The bill does not really break down what "trauma" means. Could the sexual trauma be verbal or psychological? Does it have to be physical abuse?

Senator Woodhouse:

When we passed S.B. 268 of the 78th Session, all kinds of sexual abuse applied to the definition of military sexual trauma, whether it be physical, mental, et cetera.

Chairman Flores:

Are there any other questions from the Committee? [There were none.] Is there anyone wishing to testify in favor of the bill? [There was no one.] Is there anyone wishing to testify in opposition to the bill? [There was no one.] Is there anyone wishing to testify as neutral to the bill? [There was no one.] Is there any public comment? [There was none.] If everyone is comfortable, I will entertain a motion to do pass S.B. 137 (R1).

ASSEMBLYWOMAN BILBRAY-AXELROD MOVED TO DO PASS
SENATE BILL 137 (1ST REPRINT).

ASSEMBLYMAN KRAMER SECONDED THE MOTION.

THE MOTION PASSED. (ASSEMBLYMEN CARRILLO AND
WOODBURY WERE ABSENT FOR THE VOTE.)

Chairman Flores:

I will give the floor statement to Assemblyman Kramer. I will close the hearing on S.B. 137 (R1). We are going to recess to the call of the Chair until the next bill presenter is here.

[The Committee recessed at 9:27 a.m. and reconvened at 9:35 a.m.]

Chairman Flores:

I will open the bill hearing for Assembly Bill 515.

Assembly Bill 515: Revises provisions governing payday lending. (BDR 52-1227)

Assemblywoman Heidi Swank, Assembly District No. 16:

I am presenting Assembly Bill 515 this morning. I will start off by talking generally about payday lending, and then I will talk about the bill. After that, I will send things down to southern Nevada to talk about a few friendly amendments coming for the bill.

Most borrowers, when they go to a payday lender, take out a loan for about \$375, often to cover routine expenses—things like utilities, rent or mortgage, food, et cetera. This also applies to 69 percent of first-time borrowers. This is what they are using these payday loans for. Loans are typically made for a period of two weeks, at which point the lump sum, including principal and fees, is due, generally from the borrower's next paycheck. Borrowers can also re-up the loan by paying the initial fees again, usually around \$75 [page 2, ([Exhibit C](#))]. With annual interest rates over 500 percent and fees around 20 percent, these loans typically account for one-quarter of a borrower's take-home pay, often forcing rollover loans. If you think about your own take-home pay, taking out a loan for a quarter of that is quite a big chunk.

Colorado's Attorney General concluded that about 61 percent of all payday loans were refinance-type transactions. It is not uncommon for a borrower to pay \$1,200 or more in interest and fees over five months for what started out as a \$500 short-term payday loan. As you can see in the box, it states that the average borrower takes out eight payday loans annually. The high cost, short payback period and the lump-sum repayment requirement often creates a cycle of debt. It is a business model designed to put borrowers on a debt treadmill indefinitely. In fact, payday loan borrowers are four times more likely to file for bankruptcy than nonpayday loan borrowers. That is something we pick up as a community [page 3, ([Exhibit C](#))].

To justify exorbitant rates, payday lenders claim that their loans are high risk. The Bureau of Consumer Financial Protection, U.S. Department of the Treasury, defines risk-based pricing as offering "different consumers different interest rates or other loan terms, based on the estimated risk that the consumers will fail to pay back their loans." Payday lenders do not differentiate between consumers. They do not alter the interest rates on the ability to repay. Payday loans, though high cost, are often not high risk. Repayment is virtually guaranteed because often the borrower gives a postdated personal check or authorization to make a withdrawal from the borrower's bank account [page 4, ([Exhibit C](#))].

Often, borrowers have to turn to public programs for assistance with these necessities when forced to use limited resources on excessive payday lending fees. One in six borrowers receives government assistance. In one year in Nevada, \$77.7 million was lost in payday loan fees and \$104.8 million was lost in car title loan fees. Payday lenders strip money from their customers, reducing spending on other goods and services, which in turn strips the economy of potential gains [page 5, ([Exhibit C](#))].

The next few slides show a series of maps. The first is a map of various ZIP Codes in the Las Vegas Valley [page 6, ([Exhibit C](#))]. The blue line delineates the ten ZIP Codes with the highest prevalence of payday lenders. In the middle, you can see Assembly District No. 16. That is how I got here. When I was elected, this was not my area of expertise or what I really wanted to work on, but I literally got campaign contribution checks that said on the memo to do something about payday lenders. This issue kept coming up from my constituents. They were very concerned about this. The darker red shows the concentration of 30 or more storefronts in the middle of the Las Vegas Valley. This is correlated with income. You can see where the concentration of payday lenders is in the Las Vegas Valley. The Assembly districts with the highest concentrations of payday lending storefronts are 10, 42, 3, 20, 15, and 11. The darker the red, the more storefronts.

If we look at income, the lighter the color, the lower the income [page 7, ([Exhibit C](#))]. You can see that there is a correlation by jumping back and forth between slide 6 and slide 7 [pages 6 and 7, ([Exhibit C](#))] with darker red and lighter blue in the same area. There are more storefronts where there are more low-income people. The next map [page 8, ([Exhibit C](#))] shows storefronts for bank locations. We have a more even distribution here. It is not unusual to have more banks in the center of town as a financial area, but we also see they are spread out more into the outlying areas and suburbs in the Las Vegas Valley.

One thing that may seem irrelevant is the distribution of Starbucks stores [page 9, ([Exhibit C](#))]. You might wonder what Starbucks has to do with payday lending. Honestly, not a lot. You can see there is a much more even distribution of Starbucks across the Las Vegas Valley. That makes sense as a business model. If the idea for payday lenders was to reach a large number of people and potential clients, as Starbucks is trying to do, we would have a much more even distribution of storefronts. If you look back at a previous slide [page 6, ([Exhibit C](#))], there is not an even distribution of payday lending storefronts across the Las Vegas Valley.

In fact, if you look at all of the maps together [page 10, ([Exhibit C](#))], the ten ZIP Codes with the most payday lending storefronts have 59.8 percent of payday lender storefronts but only have 21 percent of the county population. The average median income in these ZIP Codes is \$37,000. They have about 21 percent of the banks, which makes sense. They have almost 60 percent of the payday storefronts. I would argue that there is an effort to set up in lower income areas. There is an idea that this is the default place to get credit. This is where everyone goes. I think we can all sing several of the jingles that are prevalent on the radio and television. It is a targeted effort to set this up as the way in which you get credit in low- income neighborhoods.