

MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON WAYS AND MEANS

Seventy-Fifth Session
May 29, 2009

The Committee on Ways and Means was called to order by Chair Morse Arberry Jr. at 10:27 a.m. on Friday, May 29, 2009, in Room 3137 of the Legislative Building, 401 South Carson Street, Carson City, 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/75th2009/committees/. In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: publications@lcb.state.nv.us; telephone: 775-684-6835).

COMMITTEE MEMBERS PRESENT:

Assemblyman Morse Arberry Jr., Chair
Assemblywoman Sheila Leslie, Vice Chair
Assemblywoman Barbara E. Buckley
Assemblyman Marcus Conklin
Assemblyman Mo Denis
Assemblywoman Heidi S. Gansert
Assemblyman Pete Goicoechea
Assemblyman Tom Grady
Assemblyman Joseph (Joe) P. Hardy
Assemblyman Joseph M. Hogan
Assemblywoman Ellen Koivisto
Assemblywoman Kathy McClain
Assemblyman John Ocegüera
Assemblywoman Debbie Smith

STAFF MEMBERS PRESENT:

Mark Stevens, Assembly Fiscal Analyst
Tracy Raxter, Principal Deputy Fiscal Analyst
Rick Combs, Senior Program Analyst
Eric King, Program Analyst
Anne Bowen, Committee Secretary
Linda Blevins, Transcribing Secretary
Vickie Kieffer, Committee Assistant

Chair Arberry opened the hearing on Assembly Bill 564.

Assembly Bill 564: Authorizes and provides funding for certain projects of capital improvement. (BDR S-1336)

Eric King, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), provided the Committee with an overview of Assembly Bill (A.B.) 564.

Mr. King explained the following sections of the bill ([Exhibit C](#)) to the Committee:

- Section 1 specified that \$143,910,314 would be issued in General Obligation Bonds to fund the 2009 Capital Improvement Program (CIP).
- Section 4 specified that \$2,213,808 of State Highway Funds would be used to support the 2009 Capital Improvement Program.
- Sections 7 and 10 reallocated approximately \$14.7 million from the 2007 CIP to the 2009 CIP. Of that amount, approximately \$1.2 million was from General Funds, and \$13.6 million was from General Obligation Bonds.
- Section 16 extended the amortization date for new Cultural Affairs bond issuances so that the repayment of the debt may be amortized over a full twenty-year period.
- Sections 17 and 18 extended the amortization period for new Q1 (Question 1 on the November 5, 2002, General Election Ballot) bond issuances and extended the date by which bonds for the existing Q1 program may be issued from December 31, 2011 to June 30, 2014.
- Section 19 included \$15 million in General Obligation Bond proceeds for the Department of Transportation's (NDOT) use with the approval of the Interim Finance Committee (IFC) upon submission and approval of a plan for the use of those bond proceeds.
- Section 20 established the ad valorem tax rate for the CIP and the Q1 program. The CIP ad valorem tax rate of 15.55 cents on each \$100 of assessed valuation of taxable property would be used to support the 2009 CIP. An ad valorem tax of 1.45 cents on each \$100 of assessed valuation of taxable property would be used for the Q1 program. This was a total of \$0.17 for the ad valorem property tax rate for the two programs.
- Section 27 specified that \$15 million was included in each year of the 2009-11 biennium that would come from the Bond Interest and Redemption Account for repayment of a portion of the line-of-credit from the local government pooled investment fund.
- Sections 29 through 33 extended 16 prior-year CIP programs.
- Section 34 stated that this act would become effective upon passage and approval.

Assemblywoman Smith expressed her appreciation to Fiscal Analysis Division staff for their efforts in preparing [A.B. 564](#).

ASSEMBLYWOMAN SMITH MOVED TO DO PASS [A.B. 564](#).

ASSEMBLYMAN HARDY SECONDED THE MOTION.

THE MOTION PASSED. (Assemblyman Conklin was not present for the vote.)

Chair Arberry opened the hearing on Assembly Bill 9.

Assembly Bill 9: Creates the Legislative Committee on Senior Citizens, Veterans and Adults With Special Needs. (BDR 17-97)

Assemblywoman Kathy McClain, Clark County Assembly District No. 15, explained that Assembly Bill (A.B.) 9 established a statutory committee for senior citizens, veterans, and adults with special needs.

ASSEMBLYWOMAN KOIVISTO MOVED TO DO PASS A.B. 9.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

THE MOTION PASSED. (Assemblyman Conklin was not present for the vote.)

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Chair Arberry opened the hearing on Assembly Bill 317 (R1).

Assembly Bill 317 (1st Reprint): Provides for the disbursement of a portion of the proceeds of the state tax imposed on certain businesses to regional organizations for economic development. (BDR 32-616)

Assemblyman John Ocegura, Clark County Assembly District No. 16, provided the Committee with a brief summary of Assembly Bill 317 (R1). To reduce the need for a General Fund allocation, A.B. 317 (R1) allowed the economic development authorities to receive a portion of the state tax imposed on businesses moving into Nevada. The proposed amendment (Exhibit D) would delay the implementation of the bill until the 2011 Legislative Session.

Chair Arberry stated it was his understanding that with the passage and implementation of the bill, the regional organizations for economic development would become self-sufficient, eliminating a need for General Funds.

Assemblyman Ocegura confirmed Chair Arberry's understanding of the intent of the bill.

ASSEMBLYMAN DENIS MOVED TO AMEND AND DO PASS AS AMENDED A.B. 317 (R1).

ASSEMBLYWOMAN MCCLAIN SECONDED THE MOTION.

In response to a question from Assemblywoman Gansert, Assemblyman Ocegura explained that although the Modified Business Tax (MBT) would come from businesses new to Nevada, the businesses must be brought into the state by the organizations for economic development. It could be considered a "swap" of dollars.

Chair Arberry asked whether a new business moving into the state without the assistance of the economic development organizations would be bound by A.B. 317 (R1).

Assemblyman Ocegura explained that a new business must work with one of the economic development organizations before the requirements of the bill would apply.

There being no further discussion, Chair Arberry requested a vote on the motion.

THE MOTION PASSED. (Assemblyman Conklin was not present for the vote.)

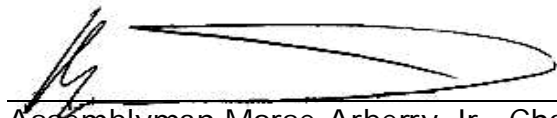
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The meeting was recessed at 10:35 a.m. and was not reconvened.

RESPECTFULLY SUBMITTED:

Linda Blevins
Transcribing Secretary

APPROVED BY:



Assemblyman Morse Arberry Jr., Chair

DATE: _____

<u>EXHIBITS</u>			
Committee Name: <u>Committee on Ways and Means</u>			
Date: <u>May 29, 2009</u>		Time of Meeting: <u>10:27 a.m.</u>	
Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance roster
A.B. 564	C	Eric King, Program Analyst, LCB	Assembly Bill 564
A.B. 317 (R1)	D	Assemblyman John Ocegüera, Assembly District No. 16	Proposed amendment