MINUTES OF THE
SENATE COMMITTEE ON REVENUE

Seventy-sixth Session
April 14, 2011

The Senate Committee on Revenue was called to order by Chair Sheila Leslie at 2:20 p.m. on Thursday, April 14, 2011, in Room 2134 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to the Grant Sawyer State Office Building, Room 4412E, 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 Sheila Leslie, Chair
Senator Steven A. Horsford, Vice Chair
Senator Michael A. Schneider
Senator Moises (Mo) Denis
Senator Mike McGinness
Senator Joseph (Joe) P. Hardy
Senator Elizabeth Halseth

STAFF MEMBERS PRESENT:

Russell Guindon, Principal Deputy Fiscal Analyst
Joe Reel, Deputy Fiscal Analyst
Brenda Erdoes, Legislative Counsel
Gayle Rankin, Committee Secretary

GUEST LEGISLATORS PRESENT:

Senator Shirley A. Breeden, Clark County Senatorial District No. 5

OTHERS PRESENT:

Jan Gilbert, Progressive Leadership Alliance of Nevada
Deb Cook, Chief of Administration, Department of Motor Vehicles
David Humke, Washoe County Commissioner
Susan Brager, Clark County Commissioner
Sabra Smith Newby, Director of Administrative Services, Clark County

Katy Simon, Washoe County Manager
Jeffrey Fontaine, Executive Director, Nevada Association of Counties
Ted Olivas, City of Las Vegas
Cadence Matijevich, Office of the City Manager, City of Reno
Lisa Foster, Nevada League of Cities and Municipalities
Bill M. Welch, Nevada Hospital Association
Carole Vilardo, Nevada Taxpayers Association
Kathryn L. Burke, Washoe County Recorder; Recorder's Association of Nevada
Debra W. Struhsacker, Nevada Mineral Resources Alliance
Laura Granier, Nevada Mineral Resources Alliance

CHAIR LESLIE:
Before we start with the first bill, I would like to clarify Senate Bill (S.B.) 491. We are going to have a full hearing on this bill, but I understand a lot of people are here regarding section 2 and the drafting error. Russell Guindon, Principal Deputy Fiscal Analyst, will explain this error.

SENATE BILL 491: Makes various changes regarding public revenue and taxation. (BDR 31-1150)

RUSSELL GUINDON (Principal Deputy Fiscal Analyst):
There were errors in the drafting of S.B. 491. This bill is a continuation of A.B. No. 543 of the 75th Session. It was an area I had a lot of experience with and was asked by the Legal Division to do the draft. I knew the section of law and I referenced that. Obviously, I did not get it right. The intent here was to continue what we did in 2009. The excess is not authorized to go to those programs. It is our understanding that section 2 will be deleted from the bill.

CHAIR LESLIE:
We will begin with Senate Bill 255. Senator Breeden is here to testify.

SENATE BILL 255: Reduces the amount of governmental services taxes imposed on certain older motor vehicles. (BDR 32-351)

SENATOR BREEDEN:
I have submitted my prepared testimony (Exhibit C).

CHAIR LESLIE:
We are all aware of the issue of the Governmental Services Tax. Are there any questions on the bill? It does create a hole in the budget. There is a fiscal note.

SENATOR BREEDEN:
There is a large fiscal note. During the interim I have had many conversations with staff, including Mr. Guindon. He can share with you the amount of the fiscal note.

CHAIR LESLIE:
We have that.

SENATOR BREEDEN:
I am here to plead the case of the people who have been affected by this. In 2009, it was passed at the last minute and I know we needed it. It has hurt a lot of people. I am here in their support.

CHAIR LESLIE:
We can rerefer this bill to the Senate Committee on Finance. It is going to have to go there. Any other questions on this bill? Is there anyone who would like to testify in favor of S.B. 255?

JAN GILBERT (Progressive Leadership Alliance of Nevada):
We are in support of S.B. 255 because it is a regressive tax. It is hurting low income people at a much higher rate than the wealthy. If we are going to redesign our whole tax structure, this is a bill that should be passed. I know it has a large fiscal note. Business profit tax is not being passed, mining tax is not being passed and yet this bill affects the little people. These people have older cars. When this bill was passed in the 2009 Session, I said it was a regressive tax and I thought it was a bad idea, but it passed. I urge you to pass S.B. 255.

CHAIR LESLIE:
I should disclose my car is nine years old. I would be benefitting from this.

SENATOR DENIS:
If we are disclosing, I have a car over nine years old.

CHAIR LESLIE:
I do not consider myself as a low income person, but many of us drive older cars. I also want to put on the record, I do not mind paying. Is there anyone else to testify in favor of S.B. 255? Is there anyone to testify against the bill? Is there anyone neutral on S.B. 255?

DEB COOK (Chief of Administration, Department of Motor Vehicles):
Due to the complexity of the programming required to implement this bill, the Department of Motor Vehicles will not be able to meet the July 1 deadline. We are requesting a delayed implementation date of January 1, 2012.

CHAIR LESLIE:
We will note that. We will close the hearing on S.B. 255. We will take action on this later during our work session.

I will open the hearing on S.B. 491. This is commonly known as the sunset bill. This is a Committee bill designed to explain what is in the sunsets. There is a chart to refer to (Exhibit D). It is interesting to see what is in the sunset and how much revenue it produces. I will turn this over to Joe Reel. He will explain the bill, and then we will open it for testimony.

JOE REEL (Deputy Fiscal Analyst):
I am going to be working from the chart Chair Leslie referred to, Exhibit D. Section 1 of the bill would maintain the transfer to the State General Fund of a portion of the 5-cent capital projects property tax rate that is imposed in Clark County and Washoe County. The proceeds are generated from a portion of the 5-cent rate that is equivalent to 2.6 cents in fiscal year (FY) 2012 and 2 cents in FY 2013. This transfer is based on the provisions of A.B. No. 543 of the 75th Session. The continuation of the sunset would establish approximately $17.5 million in FY 2012 and $13.5 million in FY 2013. This provision would sunset effective June 30, 2013. After that, those proceeds would return to the counties. The Governor's *Executive Budget* would instead have those same portions directed to Clark County to go to the University of Nevada, Las Vegas (UNLV), and in Washoe County they would go to the University of Nevada, Reno (UNR).

We have already touched on section 2 of the bill. The correction will be made with the amendment. This transfer was intended to continue the redirection of the court administrative assessments for those excess revenues that are not legislatively authorized to continue to go to the General Fund. That would generate $4.8 million in FY 2012 and $4.7 million in FY 2013. The Governor's *Executive Budget* does include this same recommendation for FY 2012 and FY 2013.

Sections 3 and 12 of the bill deal with maintaining a transfer to the State General Fund for the first $100,000 collected from lobbyist registration fees. This transfer was established by A.B. No. 6 of the 26th Special Session. The revenue generated would be for FY 2013 due to the session year. There may be minimal revenue available in FY 2012, but primarily it will be FY 2013 that the $100,000 will arrive. Under the provisions of the bill, it would be a permanent transfer, and there is no sunset provision.

Sections 4, 5 and 14 would maintain the transfer to the General Fund of the proceeds from the Supplemental Account for Medical Assistance to Indigent Persons. This is generated from a 2.5-cent property tax rate imposed statewide. This was implemented by S.B. 431 of the 75th Session. This will generate $19.6 million in FY 2012 and $19.8 million in FY 2013. This would sunset on June 30, 2013. In FY 2014, those proceeds would go back to the Supplemental Account. The Governor's *Executive Budget* does have this same item in the same form for FY 2012 and FY 2013.

Sections 7, 8, 9 and 13 are the Net Proceeds of Minerals Tax prepayment. This was originally established by S.B. No. 2 of the 25th Special Session. This would provide for $60 million in FY 2012. The provisions of the bill would have that prepayment continue on without a sunset. The Governor's *Executive Budget* does recommend extending the sunset for two years with an expiration of June 30, 2013.

Section 11 is the continuation of the 0.35 percent increase to the Local School Support Tax and it would maintain the rate of 2.6 percent. This would be a permanent increase and would generate $133.3 million in FY 2012 and $137.5 million in FY 2013. This would not sunset.

Sections 10 and 11 would maintain the two-tiered structure for the Modified Business Tax on General Business and would provide for the continuation of the rate of 0.5 percent on quarterly taxable wages up to $62,500 per quarter and 1.17 percent on taxable wages over $62,500 per quarter. This structure was originally included with S.B. No. 429 of the 75th Session. It would generate

$137.4 million in FY 2012 and $139.6 million in FY 2013. The Governor's *Executive Budget* recommends maintaining the 0.5 percent tax rate on taxable wages up to $62,500 per quarter and 0.63 percent on wages over $62,500 per quarter. The provisions in the Governor's recommendation would result in a reduction of $8.3 million in FY 2012 and $8.4 million in FY 2013 compared to the measure recommended in the bill.

Section 12 maintains the mining claims fee established by A.B. No. 6 of the 26th Special Session. In both FY 2012 and FY 2013, it will generate $18.8 million and would not sunset.

Section 13 maintains the Business License Fee. It increases from $100 to $200 per year. That will not sunset and was established by S.B. No. 429 of the 75th Session. This will generate $29.3 million in both FY 2012 and FY 2013.

Section 15 will continue the transfer to the General Fund the equivalent of 4 cents of property tax revenue generated from the general operating rate in Clark County and Washoe County for FY 2012 and FY 2013. This has a sunset effective June 30, 2013. After that date, the proceeds would go back to the counties. In FY 2012, it would generate $26.9 million and in FY 2013, it generates $27 million. The Governor's *Executive Budget* does have a rate similar to the 5-cent rate where those proceeds would be directed to Clark County for UNLV and to Washoe County for UNR.

The back page of the table is a summary to identify the provisions of the bill. For FY 2012 it would generate approximately $447.6 million and $390.4 million in FY 2013. The items included in the Governor's *Executive Budget* would lower that amount because they are already included. The *Executive Budget* items total $128.8 million in FY 2012 and $65.1 million in FY 2013. The net effect of the provisions of S.B. 491 would be $318.8 million in FY 2012 and $325.3 million in FY 2013.

CHAIR LESLIE:
We will take the testimony by groups. We will begin with Washoe County. Before we start, I am going to have Mr. Guindon clarify a few more items.

MR. GUINDON:
The numbers in this chart, Exhibit D, in the General Fund, are calibrated against the Economic Forum's December 1, 2010, estimates. These numbers can be

revised or changed when the Economic Forum meets on May 2 to produce a revised forecast. The 4-cent and the 5-cent property tax related items in the *Executive Budget* are a permanent redirection versus the two-year redirection in S.B. 491. Those numbers are tied to a consensus estimate the Budget Division of the Department of Administration and Fiscal Analysis Division of the Legislative Counsel Bureau agreed to in December 2010. We have been working on producing a new consensus revised set of estimates. Keep in mind these revenue numbers can change. We used the December 2010 estimates and rolled them to FY 2012 and FY 2013 as a placeholder. These numbers could be revised as we work through this Legislative Session.

CHAIR LESLIE:
Thank you for the clarifications. They are important.

DAVID HUMKE (Washoe County Commissioner):
We have a carefully crafted testimonial scenario and we would prefer to defer to Clark County first.

SUSAN BRAGER (Clark County Commissioner):
I appreciate the opportunity to speak on S.B. 491. I am going to explain some of the impacts that affect us in Clark County. We understand the economic downturn has affected not only the State, but each of our counties. Clark County has a structured deficit of $105 million for FY 2012. We do not want monies taken away from us. We know you feel the pain, but we need you to feel our pain. We have reduced $122 million in general fund expenditures between FY 2010 and FY 2011, which represents a 10 percent reduction. Our current vacancy rate is 17 percent, representing 1,500 positions. We have achieved this vacancy rate through layoffs, volunteer separations and attrition. Clark County is in the process of implementing a 9 percent cut in personnel, which affects 246 positions. I have been in Clark County since the early 1950s and have been in real estate for the past 21 years. I am concerned with the economic downturn because it affects all of us. The more people we lay off, the longer that economic factor stays there. There will be more loss of homes and the inability to make payments. That affects the total economy of the State. The additional concessions by the bargaining units may help to decrease this number slightly, but it will not prevent future layoffs. We understand you are in a difficult position. We ask that you recognize Clark County is also in that same difficult position. We are trying to save families. The more we have layoffs, the

more it affects social services. I hope we can work together to benefit our constituents.

CHAIR LESLIE:
Did you want to add anything Ms. Newby?

SABRA SMITH NEWBY (Director of Administrative Services, Clark County):
No. I am available for questions if you have any.

MR. HUMKE:
I will try to keep this short. We are opposed. We can give you a lot of history on our past cuts. We have been responsible. This adds more burden to Washoe County taxpayers. I will defer to the Washoe County Manager.

CHAIR LESLIE:
Thank you.

KATY SIMON (Washoe County Manager):
We understand your difficult circumstances. We thank you for your service and for the difficult decisions you have before you. We want to make sure the members of the Committee understand what Washoe County has already done. Clark County has cut $122 million. Washoe County has cut $124 million over the last several years. Our budget is now at 2005 levels of spending in actual dollars. Our budget is 40 percent below what it was in 2008. This year, our employees voluntarily have given back $9.5 million in wage and benefit concessions. These were not deferred cost of living increases. Our employees have not had a cost of living increase since 2007. In the past ten years, their wages have grown 5.5 percent less than the Consumer Price Index. We face a deficit of $33.5 million for next year, before the effects of S.B. 491. We want the Committee members to know we did not have this money budgeted in our plan for next year. The money was to sunset on June 30. It is proposed to sunset again in FY 2013. It is not sunsetting if this bill goes forward. It would give us another $10.8 million impact of the $33.5 million impact we face for next year. We have cut 725 positions from the Washoe County workforce, which is 20 percent. We have eliminated travel, and we have cut training and overtime. We have reduced our overtime by 42 percent.

That impact is hard to describe. Our Parks Department has been cut by 50 percent. Our Parks Director told us the average expenditure per acre of park land for all jurisdictions nationally is $6,117. In Washoe County, it is $614. The acres of park land maintained per employee on average for the United States in all jurisdictions is 15 acres, in Washoe County it is 230 acres. In this same period of time, our visitors have increased by approximately 50 percent.

In the Health Department, we have had to cut family planning. We have reduced home health visits by nurses to at-risk families. They are at risk because they are at risk of child abuse and neglect. These are often young, unwed mothers who have little experience with parenting.

We have cut libraries 25 percent of the hours they were previously open. We have cut our new materials by 50 percent and we have cut outreach services and juvenile probation. The list goes on and on.

We want to let you know we have been responsible. During all of this cutting, we had our bond rating upgraded last year because we have been prudent and responsible and because our employees have come to the table for three years in a row. We are good stewards of the public trust, and as many of you know, we were grateful to win the Nevada Taxpayers Association Cashman Good Government Award this year.

We have tried to do our best. If we have to take these reductions on top of what we already have reduced and what we are forecast to cut next year, it will take us back to what we had to cut in the 2009 Session, which led to almost 100 layoffs of Washoe County employees.

We know you have difficult decisions to make. If a burden has to be placed on counties, we want it to be spread fairly throughout the State. Washoe County taxpayers should not bear an unfair burden.

JEFFREY FONTAINE (Executive Director, Nevada Association of Counties):
I would like to speak in opposition to two specific provisions in the bill. The first one is the property tax revenue diversions from Clark County and Washoe County. The second relates to the transfer of money from the fund for Medical Assistance to Indigent Persons to the General Fund. Nevada Association of Counties does support Clark County and Washoe County. They should not be singled out for the purpose of creating a revenue stream for the State. We know our State is not going to recover until both of these counties recover. These county governments need these resources to provide the services for their

residents and visitors. We also know the demand for many services in those counties has increased because of the economy and because the State has mandated the counties provide safety net services to those no one else will serve. Counties are continuing to see a decline in their own revenues, and these taxes enacted by the boards of county commissioners in those two counties are needed to continue to provide those services.

This is the fifth year the funds have been swept from the fund for the Medical Assistance to Indigent Persons. We have provided numbers to your budget subcommittees, but I will go over them. In 2010, hospitals and counties submitted over $129 million in claims against that fund. We were able to pay out $1.4 million. This fund has been in place for over 25 years. It represents a partnership between the counties and hospitals. The tax is levied in all 17 counties. It has helped stop lawsuits that were taking place before the fund was put in place. We are opposed to continuing the sweep of the fund. It means less money for both public and private hospitals. That includes the University Medical Center, which benefits greatly from the fund. It would allow these funds to be used for any purpose you deem necessary.

TED OLIVAS (City of Las Vegas):
I am testifying today as neutral. I want to provide a reminder for the Committee. During the 2009 Session, A.B. No. 304 of the 75th Session was passed. In section 32 of that bill is a provision regarding these funds. It says the City of Las Vegas shall provide $20 million of the funding for the project to reopen F Street by leveraging its share of the county special 5-cent ad valorem capital project tax to issue medium-term obligations after July 1. You have already directed us to use these funds for a specific project starting July 1.

CADENCE MATIJEVICH (Office of the City Manager, City of Reno):
Many of the other speakers have covered my points. The City of Reno provided the Committee with a memorandum (Exhibit E). It outlines the impact of this bill to the City of Reno. The City of Reno receives a portion of the 5-cent property tax through the County, and the impact to the city over the biennium would be $1.2 million. We are facing a deficit of approximately $10 million for FY 2012. Our employees are being asked to take a 7.5 percent pay reduction in this coming fiscal year. This diversion would only add to that deficit and could increase areas we would need to cut or the percentage our employees are being asked to give back. We are cognizant of the difficult position we are all in for how we solve this budget problem for the entire state.

LISA FOSTER (Nevada League of Cities and Municipalities):
I am taking a position against S.B. 491 because of dollars diverted from the capital improvement programs from the cities, Washoe County and Clark County. Cities have laid off hundreds of people, and they have eliminated many more positions than that. We are concerned about what this bill could do if passed.

CHAIR LESLIE:
We will move on to the supplemental account for medical assistance.

BILL M. WELCH (Nevada Hospital Association):
We would like to speak in opposition to S.B. 491 specific to sections 4, 5 and 14 as referenced in the summary analysis. This will have a significant impact on our bill if we continue to sustain the level of services necessary to meet the medical needs of the citizens of this State. This not only affects the supplemental funds and the fund of hospital Medical Assistance to Indigent Persons which is the general fund for those who have catastrophic medical conditions or are in an accident, it affects the local indigent funds. If these funds are swept, that means other hospitals have to come to the local counties. This has an impact on the rural hospitals.

As larger hospitals get patients from rural hospitals that have the catastrophic conditions, they look to the local counties for local indigent funds. This removes those funds for care, so hospitals compete for the funds for treatment of the patients who are treated locally. We are very concerned about both aspects of the effect of this. In section 4, I am also concerned with the last sentence in subsection 1. I need clarification as to what that means. These funds have been swept for a number of years. In the past, these funds were being swept specifically to support Medicaid. We felt it would ensure that funding is being utilized to maximize what we can do for the care of patients. The language now says "and any other purpose authorized by the Legislature." That seems to be very open and is very concerning to us. If the funds are going to be swept, we hope they would be swept and limited to continue to support health care services to the citizens of the State.

CHAIR LESLIE:
I received a letter (Exhibit F) in opposition to S.B. 491 from Henderson City Attorney Elizabeth Macias Quillin. We will move to S.B. 492, the Net Proceeds of Minerals Tax.

SENATE BILL 492: Revises provisions regarding the payment of certain fees for mining claims. (BDR 46-734)

CAROLE VILARDO (President, Nevada Taxpayers Association):
I did not sign in on the sign-in sheet for this meeting as neutral, opposed to or in support because I feel for you having to look at this bill. I do not agree with it, but I know you have a problem. When it comes to mining, it bothers me that you are moving the sunset. We worked very hard when the Sixty-eighth Legislative Session created the Subcommittee to Study the Laws Relating to the Distribution Among Local Governments of Revenue from State and Local Taxes. We got into a difficult situation with the accelerated payments because they are paid ahead of time. Penalties are due if you do not report correctly. The mines anticipate what they should pay on net proceeds, and when it came time for the true up the following year, the revenue did not materialize to what they paid in the Net Proceeds of Minerals Tax. As a result, counties and school districts owed money to the mining companies because of the overpayment. We were finally able to get to the actual net proceeds, and now we are going back to accelerated payments. If there is not a sunset, you will be right back where you were when we got it changed to avoid the refund situation. That is my reason for testifying on this.

KATHRYN L. BURKE (Washoe County Recorder; Recorder's Association of Nevada):
If section 12 of S.B. 491 on the mining claims fee goes through, there will be a conflict with S.B. 492.

CHAIR LESLIE:
We realize that. We will adjust it when we get to that bill.

DEBRA W. STRUHSACKER (Nevada Mineral Resources Alliance):
We are against section 12 of S.B. 491. If there would have been a column on the sign-in sheet that said I do not know yet, I would have checked that. We would support the fee, if the fee structure is that proposed in S.B. 492. Based on the scoring shown here, the fee structure in S.B. 492 would generate $6 million a year. We would be in support if that is the fee structure.

CHAIR LESLIE:
When that bill gets processed, you would be fine with it not having a sunset and being permanent?

MS. STRUHSACKER:
Yes. We would be fine with the fee rates in S.B. 492.

LAURA GRANIER (Nevada Mineral Resources Alliance):
I agree with Debra Struhsacker. We did talk about the constitutional concerns with the existing Twenty-sixth Special Session claims fee that was put in place. If the sunset were lifted on that fee, it could exacerbate the issue. Our members want to help be part of a solution for the State. On behalf of the exploration sector of the mining community, we want to be part of the dialogue with you and help find a solution.

CHAIR LESLIE:
Those are the major areas. We will open the discussion to anyone who would like to testify on S.B. 491.

MS. GILBERT:
This is not a balanced approach to solving the problem. I know it was a compromise at the end of the Session, and you took money from different accounts and the counties and cities were struggling. I would say to all of them, where are they when we propose legislation to do a balanced approach with a service tax, the alcohol and tobacco tax, business profits tax and reducing some of the mining deductions? That is a much more broad-based, balanced approach than this. I know you need to do this because it is the money we need to fund our State. It annoys me enormously that the people behind me come and say, do not take our money. Where are they when we try to find another way? They should be supporting some of that legislation. I would like to comment on the second page of your chart, where the Governor's *Executive Budget* includes these amounts. Yet he says he is for no new taxes. Those amounts are here, and he is saying he wants to tax. That needs to go on the record.

CHAIR LESLIE:
I close the hearing on S.B. 491.

We will go to our work session. We will take up S.B. 255. My recommendation is that we rerefer this bill to the Senate Committee on Finance with no recommendation.

SENATOR DENIS MOVED WITHOUT RECOMMENDATION TO REREFER S.B. 255 TO THE SENATE COMMITTEE ON FINANCE.

SENATOR HARDY SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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I want to take up two bills the Committee has not heard. These two bills were referred to our Committee and I suggest we rerefer these to the Senate Finance Committee with no recommendation. They also have the potential to affect the budget. Mr. Reel will address the two bills.

MR. REEL:
The first bill, Senate Bill 46, is a Revenue Committee bill sponsored by ex-Governor Jim Gibbons. The bill would allocate a portion of revenue from the premium tax on captive insurance to the Commission on Economic Development for the promotion of the captive insurance industry. The provisions within that bill would have taken 2 percent of the captive insurance premium tax and transferred it to the Nevada Commission on Economic Development.

SENATE BILL 46: Allocates a portion of revenue from the premium tax on captive insurance to the Commission on Economic Development for promotion of the captive insurance industry. (BDR 57-411)

CHAIR LESLIE:
Governor Sandoval's Office informed me they did not want the bill heard. I was just reinformed the Governor's Office does want the bill to be heard. My suggestion is to rerefer it with no recommendation to the Senate Finance Committee.

SENATOR DENIS MOVED WITHOUT RECOMMENDATION TO REREFER S.B. 46 TO THE SENATE COMMITTEE ON FINANCE.

SENATOR SCHNEIDER SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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MR. REEL:
The second bill, Senate Bill 374, is sponsored by Senator John J. Lee. This bill will temporarily redirect a portion of the property tax from Clark County to support the College of Southern Nevada. The provisions of that bill will take 2 cents of the Clark County operating rate to support the College of Southern Nevada for four years.

SENATE BILL 374: Temporarily redirects a portion of the taxes ad valorem levied in Clark County to support the College of Southern Nevada. (BDR S-992)

CHAIR LESLIE:
Rather than hear the bill in the Revenue Committee, the suggestion is we rerefer it with no recommendation to the Senate Committee on Finance.

SENATOR DENIS MOVED WITHOUT RECOMMENDATION TO REREFER S.B. 374 TO THE SENATE COMMITTEE ON FINANCE.

SENATOR SCHNEIDER SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR LESLIE:
We will take up Senate Bill 432. Mr. Reel will explain this bill.

SENATE BILL 432: Revises provisions governing governmental financing. (BDR 32-538)

MR. REEL:
Senate Bill 432 was heard by the Committee on Tuesday, April 12. This bill will authorize the regional transportation commission (RTC) in a county with a population of 100,000 or more, currently Clark County and Washoe County, to issue revenue bonds and other securities to fund construction and maintenance of roads and highways, public transit systems and projects to improve air quality. It also requires the RTC to execute an interlocal agreement with the county. The bill will also remove a statutory cap on the 0.25 percent sales and use tax rate that may be imposed for infrastructure projects in Clark County. The bill would extend the period of time allowed for bonds issued related to water projects. It would increase that time frame from 30 to 40 years for those bonds and extend the period of time payments on those bonds required to begin after they are issued from 5 years to 15 years after the issuance. Primary testimony on the bill was supplied by Jacob Snow, General Manager for the RTC, Andy Belanger, Southern Nevada Water Authority, and Phil Speight.

SENATOR HARDY:
At the hearing on April 12, there was no opposition. I think it is critically important for southern Nevada to have a water supply that is adequate. We need a third intake for Lake Mead to be financed. It is important to recognize this local occurring sunset so residents can continue to have their voices heard. When we looked at connection fees and a building drought coupled with a virtual drought, we have problems with funding. The revenue from this bond has helped Moapa, Laughlin, Boulder City and Virgin Valley with many millions of dollars. I do not know where we can get the replacement for this. Whenever you are ready, I am willing to make a do pass motion.

CHAIR LESLIE:
Is there a second?

SENATOR HARDY MOVED TO DO PASS S.B. 432.

SENATOR SCHNEIDER SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR HALSETH VOTED NO.)

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I will ask Senator Hardy to handle this bill on the floor.

We will take up Senate Bill 493.

SENATE BILL 493: Creates the Mining Oversight and Accountability Commission. (BDR 32-1152)

MR. REEL:
Senate Bill 493 was heard by the Committee on April 5. The Commission it creates would consist of seven members, three appointed by the Governor, two appointed by the Majority Leader of the Senate and two members appointed by the Speaker of the Assembly. They would each serve a term of two years. The Commission would exercise plenary oversight over the activities of state agencies, boards, bureaus, commissions, departments and divisions of political subdivisions in connection with the taxation, operation, safety and environmental regulation of mines and mining. It specifically identifies the entities, including the Nevada Tax Commission, the Department of Taxation, the Division of Industrial Relations, the Commission on Mineral Resources, the Bureau of Mines and Geology within the Nevada System of Higher Education and the Division of Environmental Protection. The Commission would be required to approve regulations adopted by those entities, and the Department of Taxation would provide support for the Commission. Your work session document has the testimony and support provided by Glen Miller, representing himself as a private citizen but also as a professor at the University of Nevada, Reno, in the Department of Natural Resources and Environmental Science. There was no opposition to the bill. Carole Vilardo from the Nevada Taxpayers Association and Tim Crowley from the Nevada Mining Association were neutral on the bill.

SENATOR MCGINNESS:
I think the Oversight Commission has too much oversight. It is pretty broad. The proposed Commission almost takes over the Tax Commission and the Department of Employment, Training and Rehabilitation. I will be voting no.

SENATOR HARDY:
The fix we need to do to protect the exploration people is compelling enough for me to overlook some of the other things that may or may not get fixed. I need to support this.

CHAIR LESLIE:
This will be going to the Senate Committee on Finance because it has a fiscal note. There is still opportunity to work on certain things.

SENATOR HALSETH:
I will be opposing this bill.

SENATOR HORSFORD:
I move to amend S.B. 493 with the following amendment, in section 5: Two members appointed by the Governor, two members by the Majority Leader, two appointed by the Speaker and one member appointed by the Minority Leader with alternating appointments, which is similar to how we have done this in previous bills.

SENATOR HORSFORD MOVED TO AMEND AND DO PASS AS AMENDED S.B. 493.

SENATOR DENIS SECONDED THE MOTION.

SENATOR HORSFORD:
For the record, the broad oversight and accountability is warranted based on the impact that is created and the need to ensure the public interest is preserved. All of the areas under review from the Tax Commission including Industrial Relations—which deals with worker safety, mineral resources in the Division of Minerals, the Bureau of Mines and Geology, and the Division of Environmental Protection—are all performed now. This bill allows it all to be reported and have oversight under one Commission. That way the public, industry and those interested in those issues can go to one place to know the regulations being considered and the accountability and oversight being provided. For those reasons I will support the bill and hope the other members will.

CHAIR LESLIE:
I will be supporting it for those same reasons.

THE MOTION CARRIED. (SENATORS HALSETH AND McGINNESS VOTED NO.)

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CHAIR LESLIE:
The last three things I want to bring up today as a group are S.B. 491, which lifts the sunsets, S.B. 492, the mining claims fee bill, and S.J.R. 15, the constitutional amendment for the mining tax provision.

SENATE JOINT RESOLUTION 15: Proposes to amend the Nevada Constitution to remove the separate tax rate and manner of assessing and distributing the tax on mines and the proceeds of mines. (BDR C-1151)

I would like the Committee to consider a motion to request a waiver on all three of these bills so they can remain here in the Revenue Committee and be exempt from the deadlines. It is a special rule we have to request an exemption from the Majority Leader and the Speaker of the House to keep these bills and continue to work on them and process them at the appropriate time. These bills have the potential to affect the budget on the revenue side. We need more time to work on them before we process them. This is the appropriate committee to work on these bills, and I do not want to rerefer them to the Senate Committee on Finance. Do you want to comment, Senator Horsford?

SENATOR HORSFORD:
I do not think it is unusual. It is apparent we need to continue to discuss options for responsible ways to balance the budget. These are viable steps for that purpose. These three bills need to continue to be part of the discussion, and those decisions are not ready to be made. We still have work to do on the budget. Until those final decisions are made, I will support the motion and I would move at this time to request a waiver on S.B. 491, S.B. 492 and S.J.R. 15. That motion would include exempting those three bills from the deadline requirements in Committee and House of origin passage so they can be considered up to and including the final day of Session.

SENATOR HORSFORD MOVED TO REQUEST A WAIVER TO EXEMPT S.B. 491, S.B. 492 AND S.J.R. 15 FROM THE DEADLINE.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR LESLIE:
This meeting is adjourned on April 15 at 10:56 a.m.

RESPECTFULLY SUBMITTED:

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Gayle Rankin,
Committee Secretary

APPROVED BY:

____
Senator Sheila Leslie, Chair

DATE:_____________________________________

EXHIBITS			
Bill	**Exhibit**	**Witness / Agency**	**Description**
	A		Agenda
	B		Attendance Roster
S.B. 255	C	Senator Shirley A. Breeden	Prepared Testimony
S.B. 491	D	Joe Reel	Summary of the Provisions of Senate Bill 491
S.B. 491	E	Cadence Matijevich	Testimony
S.B. 491	F	Senator Sheila Leslie	Letter opposed to S.B. 491 from Henderson City Attorney