

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

**Eightieth Session
May 16, 2019**

The Committee on Ways and Means was called to order by Chair Maggie Carlton at 5:38 p.m. on Thursday, May 16, 2019, 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/App/NELIS/REL/80th2019.

COMMITTEE MEMBERS PRESENT:

Assemblywoman Maggie Carlton, Chair
Assemblywoman Teresa Benitez-Thompson, Vice Chair
Assemblyman Jason Frierson
Assemblywoman Sandra Jauregui
Assemblyman Al Kramer
Assemblywoman Daniele Monroe-Moreno
Assemblywoman Dina Neal
Assemblywoman Ellen B. Spiegel
Assemblywoman Heidi Swank
Assemblyman Jim Wheeler

COMMITTEE MEMBERS EXCUSED:

Assemblyman John Hambrick
Assemblywoman Robin L. Titus

GUEST LEGISLATORS PRESENT:

Senator Moises Denis, Senate District No. 2
Senator Pete Goicoechea, Senate District No. 19

STAFF MEMBERS PRESENT:

Cindy Jones, Assembly Fiscal Analyst
Sarah Coffman, Principal Deputy Fiscal Analyst
Janice Wright, Committee Secretary
Lisa McAlister, Committee Assistant



After a call of the roll, Chair Carlton reminded those in attendance to silence electronic devices, and then she reviewed the rules of the Committee. She said the Committee had a bill draft request (BDR) to introduce.

BDR 32—1242 Office of Finance in the Office of the Governor, Revises provisions governing licensing of manufacturers, wholesale dealers and retailers of cigarettes. [Later introduced as Assembly Bill 535.]

There being no questions or comments, Chair Carlton called for a motion.

ASSEMBLYWOMAN SPIEGEL MOVED THAT THE COMMITTEE
INTRODUCE BILL DRAFT REQUEST 32-1242.

ASSEMBLYWOMAN NEAL SECONDED THE MOTION.

THE MOTION PASSED. (Assemblymen Hambrick and Titus were not present for the vote.)

Chair Carlton opened the hearing on Senate Bill 101.

Senate Bill 101: Revises provisions relating to the adoption of the equity allocation model used to calculate a basic support guarantee for each school district. (BDR 34-387)

Senator Moises Denis, Senate District No. 2, presented Senate Bill (S.B.) 101. The bill revised the timing of the presentation of the review and revisions to the equity-allocation model to the Legislative Committee on Education. Senate Bill 508 of the 78th Session (2015) was approved by the Legislature and made various changes. One of the changes was a provision that required the Superintendent of Public Instruction, Department of Education, to review and, if necessary, revise the factors used for the equity-allocation model adopted for the previous biennium and to present a report to the Legislative Committee on Education for its consideration and input. The intent of the change was to inject more transparency into the method of calculating the basic support guarantee and provide the Legislature a way to conduct oversight of changes to the model. Under current law, the presentation by the Superintendent should occur no later than July 1 of each even-numbered year. The first presentation was given to the Legislative Committee on Education during its final meeting and work session on July 28, 2016. The next presentation was given by the Superintendent on June 21, 2018. The Superintendent said during the presentation that revisions to the model would be made on August 1, 2018. The Committee was not scheduled to meet again until August 9, 2018. Because of the lateness of those presentations to the Legislative Committee on Education, the members lacked sufficient time to thoroughly review the changes proposed by the Superintendent. That was why the Legislative Committee on Education voted to request S.B. 101 to change the date on which the Superintendent was required to present any changes to the model. Section 1 of the bill required the Superintendent to review and present the revisions to the equity-allocation model to the

Legislative Committee on Education no later than May 1 of each even-numbered year and prohibited the adoption of those revisions by the Department of Education before July 1 of that year, to provide the Legislative Committee on Education with the opportunity to make recommendations.

Chair Carlton said it was her understanding that there was no fiscal note associated with the bill.

Senator Denis confirmed that there was no fiscal note because the bill merely changed the date for the presentation.

Chair Carlton asked for any questions or comments from the Committee.

There being no questions or comments from the Committee, Chair Carlton asked for testimony in support of, in opposition to, or neutral on the bill. There was none. Chair Carlton closed the hearing on S.B. 101, and said because the rules had been suspended, the Committee could process the bill immediately. She opened a work session and called for a motion.

ASSEMBLYMAN FRIERSON MOVED THAT THE COMMITTEE DO
PASS SENATE BILL 101.

ASSEMBLYMAN KRAMER SECONDED THE MOTION.

THE MOTION PASSED. (Assemblymen Hambrick and Titus were not present for the vote.)

Chair Carlton asked Assemblywoman Jauregui to present the floor statement on S.B. 101. Chair Carlton opened the hearing on Senate Bill 233.

**Senate Bill 233: Revises provisions relating to capital improvement funds.
(BDR 34-152)**

Senator Pete Goicoechea, Senate District No. 19, presented Senate Bill (S.B.) 233 and said it was a simple bill. The board of trustees of a school district could apply for funds to build schools. The bill would allow White Pine County to build schools. The oldest school in White Pine County was built in 1907, and he played basketball in that school years ago. There was a need in White Pine County for new schools. He noted that S.B. 233 deleted the language in *Nevada Revised Statutes* (NRS) 387.3335, section 1, subsection 1, paragraph (a) that related to the assessed valuation. Paragraph (a) stated, "The assessed valuation of the taxable property in the county in which the school district is located is declining and all other resources available to the school district for financing capital improvements are diminishing." White Pine County experienced difficult economic times. By removing paragraph (a), he hoped White Pine County could access the fund, even though the County had significant net proceeds of minerals values and the economy had improved. If money

was added to the fund, White Pine County could access the fund to build schools. Currently, no money was in the fund, and there was no fiscal note on the bill. His goal was to facilitate the school district to access the funding for school capital improvements when the fund received any money.

Assemblywoman Neal asked whether White Pine County was at its maximum bonding capacity. She noted that the assessed valuation was roughly \$600 million.

Senator Goicoechea said a little bonding capacity remained for White Pine County. White Pine County was already at the maximum property tax rate of \$3.64 per \$100 of assessed valuation and had gone beyond the tax cap to \$3.66 because tax overrides had been added when the County was in severe economic hardship. The County still had some bonding capacity remaining under the maximum, but lacked the financial resources to build schools.

Assemblywoman Benitez-Thompson said the problem seemed to be specific to White Pine County. She thought S.B. 233 would relate to all 17 counties. She asked whether there were other counties in a similar financial condition.

Senator Goicoechea responded that he presumed that Pershing and Lincoln Counties would be in similar situations because those counties had low assessed valuations. About 94 percent of Lincoln County was public land and generated no property tax revenue for the school district. Pershing and Lincoln Counties had small tax bases. Pershing County had an agricultural base, but the mining property values went up and down, and the County struggled to maintain the school facilities and its infrastructure. He assumed that if the Coeur Rochester Inc. mines closed, Pershing County would experience severe economic hardships.

There being no further questions or comments from the Committee, Chair Carlton asked for testimony in support of, in opposition to, or neutral on the bill.

Deni French, Private Citizen, Carson City, Nevada, testified that anything the Committee could do to help schools get money was appreciated. He had some concerns that situations such as White Pine County should not need to be emergencies, and schools should have sufficient resources to meet the needs. Buildings that were unusable were a problem, and he found a great need in Carson City. He appreciated the efforts of the author of the bill. He had some questions if he were able to access *Nevada Revised Statutes* (NRS) and study the numbers to develop an understanding of the finances involved. It took time to calculate finances. Grants were often difficult to write and required specific wording. He was neutral on the bill because he was unable to read all the NRS, but he supported consideration for schools that had insufficient funds.

Assemblywoman Benitez-Thompson said the application for the fund would be submitted to the Director of the Office of Finance, Office of the Governor, and then reviewed by the State Board of Examiners. She asked whether the bill would apply to one county with one

school or could multiple schools apply. She thought the bill might generate 500 applications for emergency funding to build many schools or might just apply to a couple of schools.

Senator Goicoechea responded that the fund for capital improvements had been in place for many years. He thought the fund had not had a balance since 2009 or earlier. He had not researched when the capital improvement fund had any money in it, but knew it had been a long time. He thought the fund was created when the state experienced an economic downturn in the mining industry. The state experienced a true decline in taxable value of properties when many mines closed in rural Nevada. He recalled economic difficulties during the 1980s when Kennecott Copper Corporation shut down its mining operations in White Pine County. That closure had a negative economic effect and displaced almost 600 individuals in the community. The fund was created to alleviate the economic decline. It was not easy to qualify for all the criteria to access the fund. School districts completed an application to match funding and get support. The funds had to be used to construct schools. The bill applied statewide, but each county would need to meet all the criteria, including the limitation on the combined ad valorem tax rate and the condemnation of the school buildings. Almost any of the small rural counties could meet the criteria of having condemned school buildings and overcrowding, but just because a county met those criteria did not mean the county would qualify. The fund had no money.

Assemblywoman Benitez-Thompson understood the fund would assist school districts with financing of capital improvements. The fund was empty, and dollars had not been put into the fund, since the 1980s or before 2009. The fund was empty, but if money was put in the fund then there would be a path for remedy.

There being no further questions or comments, Chair Carlton called for a motion.

ASSEMBLYMAN FRIERSON MOVED THAT THE COMMITTEE DO
PASS SENATE BILL 233.

ASSEMBLYMAN KRAMER SECONDED THE MOTION.

THE MOTION PASSED. (Assemblymen Hambrick and Titus were not present for the vote.)

Chair Carlton assigned the floor statement to Assemblyman Kramer.

Chair Carlton closed the hearing on S.B. 233 and opened public comment, but there were none. There being no further business before the Committee, Chair Carlton adjourned the meeting [at 6 p.m.].

RESPECTFULLY SUBMITTED:

Janice Wright
Committee Secretary

APPROVED BY:

Assemblywoman Maggie Carlton, Chair

DATE: _____

EXHIBITS

[Exhibit A](#) is the Agenda.

[Exhibit B](#) is the Attendance Roster.