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THE STATE OF NEVADA LEGISLATIVE COUNSEL BUREAU

FISCAL ANALYSIS DIVISION

SARAH COFFMAN WAYNE THORLEY
Assembly Fiscal Analyst Senate Fiscal Analyst

MEMORANDUM

C.T.

DATE: December 2, 2025

TO: Members of the 36th Special Session of the Legislature

FROM: Christian Thauer, Principal Program Analyst
 Fiscal Analysis Division

SUBJECT: Fiscal Note for Senate Bill 7 – Local Governments

Pursuant to NRS 218D.430, the following counties, cities, school districts, and local government have submitted the following fiscal notes to the Fiscal Analysis Division on Senate Bill 7 of the 36th Special Session.

cc: Roger Wilkerson, Acting Director, Legislative Counsel Bureau
 Bryan Fernley, Legislative Counsel
 Wayne Thorley, Senate Fiscal Analyst
 Sarah Coffman, Assembly Fiscal Analyst
 Michael Nakamoto, Chief Principal Deputy Fiscal Analyst

Local Government Responses
SB 7 / BDR 53-36

City/County: Churchill County

Approved by: Alexa G Robinson, Executive Assistant

Comment: This bill will have fiscal impact to Churchill County. We are unable to estimate the amount at this time as we would have no way to predict who, what positions, or how many individuals this may apply to in the future.

City/County: Douglas County

Approved by: Kathy Lewis, Chief Operating Officer

Comment: For Douglas County, we expect exposure created by this bill is significant, not only for current employees, but for any former law enforcement employees. This substantially increases long-term liability for the County. Additionally, if claims arise, the existing law provides coverage that extends to the claimant's spouse upon the claimant's death until they reach the age of 70, further heightening potential costs. We anticipated the impact to be up to \$4Million a year.

City/County: Elko County

Approved by: Susan Paprocki, Comptroller

Comment: Passage of this bill would have a fiscal impact on Elko County in the manner of raising insurance rates for workers compensation, and healthcare costs.

The full impact of which cannot be measured at this time.

City/County: Humboldt County

Approved by: Weston Noyes, Comptroller/Auditor

Comment: The fiscal impact of this bill to Humboldt County cannot be determined.

As this bill is written it could increase the number of claims accepted as it relates to lung disease. However, we cannot reasonably estimate the number of potential claims or the direct impact this bill may have on those claims and the costs associated with workers compensation.

City/County: Lyon County

Approved by: Josh Foli, CPS

Comment: Cannot be Determined

This bill appears to increase the eligibility for lung cancer workers' compensation coverage for employees and formal employees to be completely presumptive, regardless of whether the cancer was caused by factors due to employment. Law enforcement comprises a large percentage of our total employees. The cost for treatment varies on the stage and types of treatment, with costs up to \$200,000; and there would be additional costs for disability benefits in addition to treatment costs. It is likely that the proposed language would increase costs to Lyon County anywhere from \$50,000 to \$500,000 in annual benefit payments, but it is not possible to accurately estimate based on current information available.

City/County: Pershing County

Approved by: Karen Wesner, Administrative Assistant/HR Rep.

Comment: An impact cannot be determined at this time.

Pershing County

City/County: City of Elko

Approved by: Annette Robinson, City Clerk

Comment: The City of Elko has reviewed the BDR and has determined that there is no fiscal impact.

City/County: City of North Las Vegas

Approved by: Kandice Townsend, Government Affairs Specialist

Comment: Senate Bill 7 (SB7) from the 36th Special Session of the Nevada Legislature appears to expand benefits for workers compensation claims related to lung diseases for public safety personnel. Determining the precise fiscal impact is difficult, but a justifiable estimate would be over ten million dollars in the next five years. Depending on the circumstances, each claim can cost over a million dollars each, so the overall fiscal impact would be dependent on the number of claims and the severity of the injuries. The City of North Las Vegas employs over 600 public safety officers between police and fire, with dozens of workers compensation claims every year. Additionally, SB7 provides for retroactive eligibility which further increases the potential fiscal impact.

City/County: City of West Wendover

Approved by: Chris Melville, Director of Human Resources / City Manager

Comment: No Impact

School District: Carson City School District

Approved by: Spencer Winward, Chief Financial and Operations Officer

Comment: Fiscal impact from this proposed legislation cannot be determined for Carson City School District. We currently do not employ the types of employees who would be receiving the additional occupational disease coverage. However, we may find ourselves in an insurance pool for Workers' Comp with governmental employers who would have this type of exposure thus sharing the risk.

School District: Elko County School District

Approved by: Cassandra Stahlke, Chief Financial Officer

Comment: There is no fiscal impact to Elko County School District.

School District: Lyon County School District

Approved by: A. Lilliana Camacho-Polkow, Chief Financial Officer

Comment: We have reviewed the BDR and determined that enactment will have no impact.

School District: Nye County School District

Approved by: Alma Wright, Executive Secretary to Assistant Superintendents

Comment: Nye County School District will have no fiscal impact from this BDR (53-36).

School District: Pershing County School District

Approved by: Dennis Holmes, Superintendent

Comment: No fiscal impact foreseen by PCSD.

School District: Washoe County School District

Approved by: Mark Mathers, Chief Financial Officer

Comment: This bill opens School Police Officers for expanded presumptive coverage for lung disease. We are estimating a cost of \$132,000 per claim over a two-year period. If we were to receive 5 claims, therefore, that would be a cost of \$660,000.

The following counties/cities/school districts did not provide a response: Carson City, Esmeralda County, Eureka County, Lander County, Lincoln County, Mineral County, Nye County, Storey County, White Pine County, City of Boulder City, City of Fallon, City of Fernley, City of Mesquite, City of Sparks, Churchill County School District, Clark County School District, Douglas County School District, Esmeralda County School District, Eureka County School District, Humboldt County School District, Lander County School District, Mineral County School District, Storey County School District, White Pine County School District

The total fiscal impact of this bill cannot be adequately determined given the limited time to respond, thus the impacts noted below are estimated based on actual claim experience extrapolated across expected impacted claims filed. Workers' compensation costs are experienced through the claim expense and the case reserve requirement.

Type	Brief Description	FY26 & FY27 ⁽¹⁾	Next Biennium ⁽¹⁾
Claim Expense (new)	The cost of cash + benefits (indemnity + medical + other expenses)	\$ 20,101,025	\$ 22,925,924
Case Reserves (increase)	The amount of reserves required to pay existing claims over the life of the benefit (actuarially determined)	\$ 28,000,300	\$ 33,495,705
TOTAL COST OF WORKERS' COMPENSATION BENEFITS:		\$ 48,101,325	\$ 56,421,629

⁽¹⁾ Inclusive of Clark County's portion of LVMPD's estimated claims, reported in LVMPD's filed fiscal note on BDR 53-36.

Department response provided by: Jessica Colvin, Chief Financial Officer, Clark County

Phone: 702-455-3324

WASHOE COUNTY

2025 Special Session Fiscal Note	BDR 53-36	BILL NUMBER	SB7	
<p>The total fiscal impact of this bill cannot be adequately determined given the limited time to respond, thus the impacts noted below only include those costs based on existing lung disease claims not related to heat, smoke, fumes, tear gas or any other noxious gases. The County of Washoe has spent \$17M in total on Workers Comp expense associated with the heart/lung presumptive statute.</p>				
Type	Brief Description	FY26	Next Biennium	
Claim Expense (new)	The cost of cash + benefits (indemnity + medical + other expenses)	\$ 460,000	\$ \$920,000	
Case Reserves (increase)	The amount of reserves required to pay additional claims over the life of the benefit (average of existing PTD claims)	\$ 2,450,000	\$ Unknwon	
TOTAL COST OF WORKERS' COMPENSATION BENEFITS :		\$ 2,910,000	\$ Unknown	
Department response provided by:	Comptroller Department			
Phone:	775-328-2563			

Explanation of the Fiscal Note – From POOL/PACT – Provided by the Nevada Association of Counties

*Methodology used:

A 10 year period (2015 – 2025) was used to arrive at a claim average for the following information and based on the denial history, it is reasonable for us to assume, based on the provision in Section 1, Subsection 5 of this legislation that the fiscal impact would be estimated to be as follows:

\$924,048 – per biennium in increased costs.

This is understood to be an estimate as the proposed bill creates retroactivity that is hard to measure fiscally and could create expanded claims.

Contact information for POOL/PACT

201 S. Roop Street, Suite 102

Carson City, Nevada 89701

Phone: (775) 885-7475

www.poolpact.com

City of Henderson

2025 Special Session Fiscal Note	BDR 53-36	BILL NUMBER	SB7	
<p>The total fiscal impact of this bill cannot be adequately determined given the limited time to respond, thus the impacts noted below only include those costs based on existing lung disease claims not related to heat, smoke, fumes, tear gas or any other noxious gases. The City of Henderson has spent \$18M in FY25 on Workers Comp expense. We're currently tracking to spend \$22M for FY26.</p>				
Type	Brief Description	FY26	Next Biennium	
Claim Expense (new)	The cost of cash + benefits (indemnity + medical + other expenses)	\$ 397,600	\$ 795,200	
Case Reserves (increase)	The amount of reserves required to pay additional claims over the life of the benefit (average of existing PTD claims)	\$ 6,000,000	\$ 12,000,000	
TOTAL COST OF WORKERS' COMPENSATION BENEFITS:		\$ 6,397,600	\$ 12,795,200	
Department response provided by:				
Phone:				

SB7 City of Las Vegas

Explanation: SB7 conclusively presumes that any disease of the lung is to have arisen out of and in the course of the employment of a person who has been employed in a full-time continuous status as a police officer, firefighter or arson investigator for two (2) years or more. The bill would also apply retroactively to claims filed on or before the effective date of passage.

In Fiscal year 2024, the city of Las Vegas has estimated the potential exposure for costs of indemnity (wage replacement) benefits and medical benefits for disability of public safety employees (police, fire) who develop heart disease, lung disease, cancer or hepatitis. The estimated liability is the sum of two components:

- The outstanding benefit costs due to reported claims for which the city is currently paying benefits.
- The outstanding benefit costs for future claims incurred but not reported (IBNR) by the city (current population of active and retired public safety employees who may meet future eligibility requirements for awards under NRS). The claims liability currently payable for indemnity claims is \$8,339,883. Reported as noncurrent is \$74,109,490 consisting of \$39,887,283 of case reserves for existing claims and \$34,222,207 of IBNR claims. IBNR is discounted. IBNR claims in the prior year were \$32,859,115.

In fiscal year 25, the city of Las Vegas had 83 open and ongoing heart and lung reported incidents. On average, the annual cost of a claim is \$150,000.¹ It can be assumed that if future fiscal years had an occurrence rate of 3-5 (using 5 as the estimate) heart and lung incidents (injury occurrence rate could vary), a total of \$750,000 would be incurred annually for new incoming incidents with \$2 million potential full exposure per claim, or \$10 million (based on 5 claims). These are estimates as fiscal year 2025 has not yet completed the annual audit and projected for fiscal years.

In fiscal year 25, the city of Las Vegas had 17 active claims for lung only, and estimates provided below and used 3 as the new cases for future fiscal years. Assumptions based on estimated incident costs (\$150,000) and not full exposure of each claim and increased annually on new occurrences only, no inflation costs.

The retroactive nature of the proposed bill cannot be estimated at this time, but could have a significant financial impact.

Moreover, given the increased potential for multimillion dollar claims, as is common in lung reported incidents, the City excess workers' compensation insurance premium may be impacted.

Costs(Heart/Lung)	FY26	FY27	Future Biennia	Explanation
	\$12,450,000	\$13,200,00	\$26,400,000	See above
Costs (Lung Only)	FY26	FY27	Future Biennia	Explanation
	\$2,550,000	\$3,000,000	\$6,000,000	See above

¹ Averages are based on information provided by CCMSI (Cannon Cochran Management Services). Used average of \$150,000 per incident for both Heart and Lung. Future years added new incidents only, no inflation costs.

City of Reno Fiscal Note: BDR 53-36 / SB7

Session: 2025 36th Special Session

Name of Agency: City of Reno

BDR #: BDR 53-36

Bill Number: SB7

Date: 11/17/2025

Status: Impact (There is a cost impact to the City of Reno)

Explanation:

Due to the short timeframe for responding to this fiscal note request, the analysis below represents the best information available to evaluate and estimate the fiscal impact of Senate Bill 7 (BDR 53-36) on the City of Reno.

SB7 conclusively presumes that any disease of the lung is to have arisen out of and in the course of the employment of a person who has been employed in a full-time continuous status as a police officer, firefighter or arson investigator for two (2) years or more. The bill would also apply retroactively to claims filed on or before the effective date of passage.

In fiscal year 2025, the City of Reno had 51 lung reported incidents. On average, the annual cost of a lung claim is \$448,436.¹ It can be assumed that if all fiscal years had an occurrence rate of 51 lung incidents (injury occurrence rate could vary), a total of \$22,870,236 would be incurred annually for new incoming incidents.

In review of fiscal year 25 injuries, "lung" ranked as the most affected body part and "inhalation" also ranked as the top injury type among City of Reno police and firefighter injuries. Given this is the highest injury rate among fire and police employees, the City would see an increase in lung claim costs due to the expansion of the acceptance criteria in this bill.

According to the 2025 Actuarial Analysis (Perr & Knight, 2025), the estimated total liability for heart/lung claims is projected at \$40,300,000 and \$58,800,000, for police and fire, respectively. The estimated total liability is projected for the lifetime of the claim and not on an annual claim basis. This estimated total liability is encompassing of all City of Reno heart/lung claims and not on a fiscal year basis.

The retroactive nature of the proposed bill cannot be estimated at this time, but could have a significant financial impact.

Moreover, given the increased potential for multimillion dollar claims, as is common in lung reported incidents, the City excess workers' compensation insurance premium may be impacted.

¹ Averages are based on January 1, 2024 to December 31, 2024 City of Reno Workers' Compensation Claims.

Fiscal Impact:

Revenues	FY26	FY27	Future Biennia	Explanation
Costs²	FY26	FY27	Future Biennia³	Explanation
	\$22,870,236	\$24,013,748	\$51,689,592	See above

Jason Gortari, MBA, M.S.
Urban Economist
Office of Policy & Strategy

² 5% increase each year to account for State mandated COLA increases to claims and medical costs.

³ FY28/FY29 combined.

Las Vegas Metropolitan Police Department

2025 Special Session Fiscal Note	BDR 53-36	BILL NUMBER	SB7	
<p>The total fiscal impact of this bill cannot be adequately determined given the limited time to respond, thus the impacts noted below only include those costs based on readily sourced applicable claims (but do not represent the likely larger total managed by LVMPD). Since 2019, a variety of legislative changes have expanded workers' compensation benefits in NV. For reference, LVMPD has spent \$49M in FY25 on Workers Comp, the equivalent of currently funding 268 Police Officer positions. The \$49M represents a 166% increase over the past 5 years. We're currently tracking to spend \$57M (the equivalent of 310 PO positions, or 10% of all POs on the Dept.) in FY26, another 16% YOY increase. Workers' compensation costs are experienced through the claim expense, the case reserve requirement, and the presumptive claim liability.</p>				
Type	Brief Description	FY26 & FY27	Next Biennium	
Claim Expense (new)	The cost of cash + benefits (indemnity + medical + other expenses)	\$ 16,504,192	\$ 20,951,247	
Case Reserves (increase)	The amount of reserves required to pay existing claims over the life of the benefit (actuarially determined)	\$ 37,141,062	\$ 47,148,721	
TOTAL COST OF WORKERS' COMPENSATION BENEFITS:		\$ 53,645,254	\$ 68,099,968	
Department response provided by:	Damon Harris, Las Vegas Metropolitan Police Department CFO			
Phone:	(702) 828-1365			

Dear Fiscal Staff,

Lincoln County School District has completed its review of **BDR 53-36**, which revises provisions relating to occupational diseases for firefighters, arson investigators, volunteer firefighters, and police officers. Based on our analysis, **this bill would result in no fiscal impact to Lincoln County School District.**

BDR 53-36 expands the conclusive presumption that lung diseases in certain public safety occupations are automatically considered occupational diseases, regardless of the source of exposure. The District **does not employ** firefighters, arson investigators, volunteer firefighters, or police officers—nor does LCSD operate a police department, fire service, or arson investigation unit. As a result, the revised provisions of NRS 617.455 **do not apply to any LCSD employees** and do not create additional workers' compensation exposure or related medical, disability, or premium costs for the District.

Accordingly, LCSD confirms that **the enactment of BDR 53-36 will not produce any direct or indirect fiscal impact on the District's budget, operations, staffing, or workers' compensation liabilities.**

Matthew Cameron
Superintendent
Lincoln County School District