

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

**Eightieth Session  
May 28, 2019**

The Committee on Ways and Means was called to order by Chair Maggie Carlton at 8:16 a.m. on Tuesday, May 28, 2019, in Room 3137 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4404B 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/80th2019](http://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  
Assemblywoman Robin L. Titus  
Assemblyman Jim Wheeler

**COMMITTEE MEMBERS EXCUSED:**

Assemblyman John Hambrick

**GUEST LEGISLATORS PRESENT:**

Senator Julia Ratti, Senate District No. 13  
Assemblywoman Connie Munk, Assembly District No. 4  
Assemblyman Howard Watts, Assembly District No. 15

**STAFF MEMBERS PRESENT:**

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

Minutes ID: 1402



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 would address a bill draft request (BDR) first. The transferable tax credits for affordable housing in Senate Bill (S.B.) 448 (1st Reprint) would be addressed next, but Assemblywoman Neal was in another brief meeting. Chair Carlton wanted to ensure Assemblywoman Neal was present for that discussion. The Committee would work through several other bills until Assemblywoman Neal returned. The Committee would hear the S.B. 448 (R1) when appropriate. As bills became ready to be processed, the Committee would work session those bills. The Committee would be in and out of Room 3137 today multiple times. She would coordinate with the Majority Leader [Assemblywoman Benitez-Thompson] to ensure she would not conflict with the afternoon committees meeting schedules. She asked for the BDR to be explained.

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said the Fiscal Analysis Division staff requested introduction of a BDR for a Committee bill to enact the budget for the 2019-2021 biennium as approved by the Senate Committee on Finance and the Assembly Committee on Ways and Means. The BDR would revise provisions governing the distribution of the proceeds of certain administrative assessments. Bill draft request 14-1287 [later introduced as Assembly Bill 540] would revise *Nevada Revised Statutes* 176.059 as needed to adjust the court assessment ratios and percentages between the varying entities that received court assessments to align the statutes with the amounts that were included in the budget.

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

ASSEMBLYWOMAN BENITEZ-THOMPSON MOVED THAT THE COMMITTEE INTRODUCE AND APPROVE BILL DRAFT REQUEST 14-1287 RECOMMENDED BY THE FISCAL ANALYSIS DIVISION STAFF.

ASSEMBLYMAN WHEELER SECONDED THE MOTION.

THE MOTION PASSED. (Assemblymen Frierson, Hambrick, and Neal were not present for the vote.)

Chair Carlton opened the hearing on Senate Bill 504.

**Senate Bill 504: Makes an appropriation to the Office of Finance for outreach and educational activities for the 2020 federal decennial census. (BDR S-1170)**

Susan Brown, Director, Office of Finance, Office of the Governor, introduced Jeff Hardcastle, AICP, Nevada State Demographer, Department of Taxation, who read his prepared statement in support of Senate Bill (S.B.) 504.

Good morning, Chair Carlton, and Vice-Chair [Benitez-] Thompson and members of the Assembly [Committee on] Ways and Means.

For the record my name is Jeff Hardcastle, State Demographer of the Department of Taxation. I am here to speak to S.B. 504 [Senate Bill (S.B.) 504] for promoting the 2020 Census.

Governor Sisolak proposed the \$5 million in his State of the State address to support the Census in Nevada. The budget to do so is an effort to maximize grassroots efforts as well as paid media in order to make sure all Nevadans are counted in 2020. The goal of the Census is to make sure persons are counted, once, only once, and in the right place. We especially want to make sure we are including the hard to count or hard to enumerate population.

Overall responses to surveys have been trending down. The Census Bureau conducted a survey in 2008 and in 2018 to see how likely persons are going to respond to the Census. In 2008, 86 percent of the respondents indicated they would readily respond to the Census and 76 percent actually did so. In 2018, the number was 67 percent. A decrease of 20 percent. So the lift and need for promoting efforts is much greater this decade.

In 2016, Nevada received \$6.2 billion in federal funds based on formulas using Census data. This budget is 0.1 percent of that.

Highlights include:

- Minimal staff to coordinate local, state, and Census Bureau efforts and those of any volunteer organizations.
- Appropriate use of contracted services to fill in vital gaps.
- Provide support to local governments.
- Provide promotional information and material for folks to have something in their hands reminding them about the Census.
- Leverage our universities and schools this will be our 15th Census since we became a state!
- Provide for targeted media that provides a Nevada message that complements the Census national campaign.

Overall, this budget:

- Looks to maximize promotional material and activities across the state.
- Support local governments and the full range of our communities.
- We have the resources to help ensure we are counting everyone.
- Creatively leverage state and local institutions and interested parties in promoting the Census.

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.

Jared Busker, Associate Director, Government Affairs Manager, Children's Advocacy Alliance, testified in support of S.B. 504. He also represented Nevadans Count Coalition, a 15-member coalition of organizations throughout the entire state that sought to ensure a complete count of all Nevadans. He wanted to make sure that Nevadans were counted to maximize the amount of federal funding received by the state to fund programs and support every single Nevadan.

Miles Dickson, Chief of Staff, Office of the State Treasurer, echoed the comments of the previous two speakers on the importance of the census. The state had long lagged behind 47 other states in some years and 49 other states and the District of Columbia in other years in regard to its per-capita rate of federal grant funding. The decennial census along with its companion, the American Community Survey, were the primary data sources for formula-based aid decisions over the next decade. Those decisions drove almost \$700 billion in federal domestic spending in the states. It was important for every year and every decade that the total census count be accurate. The investment of money and the companion Complete Count Committee proposed by the Governor would improve the outcome of the census.

Chair Carlton asked for further testimony in support of, in opposition to, or neutral on the bill. There was none. She closed the hearing on S.B. 504. She explained that Senate bills that contained funding could not be processed by the second house before the kindergarten through grade 12 (K-12) funding bill was processed because the "education first" bill had to go first. Any bill that had funding in it that was not in the house of origin had to remain in the second house until the K-12 funding bill passed. Then the Committees just start passing bills back and forth between the two houses to get them all processed. But bills with funding had to remain in the "parking lot" until then. When the K-12 bill was sent to the Committee, and that should occur soon, the Committee could begin to process other bills.

Chair Carlton opened the hearing on Senate Bill 508.

**Senate Bill 508: Makes an appropriation to the State Department of Conservation and Natural Resources for the replacement of information technology infrastructure. (BDR S-1178)**

Dominique Etchegoyhen, Deputy Director, State Department of Conservation and Natural Resources (DCNR), presented Senate Bill (S.B.) 508. The bill requested an appropriation for the Department for replacement of the shared information technology (IT) infrastructure. The Department had experienced success internally coordinating and informally consolidating its IT efforts to achieve cost effectiveness and efficiency. In fiscal year (FY) 2017, DCNR received funding to support critical replacement needs for its shared IT infrastructure environment. The Department's FY 2017 appropriation was the first phase of a larger equipment schedule intended to acquire approximately \$75,000 to \$100,000 each biennium to maintain DCNR's shared IT infrastructure. In the 2017-2019 biennium, however, DCNR failed to receive any funding to continue the replacements. That caused a greater need and larger request now for the 2019-2021 biennium. Senate Bill 508 included

hardware needs for the DCNR Bryan Building location including four physical servers with Microsoft licensing, one backup server with disk storage, and an offsite storage tape backup library for disaster recovery. For the sagebrush ecosystem technical team that was located in a separate building, S.B. 508 also included one physical server with Microsoft licensing, one backup server with storage, and a tape backup library for offsite disaster recovery storage. He thanked the Committee for its consideration.

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. She closed the hearing on S.B. 508 and opened the hearing on Senate Bill 448 (1st Reprint).

**Senate Bill 448 (1st Reprint): Provides for transferable tax credits for affordable housing in the State. (BDR 32-381)**

Senator Julia Ratti, Senate District No. 13, presented Senate Bill (S.B.) 448 (1st Reprint) on behalf of the Committee to Study Issues Regarding Affordable Housing. She presented two exhibits. Exhibit C was a six-page document titled "Proposed State Low-Income Housing Tax Credit (Bulletin 19-5 Committee to Study Issues Regarding Affordable Housing-Recommendation #5 Financing for Affordable Housing)" in support of Senate Bill 448 (1st Reprint). Exhibit D was a conceptual amendment to Senate Bill 448 (1st Reprint). She served as Chair of the Committee to Study Issues Regarding Affordable Housing and the late Assemblyman Tyron Thompson was the Vice Chair of the committee. The other members of the committee included Assemblywoman Sandra Jauregui, Assembly District No. 41; Assemblyman Edgar Flores, Assembly District No. 28; Senator Yvanna D. Cancela, Senate District No. 10; and Senator Ben Kieckhefer, Senate District No. 16. She was proud of the work of the committee. The members dedicated substantial time and effort, studied a lot of dense material, and listened to many tragic stories.

Nevada had a critical shortage of affordable housing, and the state was in crisis. Senator Ratti had frequently presented her introduction to affordable housing in the past and would focus on the fiscal note. She highlighted that the low-income housing tax credit idea was targeted at Nevadans who were living at 60 percent or less of the area median income (AMI). Affordable housing was defined as a person not spending more than 30 percent of their income on the entire cost of housing that included rent, utilities, and everything related to housing. A 60 percent AMI person in Nevada had a household annual income in the mid-\$50,000 range. A household that was at 60 percent median income or below had an income that hovered at about \$36,000 per year. An extremely low-income population would have a household income of about half that.

The focus of the bill was individuals who made little money and had to compete in the market for housing. Senator Ratti mentioned Maslow's hierarchy of needs for food, shelter, and clothing. Low-income individuals had difficulty competing for housing in a market-based system. Nevada only had 36 of every 100 units that were needed for the 60 percent median-income population and below, and that was insufficient. Washoe County had 9,359 units compared to a need of 410,500 (24 percent). Clark County had 31,392 units

compared to a need of 168,000 (19 percent). Housing prices had escalated at a fast rate, and those individuals were unable to compete.

Senator Ratti said there were solutions to the problem, and many programs existed. There were two basic ways to attack affordable housing, and one program was to build affordable units. When we build affordable units we typically offer some portion of taxpayer government subsidy. In exchange for the subsidy, that unit would be locked in at a certain price for 30 years. The second program was a voucher program. Housing authorities would give a low-income renter a voucher to compete in the market, and the voucher gave the individual extra money to buy down the rent. Unfortunately, the waiting lists were 30 years long for programs that were run by the major housing authorities in southern and northern Nevada, and for all intents and purposes, those waiting lists were closed. Even those individuals who made it to the top of the waiting list in northern Nevada where the market rate had escalated so astronomically, the voucher was insufficient to close the gap.

Senator Ratti said the Legislature needed to get involved. The Committee to Study Issues Regarding Affordable Housing recommended a number of bills. Senate Bill 448 (1st Reprint) built upon the most effective tool that was the federal low-income tax credit. She said 95 percent of those low-income units (9,359 units in Washoe County and 31,000 in Clark County) had been built using the federal low-income tax credit program. Affordable housing was not built in a market-based system. If we want more affordable housing, we need more government intervention. But government did not build housing and relied on the private sector to do that. Public-private partnerships would reduce rents and develop the expertise to coordinate financing, contracting, and construction of affordable units. In exchange for those efforts, the rent was locked in for 30 years. Public-private partnerships was how most affordable housing had been built for the last several decades.

Senator Ratti reviewed [Exhibit C](#) for the Committee. Two gentlemen would testify from the Housing Division, Department of Business and Industry, and had been incredible partners on the journey to figure out how to improve the housing crisis. A broad-based coalition of support included work of many good individuals. She credited the Housing Division, Department of Business and Industry, that had been creative and diligent in working through problems. The Division would explain a capital stack to illustrate one of those projects, the funding sources, and how the \$10 million state investment could be very powerful. Senate Bill 448 (1st Reprint) would increase affordable housing production in Nevada by 60 percent. Solutions would require more than a year or two. A long, steady, and continual investment would be required, but it was life changing for the individuals who were able to get into affordable housing. She asked the two gentlemen to introduce themselves and explain a couple of the concepts about a capital stack for an affordable housing project to allow the Committee to understand how those dollars would be used.

Stephen Aichroth, Administrator, Housing Division, Department of Business and Industry, introduced Michael Holliday, Chief Financial Officer, Housing Division, Department of Business and Industry. Mr. Aichroth said he would quickly explain the 4 percent capital stack. He believed that the 4 percent capital stack would be where the proposed state tax

credit would work best. [The capital stack referred to the organization of all capital contributed to finance a real estate transaction. The capital stack defined who had the rights (and in what order) to the income and profits generated by the property throughout the hold period and upon sale. The stack was described as containing the most risk at the top, traveling down the stack to the position with the least risk.] Mr. Aichroth said a capital stack was a different kind of mechanism than what the members might be used to seeing. To build affordable housing and have rents at the 60 percent level, the state must do something that was a little different.

Mr. Aichroth referred to [Exhibit C](#). Working from the bottom up on the left-side diagram on page 2 of [Exhibit C](#) (Multi-family Housing Finance), he explained an actual project that was recently financed in Las Vegas. He referred to the very bottom of the page where it said Home Funds, and those were important funds granted by the local jurisdictions. Those granted funds were a small percentage but provided a property tax exemption that did not help at the very beginning of the project but retained affordability for 30 years. The local jurisdictions gave up some of the U.S. Department of Housing and Urban Development funds to make the development happen. The deferred developer fee was the equity that the developer deferred for up to 13 to 15 years, and typically, that was about 60 percent or more of the developer fee per the Internal Revenue Service (IRS) guidelines, including operational cash flows and debt service. The blue box was tax credit equity and represented about 35 percent—or in this case, 36 percent—that came from the development through the sale of federal tax credits. The tax credit equity box was limited by the IRS rules regarding the issuance of tax credits proportional to the eligible basis of the development. The next box provided the tax exempt bonds and was effectively the debt on the development of about 43 percent and was limited by the debt coverage ratio of the project that it could support. The project was a \$34 million project, and all those funds added up to \$31 million, and a \$3 million financing gap still existed.

According to Mr. Aichroth, the Division currently used what was called gap financing, and that program was used to grow the affordable housing program. It was a 3 percent loan using recycled issue fees from previous bond issuances as the funding source. The Housing Division had enough funding to do two projects a year for the next four years. He anticipated that the state affordable tax credit program would allow the Division to do three more of those projects a year. Between gap financing and programs proposed by [S.B. 448 \(R1\)](#), the Division could complete five projects a year. The Division would use all those funding sources but would only get to \$31 million. That amount would not get the project over the finish line, and an additional \$3 million was needed.

Senator Ratti said she wanted to be clear that all the funding sources were capped one way or another. Home funds were a very small allocation from the federal government. Nevada did not receive many dollars, and every project needed those funds to be successful. The tax credit equity was capped by IRS rules, and it could only be a specific percentage of the project. Each one of those projects used tax exempt bonds and was limited by the debt coverage ratio.



Senator Ratti spoke about the findings of the development community. The development community was not the broad-based development community but was a small niche group of developers who were willing to work through the specific kind of financing mechanism to build affordable housing. The development community was mission-based. Nevada had a handful of traditional developers who wanted to build affordable housing projects. Specific expertise was required to develop affordable housing projects. Many developers were nonprofit organizations, including Nevada Hand, Inc., that would testify later. The developers used a very specialized expertise to bring those projects to fruition. What the developers had been telling her, and what the Housing Division had been creative in solving, was that last gap financing. She said the dollar store example helped her understand why the funding was so important. She asked Mr. Aichroth to explain the dollar store example.

Mr. Aichroth referenced the capital stack project and the \$31 million of financing for that \$34 million particular project that was funded 91 percent. When a person walked into a dollar store with 91 cents, that person was unable to buy anything. But when that person had an extra dime, that got them above one dollar, and they could purchase something. Senate Bill 448 (1st Reprint) would provide the extra dime, and the project would get done. The bill would give the Division three more dimes, and three more projects could potentially be completed during the course of the year.

Senator Ratti said that S.B. 448 (R1) allowed the Division to leverage all of those other funding sources to build three more projects. Some of those funding sources were federal or private dollars that were put into projects. Senator Ratti thought the Division should explain the return on investment.

Mr. Aichroth referenced page 4 of Exhibit C that listed the return on investment. He explained that the 4 percent example had a \$3 million funding gap for 201 units and that totaled 603 units in the third column at the bottom. Using the low-income rents and comparing those to the market rate rents, he calculated a difference in the second green column that was the monthly unit subsidy. He used that subsidy and added it across the floor plan of the bedrooms and came up with \$1.3 million saved annually. The total rent subsidy generated by each \$10 million investment in state low-income housing tax credits was roughly \$40 million. That \$40 million over four years totaled around \$159 million. He estimated that \$1 of state low-income housing tax credits would generate \$4 of rent subsidy over the life of the program. That was what the tenants would receive and how the dollars worked.

Sentor Ratti said many members of the Committee had worked with her on health and human services matters. She was always trying to figure out where to get that next dollar to put more into Medicaid, child care subsidies, and food security programs. Those were the basic needs of the poverty assistance programs in Nevada. But in all those programs, once you spend that dollar, it was gone. The difficulty was you had to keep generating funds. If the state was going to give somebody a Temporary Assistance for Needy Families (TANF) check every month, the state had to find that money to give that TANF check every month.



The big difference with S.B. 448 (R1) was the Legislature could make the \$10 million investment up front and then that subsidy was locked in for 30 years.

Senator Ratti provided an example. She said if you take the top unit that was available to somebody who earned 50 percent of the area median income (AMI), the rent in the unit would be \$657 per month. That same unit in the regular market would rent for \$902 per month. The low-income individual received \$303 in poverty assistance every month for which the state would never have to write another check. The state would have to write another check in 30 years. That was why the program could be particularly powerful. Nevadans who lived in a market where they were rent-burdened and spent 50 to 80 percent of their income for housing had to forego many other things. Those were the individuals who shared pills between the spouses because they were unable to afford medical care and chose to live in food deserts without healthy foods. The opportunity to write that one check up front and get 30 years of poverty assistance was one of the other reasons that she became evangelical for affordable housing projects. She could not think of anything else that would achieve that goal. Writ large over the entire \$10 million for every dollar that the state spent, the state benefited with \$4 of that investment providing assistance.

Senator Ratti said there was another page in [Exhibit C](#) that she would not explain to the Committee, unless the Committee wanted her to, that showed the direct investment return. Page 5 of [Exhibit C](#) provided the entire return of the investment using an economic multiplier. The proposal created jobs and other economic development effects. She thought the direct poverty subsidy return on investment was powerful enough. She said her most effective use of the time now was to answer questions.

Chair Carlton asked about the tax credit program. She understood that the state could not fund the proposal with State General Funds because use of General Funds within a public-private partnership was prohibited. She understood that was considered several times during the discussions.

Senator Ratti responded that she was not a big fan of transferable tax credits. It was the height of discomfort for her that she was the advocate for this project. She agreed that there was no way for the Legislature to give dollars directly to a public-private partnership or to any entity that had an opportunity to earn income. She considered a General Fund appropriation, but as she worked through the process in the Committee to Study Issues Regarding Affordable Housing, she realized that would not be possible.

Chair Carlton wanted to ensure that was on the record for everyone to understand the programmatic reasons.

Assemblywoman Neal thought the number of units mentioned was the projected number of 603 units, but asked whether those projects that the gap financing could apply to would be completed in the next two years or whether 603 units were just the future prospective projects that might come online.

Senator Ratti responded that the 603 units reflected an actual project. That project was built in Las Vegas and was a real-world example of how the process played out in a project. The projection was that the Housing Division would complete between 1,000 and 1,200 units per year. She believed that with the source of funding, conservatively, the Division could complete 600 units for sure and probably 600 to 800 units per year. Market conditions varied so those numbers would vary. At that number, the Division would get the 60 percent increase in funding. A project of 200 units or so would result in three projects of 600 units that would range between 600 to 800 units. The Housing Division could speak to what was in the queue, how those projects came in, and what that looked like with the application and the project. There were individuals definitely waiting in the wings who could be building more projects if the Division had more gap financing.

Michael Holliday, Chief Financial Officer, Housing Division, Department of Business and Industry, stated that the Division had not completed a new construction bond deal in Nevada, especially in northern Nevada, in the past decade. When the gap financing program for the Division was created, the Division was able to complete two projects per year every year for the last five years. He received calls all the time from the same developers who had a piece of land and wanted to know whether the Division had more of the gap financing to be able to build those projects. He thought 600 units was reasonable and was confident the Division could complete 600 extra units per year, or three projects of 200 units each every year. The Division would insist that if the project was going to receive any type of state tax credits, the projects would have to be 200 units or above to allow the Division to develop a sufficient percentage of return. The potential for supply existed, but projects would not work without some type of gap financing because the developers now faced increased costs for materials, construction, and land. The financing structure had gotten more difficult, and the federal tax credits only helped so much. The Division needed the gap financing to make the projects work.

Assemblywoman Neal said staying with that example, section 8 of the bill addressed the flexibility to max out the credits, and if you max out in the credits, you could do a reduction in the next year. The return on investment and the 600 units would remain when the credits were exceeded. The gap financing and the wiggle room was \$3 million. The Division could max out at \$10 million, but if the Division reached \$3 million, it reduced the following year to \$7 million. She asked whether the Division would still complete 600 units.

Senator Ratti replied no, because many of those projects had the additional funding source that was the bond cap. The bond cap expired on a three-year cycle. The Housing Division always faced the problem of using all of the bond cap that was available. The \$3 million wiggle room allowed the Division to complete projects that needed to be done in one year when extra bond cap was available. Senator Ratti provided an example of a project that closed on December 28, 2018. The Division used that bond cap that it would otherwise have lost. That project just flipped across the December calendar line and fell into the next year. The Division built four projects in that year and got four projects worth of units, and that could be 800 to 1,000 units. In the next year, the Division could only do two projects because it only had \$7 million remaining of the \$10 million. That \$10 million per year in the

four-year project period included \$3 million that could flip forward when there was a project that was ready to go.

Senator Ratti was excited about that concept. She worked through the bill and noted that there was urgency for those units to become available. The development window was somewhere between eighteen months and two years. When a project was ready to go and resources were available, that project should be built right away. Low-income individuals did not care about the calendar year or when a project was built. She did not want to make the program so flexible that all of the dollars were spent in the first cycle. She wanted to accommodate a learning curve to ensure that the program worked well. Wiggle room was needed when extra bond capacity remained, or when a project was ready to pencil, and it was getting toward the end of the year. That project should be built rather than waiting until January 1.

Assemblyman Kramer said he had worked in the affordable housing area, and two things needed to be stated. Senator Ratti spoke about a 30-year life on those projects when in fact a new roof or something might be needed in 10 years. A project typically generated money for deferred maintenance, and some rehabbing extended the project another 30 years. Projects did not have a 30-year life of low-income protection, but instead had a life of the building and that kept extending out farther.

Assemblyman Kramer said the second thing was related to the public-private partnership. The owner of the building would only receive the opportunity to choose the management firm to run the project. The owner would not receive money or a huge capital gain windfall but would have a maintenance amount. The Legislature could not require the owner to put more money in the project because the return was not there. Those two things stacked together were the only way to make a project work. He was a proponent of the bill, and he thought it was important to recognize that a project was not a 30-year deal, but was probably the lifetime of the project.

Assemblywoman Jauregui agreed with Assemblyman Kramer. She served on the Committee to Study Issues Regarding Affordable Housing. She heard many sad stories, and homelessness affected the entire state. She saw the need existed, heard those stories, and was a big proponent of the bill. She thanked those who served on that committee and was proud of the bill. She understood that the Housing Division completed two projects a year that totaled about 400 units. She asked whether approval of the gap financing would allow three more projects in addition to those two projects to be built and then there would be five projects being built for a total of 1,000 units every year.

Mr. Aichroth confirmed that five projects would be built annually.

Senator Ratti clarified that the Division was building 1,000 units and would be adding 600 units. There were two programs including the 4 percent program and the 9 percent program. The Division completed two projects per year in the 4 percent program. Senate Bill 448 (1st Reprint) would allow the Division to do three more projects in the

4 percent program, but there was also the 9 percent program with an additional 1,000 units. The other capital stack that was referenced was the 9 percent program that was targeted at the extremely low-income population and had a much higher subsidy rate. Because of the dynamics of the funding source, the 9 percent program did not help as much. Overall, the Division was building 1,000 units per year using the two programs, and S.B. 448 (R1) would add an additional 600 units.

Chair Carlton asked for an explanation of the 3 percent, 4 percent, and 9 percent programs.

Mr. Aichroth responded that reference was made to the low-income housing tax credit LIHTC program. [The low-income housing tax credit (LIHTC) program, created in 1986 and made permanent in 1993, was an indirect federal subsidy used to finance the construction and rehabilitation of low-income affordable rental housing. Owners had to keep the units rent restricted and available to low-income tenants.] There were two basic programs that were created, one was the 9 percent program. The Housing Division received a certain amount of funding from the federal government for that particular group based on a per capita amount. That program was a competitive process and benefited lower income smaller developments and typically did not have a funding gap. The program created so much equity that there was very little gap. The second LIHTC program was the 4 percent program, and that was what he had presented to the Committee. The funds were allocated to the Division through the issuance of a private activity bond cap, and that program had a completely different funding mechanism.

Senator Ratti said the 9 percent program was an allocation. The Housing Division received a limited number of dollars targeted to those lowest-income individuals. The program had more subsidy in those projects, but fewer units were built. That program was important to a senior citizen on a fixed income who received an \$850-a-month social security check because the senior typically spent 30 percent of his income on rent. She provided an example of a gentleman who was 67 years old and worked all his life and never made a lot of money. His social security check was \$857 per month, and that amount made it difficult to compete in the housing market in Reno. The rent for his unit was \$297 per month because the subsidy limited the rent to 30 percent of his income.

Senator Ratti noted that it was hard to build those projects because that income level was low and made those projects difficult to fund. The 9 percent project was a limited direct allocation from the government, and the Housing Division built as many projects as it could with that program. The Division received enough money to make it viable, but it completed only a few units targeted to the lowest income group. The 4 percent project was the private activity bonds with a more unlimited source of funds. The more funds that were invested, the more projects the Division could build. That was why the funding source was focused on the 50 percent area median income (AMI) and the 60 percent AMI. The federal government had recently offered flexibility to accommodate an average of 60 percent AMI, and there were some developers building 80 percent units and 40 percent units. That was another way to meet the missing middle of housing but also get some lower-income units for individuals and that had been effective. The project used private activity bonds and had a more robust level

of funding than what was received from the federal government. The Division could tap into those projects that were specifically effective.

Assemblywoman Benitez-Thompson asked about the provision on page 7, section 9, subsection 7 related to the confidentiality of information of the project sponsor. She knew in some provisions of the tax statutes regarding other transferable tax credits, the data lived in openness. She asked whether that section would be revised or whether there were reasons the Housing Division would not want the information on those projects to be public.

Mr. Holliday responded that the tax credit program was transparent. The applications were published on the website and available to the public. The tax credit investor was the person who bought the tax credits in the federal program, and the borrower and the documents were public. The State Board of Finance received a packet of documents that spelled out everyone's role in the development process. The specific confidentiality language Assemblywoman Benitez-Thompson referred to was from another tax credit statute and was added to S.B. 448 (R1).

Assemblywoman Benitez-Thompson said she appreciated that explanation because she knew that throughout the years the Legislature had talked about transferable tax credits, and it usually considered some boilerplate transparency language that some thought was necessary and specific. She favored more transparency. She supported the public process because there would be a level of transparency related to how those dollars flowed that might not exist that you did not necessarily get to see with other types of transferable tax credits that were available. She knew that a big concern was when the transferable tax credits showed up on the books, and she noted the Economic Forum has discussed when funds would be received.

Assemblywoman Benitez-Thompson noted that the program would begin on January 1, 2020, and received \$10 million a year for four years. Applications would be received until July 1, 2023. That was when the Housing Division would stop taking applications, but the credits would continue for four years after they were issued while the program would end on January 30, 2030. Assemblywoman Benitez-Thompson's first question was about the lifespan of the program. Then her next question was about what amount of discretion the Legislature had in 2022 when considering the lifespan of 2020 to 2027 or 2030. She asked about section 9, subsection 6, paragraph (b), subparagraph (2) regarding the irrevocable declaration of the amounts of transferable tax credits and what could happen if there was a recession. She expressed concern about a developer not building the units so the rest of the capital might not exist to top off the funding to make the project actualize. She asked whether the \$10 million would then be available for four years and roll over to 2023, for example. Hypothetically, the economy would recover and the program might see a \$20 million hit in one quarter in 2025. She asked whether there was a failsafe for the state to prevent too much from hitting the books all at once.

Senator Ratti responded that she believed when she talked about the numbers at the front end of the program and the significant need for affordable housing, the only way that the state

would be successful in improving the situation was to develop the program and make it last for a very long time. She would prefer to see the program in perpetuity. That said, understanding that the concept was a new area for the state, she proposed the pilot project with a forced ending after four years to allow a review by the Legislature to ensure that the program was effective. Her hope was that the Legislature at that time would see the results and hear the stories of the individuals who received those affordable housing units and would continue the program. The four-year timeline was because she wanted to set it up as a four-year project and have the Legislature review the status. Maybe she should have proposed a sunset given the current environment.

Senator Ratti said the second consideration was sometimes affordable housing unit projects were easier to build during a recessionary period. Currently, there was a big need for affordable housing because the market rents were high. Low-income individuals had difficulty competing in the market. Also, expenses were high to build those projects because significant competition existed for labor, and cost of materials and land prices were high. Ideally, a developer was better positioned to start building units during a recessionary period because all of those expenses decreased, and the developer could build more units with lower costs. It was counterintuitive because during a recession the need for those units was less. Nevada only had 34 units for every 100 that were needed, and those units were still needed even during a recessionary period.

Senator Ratti said affordable housing would require the fortitude of the Legislature during difficult periods of time when it was difficult to spend money because the state balance sheets looked uncertain. The Legislature would have to stay the course with affordable housing projects because more units could be built during the recessionary periods. She recommended reliance on the experience of developers who had been building units for years. She believed that the Housing Division had been able to consistently build projects, and those tax credits would come off the books.

Assemblywoman Benitez-Thompson thought that transferable tax credits might total \$38 million with \$1 billion in capital investments that would expire in 2025. That \$38 million could potentially hit the books at any time. Sometimes those transferable tax credits came back on the books without as much notice as the Legislature required. She did not want restrictions placed on a future Legislature. At times the program may not receive sufficient notice that tax credits were landing on the books. The members of the Legislature changed based on their terms, and the Legislature might lose institutional knowledge about the program. The Housing Division would be able to remind the Legislature of the program status. The Legislature had required a report to the Interim Finance Committee for a different set of tax credits regarding when those tax credits would hit the books to allow for better planning. She suggested that the Legislature should err on the side of allowing the housing money to continue to flow so that the other \$38 million would not hit at the same time, suddenly producing a \$50 million effect. Those might be crazy thoughts, but she had seen some crazy things in her time, and she was excited about the program.



Senator Ratti believed that the affordable housing tax credits were probably the most predictable tax credits on the books. The Housing Division had completed a cycle of tax credits, an application process existed, the project cycle lasted for 18 months to two years, 30 years of track records existed for the projects, and the program would be more predictable because the tax team would be able to project when the tax credits would be taken off the books. There was already a limit of only \$10 million allowed per year, with \$3 million wiggle room. She was unsure whether S.B. 448 (R1) anticipated the program would reach a period where no units were built and the tax credits accumulated. She had not considered that \$30 million was on the books and needed to be spent in the four-year window. That was not a scenario that she thought would occur, but she was happy to go back and look at the language to consider that scenario. The program was limited on the front end and allowed \$10 million to \$13 million in one year and \$40 million total.

Assemblywoman Benitez-Thompson clarified how she read the language of the bill. She made the assumption that whatever amount was not spent in one year could carry forward to the next year. Senator Ratti indicated that the amount would not exceed \$10 million to \$13 million in a year, and no more than more \$3 million could roll over. In that next year, the amount could not exceed \$13 million.

Senator Ratti replied that the program would not allocate more than \$10 million in a cycle except for the additional \$3 million wiggle room that would total \$13 million. If the amount went up to \$13 million in one year, the following year was limited to \$7 million. The total would always stay close to \$10 million. Senator Ratti thought the question posed by Assemblywoman Benitez-Thompson related to when the tax credits came off the books. This program was designed as the last-dollar funding source. Once it had been allocated, the developer did not receive the money until the developer had demonstrated that the project had been built. All other funding sources had to be spent before the tax credits came off the books at the allocation point.

Assemblywoman Benitez-Thompson said she discussed her concern with the Assembly Committee on Taxation. A reservation process existed to reserve tax credits until two years later when the project was actually built and the certificate of occupancy was provided. The tax credits were cashed in at that point. That was best because the base had been built up. Legislators were now involved in the conversation at the outset. She was always concerned about that barometer to prevent surprises because tax credits could be surprising sometimes.

Senator Ratti replied that she had that conversation. Because there was an 18-month to two-year project timeline and because the projects were being built, the only place volatility might occur was when the tax credits were cashed in during the 18-month to two-year window and the project was being built. If the state hit the depths of recession and one of those developers got into financial trouble, a project might be started but not finished. That would be the only situation when that tax credit was not cashed in. But that would be in \$3 million increments because of the amount of each project. She thought the only risk for not having the tax credits come off at a relatively predictable level was some significant problems with an individual developer who started a project, received the award, but was

unable to complete the project and obtain the certificate of occupancy. The Housing Division had 30 years of experience and found that to be a rare occurrence.

There being no further questions or comments from the Committee, Chair Carlton asked for testimony in support of S.B. 448 (R1).

Sarah Adler, Sliver State Government Relations, representing the National Alliance on Mental Illness Nevada shared that she had spent much of her professional career working on affordable housing in rural Nevada. She testified in support of S.B. 448 (R1) for many reasons and for many client groups. The Committee heard about the 30-year tax credits. The state needed to preserve affordability. Affordable housing complexes had been in existence for 30 years. The housing demand was increasing in most places in Nevada. It was important to reinvest some dollars to prevent the affordability gap from increasing. The affordable housing developer group was a specialized group. She assured the Committee that it was a highly participatory group. There was something called a qualified allocation plan and everybody was allowed to participate in how that qualified allocation plan was structured. She shared that S.B. 448 (R1) was effective and important.

Russell Rowe represented Nevada HAND, Inc., a private nonprofit developer and Nevada's largest developer of affordable communities for seniors and working families. Nevada HAND had over 33 communities in southern Nevada and 1 under development. Those communities were effective types of programs in southern Nevada and included 19 senior-living facilities, 2 assisted-living facilities for seniors, and 12 communities for working families. The goal was not just leveraging private and public dollars but also leveraging partnerships. Assemblyman Kramer referenced affordable housing. Nevada HAND, Inc., partnered with over 13 nonprofit entities and public agencies ranging from Three Square, Boys and Girls Clubs, the University of Nevada, Las Vegas, and the library districts that brought wraparound services to the communities. The goal was not just providing affordable housing, but providing places for children to recreate and study in safe environments with after-school healthcare services and transportation services. Services were provided to allow working families to get to work when a car broke down. Someone could bring them to the job so individuals could continue to be employed to take care of the families. Those were incredibly important programs, and he recommended the members read how other states had provided services. Colorado just released the 2018 report on its effective and successful tax credit program that had been in existence for three to four years. He strongly encouraged the Committee to support S.B. 448 (R1).

Dave Dazlich, representing the Las Vegas Metro Chamber of Commerce, testified in support of S.B. 448 (R1). He thanked Senator Ratti for bringing the legislation forward. There were many ways to address the problem of affordable housing and the supply of affordable housing. Tax credits were a method that the Chamber had long supported and provided the best bang for the buck for the state while leaving market-rate developers the ability to develop without slowing down the overall housing supply.

Brittany Walker, representing Regional Transportation Commission and the Regional Administrator for Southern Nevada Strong, testified in support of S.B. 448 (R1).

Barbara Paulson, representing Common Good testified in support of S.B. 448 (R1). She said Nevada was in desperate need of affordable housing.

Maggie O'Flaherty, McDonald Carano, representing Nevada Homebuilders Association, testified in support of S.B. 448 (R1). She said the bill offered a great approach to the housing affordability problem.

Matthew J. Walker, Senior Advisor, Brownstein Hyatt Farber Schreck, representing Howard Hughes Corporation, testified in support of S.B. 448 (R1). He appreciated all the work that had gone into the bill.

Bryan McAnallen, Porter Group, representing the City of North Las Vegas, testified in support of S.B. 448 (R1). During the presentation, an article was posted in the *Las Vegas Review-Journal* showing the price increases in March 2019. Las Vegas led the nation again with an 8.2 percent increase in housing costs. Senator Ratti was correct that Nevada was on the verge of a crisis, and the legislation would be transformative.

Mendy Elliott, Capital Partners, representing the Reno+Sparks Chamber of Commerce, Nevada Rural Housing, and Nevada Housing Coalition, testified in support of S.B. 448 (R1). She said the capital stack used the last-end dollars that would make or break any type of investment that the state would make in a multifamily project. She thanked the Department of Business and Industry and Senator Ratti for all the work related to affordable housing. The bill was a new opportunity for the state to make that type of investment because the state had never done it before. The investment would make a difference in the lives of Nevadans. Nevada was fortunate to have the expertise in the state and the Department, and she knew those investments would be prudent and sound.

Marlene Lockard, representing the Nevada Women's' Lobby, testified in support of S.B. 448 (R1). She commended Senator Ratti for her leadership throughout the session on the housing problem and the Committee to Study Issues Regarding Affordable Housing for proposing the legislation. The demonstration of the need was clear, and she supported the efforts.

There being no further testimony in support of, in opposition to, or neutral on the bill, Chair Carlton closed the hearing on S.B. 448 (R1) and opened the hearing on Senate Bill 509.

**Senate Bill 509: Makes appropriations to the Division of Water Resources for the replacement of vehicles and computer software and hardware. (BDR S-1181)**

Tim Wilson, Acting State Engineer and Administrator, Division of Water Resources, Department of Conservation and Natural Resources, presented Senate Bill (S.B.) 509. The

bill made a General Fund one-shot appropriation to the Division. The operating system for the computers was being phased out by Microsoft and needed to be upgraded to a new operating system requiring new computers for the Division. The agency also had many vehicles with over 100,000 miles and performed much work off road in rural Nevada. Those were very intensive miles, and the vehicles were starting to wear out. The agency requested replacement of the oldest trucks.

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. 509 and opened the hearing on Senate Bill 511.

**Senate Bill 511: Makes appropriations to the Department of Corrections for the replacement of roof hatches and a sewer pump and the repair of flooring, plumbing and a sewer grinder at various correctional centers. (BDR S-1184)**

Harold Wickham, Deputy Director, Department of Corrections (DOC), presented Senate Bill (S.B.) 511. The bill related to health and safety problems for the staff and the offenders. Section 1 of the bill included an appropriation of \$49,294 for the roof hatches at the High Desert State Prison. Those were the access ways that the officers went from the ground floor up to the gun posts at the institutions. Unfortunately, as a result of the previous design, those roof hatches were falling apart. When the roof hatches fell apart, they fell on the officers' heads, and it was a dangerous situation. The DOC needed to replace those roof hatches with sliding hatches instead of those that opened up and down.

According to Mr. Wickham, section 2 included \$80,000 for flooring and plumbing repairs at the Humboldt Conservation Camp. Previously, the Department received an allocation for the Carlin Conservation Camp to replace flooring and plumbing. The compliance enforcement officers told the DOC that it had to repair the plumbing and flooring problems because the buildings were so old that the floors were falling through and could result in serious injury and litigation.

Mr. Wickham said section 3 included \$18,482 for replacement of a sewer chopper pump at the Lovelock Correctional Center. The sewer chopper pump kept the waste water flowing for the water reclamation project to conserve the natural resources. Section 4 requested \$25,000 for a sewer grinder at the Southern Desert Correctional Center to keep the waste water flowing to the reclamation ponds for conservation efforts. Section 5 requested \$70,569 for replacement of floors and fixtures at the Tonopah Conservation Camp to replace the floors, fixtures, and plumbing to maintain compliance.

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. She closed the hearing on S.B. 511 and opened the hearing on Senate Bill 523.

**Senate Bill 523: Makes a supplemental appropriation to the Department of Education for an unanticipated shortfall in personnel services expenditures for literacy programs. (BDR S-1248)**

Susan Brown, Director, Office of Finance, Office of the Governor, presented Senate Bill (S.B.) 523. The bill made a supplemental appropriation to the Department of Education for an unanticipated shortfall in personnel services expenditures in the Literacy Program budget account in the amount of \$11,344.

Assemblywoman Titus asked about the logistics. She understood that some appropriation requests stayed in the queue until K-12 [Kindergarten to Grade 12] was funded because the expenses had not been expended as yet. She asked whether the supplemental appropriation for a shortfall of \$11,344 had already been expended or whether there a difference.

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, responded that in a case such as this when it was a supplemental appropriation, it was to cover expenditures that were projected through the end of the fiscal year to be expended by June 30, 2019, specifically for payroll costs. Other requests might be one-shots that were effective upon passage and approval and might be rolled over to the subsequent fiscal year as a result of the timing of the end of session. That was the reason why those bills could not be processed until the K-12 funding bill passed the second house and why those bills were held.

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. There was none. Chair Carlton closed the hearing on S.B. 523 and opened the hearing on Senate Bill 524.

**Senate Bill 524: Makes a supplemental appropriation to the Non-State Retiree Rate Mitigation Account for a projected shortfall related to payment of supplemental subsidies for coverage of non-state, non-Medicare retirees under the Public Employees' Benefits Program. (BDR S-1249)**

Damon Haycock, Executive Officer, Board of the Public Employees' Benefits Program (PEBP), presented Senate Bill (S.B.) 524. The bill made a supplemental appropriation to the Non-State Retiree Rate Mitigation Account for a projected shortfall related to the payment of supplemental subsidies for coverage of the nonstate, non-Medicare retirees under the program. The Legislature approved Senate Bill 552 of the 79th Session (2017) that provided PEBP a General Fund appropriation and a new budget account for the PEBP Non-State Retiree Rate Mitigation Account to fund supplemental subsidies for nonstate retirees. The agency experienced a shortfall in fiscal year (FY) 2018, and a work program was approved in the amount of \$177,482 that transferred authority from the current FY 2019 to FY 2018 to cover the shortfall. Because authority was transferred out of FY 2019 to cover the FY 2018 shortfall, PEBP projected a shortfall in FY 2019 in the amount of \$127,819. He requested a supplemental appropriation.

Chair Carlton thought the members would remember the discussion from previous legislative sessions about orphans who were no longer orphans but were foster children because the Legislature took care of them.

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. There was none. Chair Carlton closed the hearing on S.B. 524 and opened the hearing on Senate Bill 537.

**Senate Bill 537: Extends the prospective expiration of the Consumer Affairs Unit of the Department of Business and Industry. (BDR 18-1206)**

Terry Reynolds, Deputy Director, Department of Business and Industry, presented Senate Bill (S.B.) 537. The bill extended the prospective expiration of the Consumer Affairs Unit of the Department of Business and Industry for another two years. The Consumer Affairs Unit was reestablished in 2013 and had been continued every two years for the last several years.

The Unit consisted of 6.5 full-time-equivalent (FTE) positions and had three major functions. The first major function was to handle consumer complaints that came in from the telephone, walk-ins, or referrals from other state agencies. The second major function was education: The Unit presented education programs to the public, especially seniors, related to scams and other things that might defraud consumers. The third major function was to work directly with the Fight Fraud Taskforce in southern Nevada, a multiagency group that worked with consumers to prevent fraud in the area. The Unit employee who worked in Carson City also worked with law enforcement agencies in the Reno-Sparks area and Douglas County on problems of scams and fraud. The Unit handled about 250 complaints per month and resolved over 90 percent of the consumer complaints. It was a small, effective office that used the resources of other agencies within the Department and the Office of the Attorney General to work on consumer complaints. The budget for the Unit was funded with National Mortgage Settlement funds, but the Governor recommended the Unit be funded with General Funds. The Unit would cost \$671,893 for fiscal year (FY) 2020 and \$690,339 for FY 2021. The budget was status quo, and the agency did not increase its personnel. The same number of employees had been maintained.

Assemblyman Kramer asked whether the Governor recommended the Unit be extended.

Mr. Reynolds confirmed that the Governor recommended the extension of the Unit.

Chair Carlton said the request was for the extension of the expiration of the Unit. She asked whether the elimination of the expiration had been considered. It seemed as though the Unit was effective. She recalled the conversation in FY 2015 to retain the Unit for two years to see whether the Department could get the Unit up and running. The Unit had operated for a long time before the Legislature eliminated it during the recession. She did not recall all the iterations, but recalled the basic conversations. She wanted to understand why the Legislature should expire the Unit two years from now if the Unit seemed to be working and



had a budget account. She suggested that the Legislature make the commitment to retain the Unit.

Mr. Reynolds agreed with Chair Carlton. He had asked the Legislature over the last several years to retain the Unit. He believed that the Unit had done a good job and recovered between \$200,000 and \$300,000 each year for consumers and should be part of the regular operation of the Department. The Unit worked directly with the Office of Ombudsman of Consumers Affairs for Minorities and conducted outreach to the community. The Unit was part of the Director's Office and was used on a daily basis because it was effective. He thought the Unit should be retained.

Assemblywoman Benitez-Thompson agreed with Chair Carlton. She said in the past when the program was discussed, consumers needed a third party to resolve complaints. She recalled conversations about consumers buying a bad mattress. When a person could not return to the retailer to argue a point, the consumer needed to consult a safe harbor. She thought the amount of activity and outreach of the Unit was helpful for consumers.

Assemblywoman Neal said she supported the Unit, but had hoped to see rollup banners in the West Las Vegas Library and North Las Vegas Library and other places where individuals would see the outreach. She suggested that the Unit create one-stop help centers in the libraries that were good places to meet consumers.

Mr. Reynolds agreed that was a good suggestion and added that the Unit had started working with various libraries on educational efforts to be more visible in the communities.

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. There was none. She closed the hearing on S.B. 537 and opened the hearing on Senate Bill 541.

**Senate Bill 541: Revises provisions governing state financial administration.  
(BDR 43-1213)**

Susan Brown, Director, Office of Finance, Office of the Governor, presented Senate Bill (S.B.) 541. The bill was a budget implementation bill that made permanent the change to the governmental services tax (GST) that would be allocated 25 percent to the State General Fund and 75 percent to the State Highway Fund.

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.

Jeanette Belz, representing the Nevada Chapter AGC [Associated General Contractors of America] testified in opposition to S.B. 541. She was present when Senator Horsford and Senator Atkinson developed the original concept of the GST. At that time, the additional amount that would be generated by the change was allocated 100 percent to the Highway Fund. Within a week, 100 percent was allocated to the General Fund and then slowly over

a period of time more and more of it was allocated to the Highway Fund. Senate Bill 541 would permanently remove the opportunity for the Highway Fund to receive more GST. At the very least, she requested that the sunset be extended. The GST was one of the sources of revenue that was not related to the use of a fossil fuel that was going away. The Highway Fund was dependent upon the gas and diesel taxes. Alternate fuel vehicles and better fuel consumption standards for vehicles decreased the revenue generated for the Highway Fund. She wanted to extend the opportunity to get the 75 percent back to where it was originally intended to go.

Chair Carlton asked whether Ms. Belz's opposition was she would like to see 100 percent go to the Highway Fund rather than just 75 percent.

Ms. Belz responded that in the ultimate world, absolutely, but in today's world for the purposes of the hearing, she would like to see the sunset extended so there would be an opportunity to make that case again. The sunset should be extended to the 81st Session (2021).

Chair Carlton asked for testimony in neutral on the bill. There was none. She closed the hearing on S.B. 541 and opened a work session.

Chair Carlton said in addition to the other bills that the Committee could process today, to keep the members aware, Assembly Bill 96 (1st Reprint) and Assembly Bill 445 could be processed. It was important that the Committee keep the Assembly bills moving in front of the pipeline and Senate bills could trail behind.

Chair Carlton moved to process Assembly Bill 96 (1st Reprint).

**Assembly Bill 96 (1st Reprint): Requires the creation of the Historic Sites Passport Program as a pilot program. (BDR 33-505)**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained Assembly Bill (A.B.) 96 (1st Reprint). The bill required the creation of the Historic Sites Passport Program as a pilot program. As amended, it directed the Office of Historic Preservation of the Department of Conservation and Natural Resources to create the Historic Sites Passport Program as a pilot program to issue stamps in a booklet for participants. The pilot program would operate from July 1, 2019, to January 1, 2021, and the bill contained an appropriation from the State General Fund of \$50,000. The Department of Conservation and Natural Resources indicated that the cost to enact the bill for the agency was zero. The \$50,000 appropriation would pay for the pilot program.

Chair Carlton asked whether any amendments were proposed.

Ms. Jones confirmed that there were no amendments, and the bill was heard on May 1, 2019.

Chair Carlton said the appropriation was \$50,000 in the bill.

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

ASSEMBLYWOMAN SWANK MOVED THAT THE COMMITTEE DO  
PASS AS AMENDED ASSEMBLY BILL 96 (1ST REPRINT).

ASSEMBLYWOMAN TITUS SECONDED THE MOTION.

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

Chair Carlton assigned the floor statement to Assemblywoman Swank.

**Assembly Bill 445: Revises provisions governing sales and use taxes. (BDR 32-797)**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained Assembly Bill 445. The bill revised the provisions governing the sales and use taxes and was brought to the Committee by Assemblywoman Neal. It required certain persons who facilitated retail sales in the state to collect and remit sales and use taxes owed on sales that they facilitated online. The Department of Taxation submitted a fiscal note of approximately \$1.5 million; however, the note lacked sufficient detail to determine whether that was the correct cost. The Fiscal Analysis Division staff recommended an appropriation to the Interim Finance Committee (IFC) Contingency Account [created by *Nevada Revised Statutes* 353.266] for the Department of Taxation to come before the IFC with sufficient justification and discuss the amounts and staff needed to enact the bill. The Chair could determine the correct amount between \$1 million to \$1.5 million or whatever other amount was desired by the Chair.

Chair Carlton said Assembly bills should be processed and would go through another iteration in the Senate. She wanted to ensure the Committee had the opportunity to vet the bill. She was comfortable approving a \$1 million appropriation in the bill to go to the IFC Contingency Account. That amount could be changed in the future if needed. The bill was not the only avenue to deal with the personnel need.

Ms. Jones confirmed that the bill was not the only avenue to deal with personnel. The request was for eight full-time-equivalent positions. It was unclear to Fiscal staff whether the amounts requested were solely related to the bill or included resources needed to enact the taxes for the *South Dakota v. Wayfair, Inc.*, 585 U.S. (2018) decision. If the \$1 million in the Contingency Account was to be accessed and used for that purpose, the Department of Taxation would still have the ability to approach the regular IFC Contingency Account for any additional resources needed. But the bill would reserve \$1 million for that purpose. The bill's sponsor and the Chair supported that concept to keep the bill moving.

Assemblywoman Neal said she hoped to continue to work on the bill. When she talked to the Department of Taxation, it indicated the \$1 million was just the upfront money. The Fiscal Analysis Division staff said that the revenue expected to be received from the bill would

definitely cover the costs. A regulation was developed after the *Wayfair* decision was approved. Staffing had been put in place to enact the bill because the Department had 12,000 new tax filers after the regulation was adopted prior to the bill. She thought the Department might have additional staff in place already.

Ms. Jones said the Department of Taxation had not requested any additional resources to enact the regulation but added a number of taxpayers to the tax roll. That was why Ms. Jones was unclear about the fiscal note that was provided. She reached out to the Department of Taxation to determine what part of the fiscal note request really belonged with the *Wayfair* decision that could be addressed by the Contingency Account and what part belonged to the bill. The bill should really add fewer taxpayers to the roll because many already existed on the roll, and this bill merely added another group of taxpayers. The Department's request was for an additional eight positions and associated costs of approximately \$1.5 million over the 2019-2021 biennium. Fiscal Analysis Division staff asked for the ability to further vet that cost and get the right resources in the right places for successful enactment of the bill. She did not have numbers as yet on the additional revenues that would be collected, but the revenue would go directly to the General Fund as opposed to a direct link to the bill. However, the extra revenues that would be generated would be more than enough to pay the extra costs for the Department.

Chair Carlton said she was comfortable to keep the bill moving. She understood that it was hard for agencies to respond to the Legislature because things were moving quickly. There were a number of unknowns, but she would ensure that the resources were there because the matter was important.

There being no further questions or comments, Chair Carlton called for a motion to Amend and Do Pass to add the appropriation of \$1 million in the IFC Contingency Account.

ASSEMBLYWOMAN BENITEZ-THOMPSON MOVED THAT THE COMMITTEE AMEND AND DO PASS ASSEMBLY BILL 445 WITH THE MONEY TO BE SET ASIDE IN THE IFC CONTINGENCY ACCOUNT.

ASSEMBLYWOMAN NEAL SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Titus voted no. Assemblyman Hambrick was not present for the vote.)

Chair Carlton assigned the floor statement to Assemblywoman Neal.

**Senate Bill 523: Makes a supplemental appropriation to the Department of Education for an unanticipated shortfall in personnel services expenditures for literacy programs. (BDR S-1248)**

Cindy Jones, Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained Senate Bill 523. The bill made a supplemental appropriation to the Department of Education

for an unanticipated shortfall in the personnel services expenditures. Susan Brown, Director, Office of Finance, Office of the Governor, provided the only testimony on the bill. The cost was \$11,344 effective upon passage and approval.

There being no questions or comments, Chair Carlton called for a motion to Do Pass Senate Bill 523.

ASSEMBLYWOMAN BENITEZ-THOMPSON MOVED THAT THE COMMITTEE DO PASS SENATE BILL 523.

ASSEMBLYWOMAN TITUS SECONDED THE MOTION.

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

Chair Carlton assigned the floor statement to Assemblywoman Jauregui.

**Senate Bill 524: Makes a supplemental appropriation to the Non-State Retiree Rate Mitigation Account for a projected shortfall related to payment of supplemental subsidies for coverage of non-state, non-Medicare retirees under the Public Employees' Benefits Program. (BDR S-1249)**

Cindy Jones, Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained Senate Bill 524. The bill made a supplemental appropriation to the Non-State Retiree Rate Mitigation Account for a projected shortfall related to the payment of supplemental subsidies for coverage of nonstate, non-Medicare retirees under the Public Employees' Benefits Program. The supplemental appropriation was in the amount of \$127,819. The bill was effective upon passage and approval.

There being no questions or comments, Chair Carlton called for a motion to Do Pass the bill.

ASSEMBLYWOMAN BENITEZ-THOMPSON MOVED THAT THE COMMITTEE DO PASS SENATE BILL 524.

ASSEMBLYWOMAN TITUS SECONDED THE MOTION.

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

Chair Carlton assigned the floor statement to Assemblywoman Swank.

**Senate Bill 537: Extends the prospective expiration of the Consumer Affairs Unit of the Department of Business and Industry. (BDR 18-1206)**

Cindy Jones, Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained Senate Bill 537. The bill was a budget implementation bill and extended the prospective expiration of the Consumer Affairs Unit of the Department of Business and Industry. The funding for the continuation was approved in the budgets recently approved by the money committees and would be included in the Appropriations Act funded with State General Funds to continue the Unit. There was discussion during the hearing on whether the Unit should be continued with a sunset date or whether the sunset date should be removed permanently.

Chair Carlton had an indication from the members of the Committee that they were comfortable removing the sunset. The Legislature wanted to see how the Unit would work and continued the sunset to keep an eye on the progress. The Unit had continued to operate during the last several legislative sessions and had value. Chair Carlton thought it was time to remove the sunset and retain the operation of the Unit permanently.

There being no further questions or comments, Chair Carlton called for a motion to Amend and Do Pass Senate Bill 537 and delete the expiration date.

ASSEMBLYWOMAN BENITEZ-THOMPSON MOVED THAT THE COMMITTEES AMEND AND DO PASS SENATE BILL 537 BY REMOVING THE SUNSET PROVISION.

ASSEMBLYWOMAN TITUS SECONDED THE MOTION.

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

Chair Carlton assigned the floor statement to Assemblywoman Spiegel.

**Senate Bill 541: Revises provisions governing state financial administration. (BDR 43-1213)**

Cindy Jones, Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained Senate Bill (S.B.) 541. The bill revised provisions governing financial administration and the governmental services tax (GST). The bill would make permanent that 25 percent of the funds collected from the portion of the GST related to a change in the depreciation schedule for vehicles be deposited in the State General Fund and 75 percent be deposited in the State Highway Fund. Typically the amounts had been adjusted over the biennia based on the need of the General Fund with portions moving back and forth. The bill would make permanent the allocation of the amounts between the two funds. Jeanette Belz testified in opposition to the bill. She requested that the allocation be continued with a sunset and 25 percent be deposited in the General Fund. Susan Brown, Director, Office of Finance, Office of the Governor, presented the bill, and there was no other testimony on the bill.



Assemblywoman Neal said she would vote for the bill to process it, but she did not support the permanency. She preferred the extension of the sunset, but she knew the matter was always under discussion every session.

Chair Carlton said she understood the objection but asked the members to keep in mind that the Committee could not bind the hands of a future Legislature or compel a decision. If the needs were at such a level that the Legislature felt compelled to change the formula, the Legislature could do what was needed. The possibility of change made it difficult for consistency and the ability to plan.

Assemblywoman Titus echoed the comments of her colleague about making it permanent. She would not support the bill out of the Committee, and she believed that the bill should be approved by a two-thirds majority.

Assemblywoman Spiegel said she agreed with the comment about not binding a future Legislature and did not support the permanency but would support the bill.

There being no further questions or comments, Chair Carlton called for a motion to Do Pass the bill.

ASSEMBLYWOMAN BENITEZ-THOMPSON MOVED THAT THE COMMITTEE DO PASS SENATE BILL 541.

ASSEMBLYWOMAN SWANK SECONDED THE MOTION.

THE MOTION PASSED. (Assemblymen Kramer, Titus, and Wheeler voted no. Assemblyman Hambrick was not present for the vote.)

Chair Carlton said she would present the floor statement.

Chair Carlton said that appeared to be all the bills that the Committee could process now. The other bills had to wait until the K-12 [Kindergarten to Grade 12] bill was processed. There were a number of bills to deal with when the Committee met again later in the afternoon or early in the evening. Those bills would be posted soon. As bills were received from the Senate through the floor session, she would add those bills to the agenda. She asked everyone to keep an eye on the bills. The Committee would work session more bills later as she received answers to some questions. Chair Carlton opened public comment.

Kent Ervin, Legislative Liaison, Nevada Faculty Alliance, stated that the Nevada Faculty Alliance worked to be fully engaged to help the students succeed. He presented [Exhibit E](#) that related to Bill Draft Request (BDR) S-1280 [later introduced as Assembly Bill 543], dated May 28, 2019, titled "Remove NSHE Appropriations Bill Language Prohibiting Performance Raises." The Appropriations Act was listed on Nevada Electronic Legislative Information System, but had not been introduced as yet. He reminded the Committee about the language that was in the Governor's recommended budget that was carried over from

2015 that prohibited the Nevada System of Higher Education (NSHE) from using state-appropriated funds related to performance raises. The problem was not addressed during the NSHE budget closing, and he was unaware of the status. He asked the Committee to eliminate that section of the back language in the Appropriations Act restricting the use of appropriated funds. The restriction meant that student revenue had to be used to fund faculty in-rank salary advancements given that there had been no other action either through Senate Bill 214 or consideration of the Board of the Regents' supplemental request on faculty salary compression funding. If the idea was to direct NSHE to start taking its own responsibility to fix the faculty compensation system within the budget authority, the restriction provision prevented NSHE the flexibility to do so.

Chair Carlton said there were no further public comments, and the Committee would recess. The plan was to allow any afternoon committees to meet to complete work, and then she would figure out what time to bring everyone back together again for the second meeting of the day. Chair Carlton recessed the meeting [at 10:10 a.m.].

Chair Carlton reconvened the meeting [at 12:28 p.m.] behind the bar.

**Assembly Bill 445: Revises provisions governing sales and use taxes. (BDR 32-797)**

Chair Carlton said the purpose of the meeting was to reconsider the Committee's action on Assembly Bill 445. Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained Assembly Bill (A.B.) 445. The bill revised the provisions governing sales and use taxes. Ms. Jones presented Exhibit F, the mock-up amendment 5928 to A.B. 445.

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

ASSEMBLYWOMAN BENITEZ-THOMPSON MOVED THAT THE COMMITTEE RESCIND ITS PREVIOUS ACTION THAT WAS TO AMEND AND DO PASS ASSEMBLY BILL 445.

ASSEMBLYWOMAN SPIEGEL SECONDED THE MOTION.

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

ASSEMBLYWOMAN BENITEZ-THOMPSON MOVED THAT THE COMMITTEE AMEND AND DO PASS ASSEMBLY BILL 445 INCLUDING MOCK-UP AMENDMENT 5928 AND THE \$1 MILLION APPROPRIATION IN THE INTERIM FINANCE COMMITTEE CONTINGENCY ACCOUNT [CREATED BY *NEVADA REVISED STATUTES* 353.266].

ASSEMBLYWOMAN NEAL SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Titus voted no.  
Assemblyman Hambrick was not present for the vote.)

Chair Carlton recessed the meeting [at 12:30 p.m.].

Chair Carlton reconvened the meeting [at 6 p.m.]. She opened the hearing on Assembly Bill 43 (1st Reprint).

**Assembly Bill 43 (1st Reprint): Increases the number of district judges in certain judicial districts. (BDR 1-498)**

The Honorable James W. Hardesty, Associate Justice, Supreme Court, presented Assembly Bill (A.B.) 43 (1st Reprint). The Assembly Committee on Judiciary previously heard A.B. 43 (R1) and approved it. He introduced those judges in attendance in Las Vegas and Carson City. Assembly Bill 43 (1st Reprint) was originally presented anticipating or proposing 17 new district court judges. That had changed and his request was now for only eight new district court judges. That amendment was reflected in the Assembly Committee on Judiciary action. The revised request was for six district court judges in Las Vegas and one district court judge each in Washoe County and Elko County. Important for the fiscal consideration of the bill was that all of the county commissioners of each of the three affected counties supported the bill, including the Clark County Commission, the Washoe County Commission, and the Elko County Commission. He worked directly with the Elko County Commissioners all throughout the fall last year, and he thanked them for their support and consideration of the bill.

Justice Hardesty said the bill was straightforward. The new judges in the Eighth Judicial District and the Second Judicial District would be family court judges. The Fourth Judicial District judge would be a general jurisdiction judge handling both family and all other matters.

Justice Hardesty noted that on April 17, 2019, Todd Myler, the Court's budget manager, provided the Fiscal Analysis Division with staff revisions to the fiscal note on the bill and the schedules calculating that change. The schedules showed precisely what the bill reflected. The total fiscal cost was \$1,148,906 for fiscal year (FY) 2021 to pay for the cost of the judges for the last six months of the 2019-2021 biennium. That number would be multiplied by four for the 2021-2023 biennium to cover those same judicial positions once they were elected and the service extended into the next biennium. The cost was reduced by \$22,000 for a travel amount that was not necessary once the judges had been elected and trained. Those figures were included in the schedules provided to the Fiscal Analysis Division staff. The costs of the last six months of the 2019-2021 biennium would be multiplied by four for the 2021-2023 biennium. That figure could potentially also be modified if the Legislature approved Assembly Bill 43 that was the judicial salary bill that would be scheduled for another hearing. That bill proposed a pay raise for all the district court judges in the state as well as the Court of Appeals and the Supreme Court. He would provide that data. That bill proposed a \$30,000-per-year pay raise for the district court

judges that would be added to the salary when approved. A separate schedule was provided to the Fiscal Analysis Division staff that showed that additional calculation.

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.

Jennifer Jeans, Chief Advocacy Attorney, Washoe Legal Services and the Legal Aid Center of Southern Nevada, testified in support of A.B. 43 (R1). She highlighted how important funding the bill was for the children in foster care. Adding judges and replacing masters with judges would stop unnecessary delays for those children reaching permanency and eventual adoptions. That was because hearing masters were subject to additional appeals but not district court judges.

Jamie Rodriguez, Government Affairs Manager, Office of the County Manager, Washoe County, testified in support of A.B. 43 (R1). She thanked the Second Judicial District for working with the Washoe County Commission to reach agreement to replace the master position with a new judge. Washoe County supported the bill and the additional family court judge in Washoe County.

Alex Ortiz, Assistant Director, Department of Administrative Services, Clark County, testified in support of A.B. 43 (R1). He said the senior management team worked closely with Justice Hardesty on the bill. The original bill requested 15 judges but was negotiated to six judges for the Eighth Judicial District for Clark County. The fiscal note of approximately \$24 million would be reduced to about \$4 million per year.

There being no further testimony, Chair Carlton closed the hearing on A.B. 43 (R1) and opened the hearing on Assembly Bill 196. The sponsor of that bill was not available, so Chair Carlton opened the hearing on Assembly Bill 237 (1st Reprint).

**Assembly Bill 237 (1st Reprint): Revises provisions relating to out-of-pocket expenses for teachers and other educational personnel. (BDR 34-608)**

Assemblywoman Connie Munk, Assembly District No. 4, presented Assembly Bill (A.B.) 237 (1st Reprint). The bill had two parts. Educators spent money out of pocket on supplies to support students throughout the school year. The first goal of A.B. 237 (R1) was to expand funding to other personnel throughout the school district including counselors and paraprofessionals. She discussed the bill with the Governor several times. At times it was difficult for teachers to be reimbursed for out-of-pocket expenses, and the distribution of funds could be lengthy. The Governor suggested a stipend to cover the cost. That stipend would be provided at the beginning of the school year by the Department of Education, and each school district would determine the proper amount. The total would depend on how many educators were in that school district. The suggested amount of the appropriation was \$4.5 million for school year 2019-2020 and \$4.5 million for school year 2020-2021. She added that there were no fiscal notes on the bill. Both Churchill County and Lyon County removed their fiscal notes from the bill.

Chris Daly, Deputy Executive Director of Government Relations, Nevada State Education Association (NSEA), testified in support of A.B. 237 (R1). He thanked Assemblywoman Munk for her role in carrying the legislation. He said the bill was amended by the Assembly Committee on Education. One of the amendments was to strike school nurses, librarians, and paraprofessionals from the list of eligible employees who provided direct or indirect services eligible to access those funds. He asked the Committee to include paraprofessionals. The NSEA had surveyed paraprofessionals across the state and found those paraprofessionals engaged students in the classrooms and spent money out of pocket on necessary items for students. About 85 percent of those surveyed reported spending money out of pocket with 25 percent of them spending over \$200 and more than 66 percent spending more than \$100 per year.

Chair Carlton said she would need to look at the original version of the bill, but she saw that section 3 of the bill was where the paraprofessionals would be added back in. Typically the Assembly Committee on Ways and Means did not make policy changes through amendments after bills were approved by the policy committee. Depending on how the bill would move forward, she would have a further discussion about the change. She asked about the total appropriation and how much each professional would receive.

Mr. Daly responded that the existing language was a maximum of \$250 per educator and remained unchanged in the bill. Currently, most teachers who were able to access reimbursement received less than \$250. Teachers in Clark County received about \$120 per educator and teachers in Washoe County about \$170 each. He was unsure about the smaller school districts. With the increase in the number of eligible employees along with the Governor's recommendation to increase the overall amount, he believed there would likely be a small increase on average per eligible employee.

Chair Carlton said the process would change from the current procedure of reimbursement to a stipend. She asked about the accountability measures on the money.

Assemblywoman Munk responded that teachers were professionals similar to doctors, dentists, and nurses. Many teachers already turned in receipts and waited two to four months to get reimbursed \$70 to \$75. The stipend was suggested by the Governor. He believed that teachers were professionals and could be trusted to receive the money at the beginning of the school year, whether it was a card or a check in the beginning of the year. That was why they developed the idea of a stipend.

Chair Carlton understood that there were no accountability measures in the bill.

Mr. Daly said the NSEA surveyed over 1,500 current active teachers and asked about out-of-pocket expenses. The average teacher spent \$704 out of pocket. The average reported reimbursement that included a large number who did not seek reimbursement was \$73 per teacher. If the Legislature decided to move from the reimbursement to the stipend up front, that money would be reportable as income. Teachers had that level of accountability. Teachers were spending more than \$250 on supplies. It was possible that there would be

individual teachers who did not spend that amount, but it would be a very small number. In all likelihood, educators would spend more money out of pocket if the stipend was provided.

Assemblywoman Titus asked about section 6, subsection 4 that specified that any money remaining in the Account at the end of a fiscal year did not revert to the State General Fund, and the balance must be carried forward. The Department might award a grant of money from the Account to one or more nonprofit organizations that provided school supplies for educational personnel. She asked how that was managed, whether it was typical to have a stipend not revert if the money was unused, and whether the amount would build every year.

Mr. Daly responded that in reality he did not believe there would be a balance any longer if the stipend was approved. The initial thought, as the bill evolved, was to include any balance remaining as an award to a nonprofit to distribute school supplies. When the bill evolved to a stipend, he believed no balance would remain in the Account.

Assemblywoman Titus said the balance language remained in the bill.

Assemblywoman Benitez-Thompson said part of the conversations included a discussion of a big warehouse filled with school supplies donated from the community. Teachers were invited to come in and gather any school supplies needed. Washoe County could develop a better track record of the use of those dollars. There was some thought given to allow certain nonprofit educational organizations that purchased school supplies to access any remaining balance to leverage the purchases of school supplies. She would look up the name of that warehouse and the program.

Chair Carlton asked about the total number of teachers and support personnel in the state. At \$250 apiece and \$4.5 million total in a year, that would cover about 18,000 stipends.

Mr. Daly responded that when paraprofessionals were added, the total was between 22,000 to 24,000 eligible individuals. Each teacher would not end up receiving \$250 but something less than that.

Chair Carlton said the stipend amount would depend on the number of eligible individuals.

Assemblywoman Munk added it would also depend on each school district and how many educational personnel were in each school district. She figured out the amount would be about \$180 if everyone was included.

Chair Carlton said the bill made a \$4.5 million General Fund appropriation that was not in the budget.

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



Ruben R. Murillo, Jr., President, Nevada State Education Association, testified in support of A.B. 237 (R1).

Chair Carlton asked for testimony in opposition or neutral on the bill. There was none. She closed the hearing on A.B. 237 (R1) and opened the hearing on Assembly Bill 196.

**Assembly Bill 196: Makes appropriations for incentives for employing teachers at Title I schools and underperforming schools. (BDR S-144)**

Assemblyman Jason Frierson, Assembly District No. 8, presented Assembly Bill 196. Legislation during the 79th Session (2017) proposed to double the amount of incentives for new teachers who agreed to teach in Title I schools. At the time, rather than set a specific amount, he proposed to double the amount not recognizing that the Governor would cut it by 75 percent. So instead of doubling it, the amount was half the original number. That was the first problem with the policy from the last session. The other problem with the policy from the last session was that it was rolled out in a manner that was less than ideal in the interim. Toward the end of the interim, the policy had the essential effect of not acknowledging the teachers who had stuck it out and taught at Title I and underperforming schools. He made the decision to rectify that policy because the last thing he wanted was a morale problem with existing teachers who had committed and stuck it out.

Assembly Bill 196 proposed to allocate \$20 million, half to new and transferring teachers in the Title I and underperforming schools and the other half to existing teachers at Title I schools. Assemblyman Frierson recognized that money was not infinite, and the Legislature needed to prioritize the needs. It was his desire to focus on the teachers who were currently teaching at Title I schools and reward those teachers who had stuck it out in difficult circumstances. He supported A.B. 196 going forward.

Assemblyman Wheeler asked whether the Department of Education had a plan for the allocation of the funds.

Assemblyman Frierson responded that the Department of Education developed regulations last interim on distributing the awards for new and transferring teachers to Title I schools. Assembly Bill 196 would direct the Department of Education to put in place whatever policy the Legislature deemed appropriate. His preference would be to prioritize the existing teachers with the revenue that was available. He understood that \$20 million was a large amount. If the money was approved, he wanted to reward the teachers who had stuck it out. The Department of Education would develop regulations. The previous policy was to reward new and transferring teachers, and new regulations needed to be developed.

Chair Carlton said that the proposal sounded familiar because the money committees during the 79th Session (2017) approved the continuation of \$2.5 million to provide incentives for new teachers to teach at Title I and underperforming schools and \$2.5 million to provide incentives for teachers to transfer into Title I and underperforming schools. The Legislature

did not approve incentives for any existing teachers in Title I schools. That was the difference between what the money committees did last session and the bill.

Assemblywoman Neal asked about the existing teachers and whether Assemblyman Frierson envisioned a dollar amount and triggers for the incentive.

Assemblyman Frierson responded that he would leave the triggers up to the Department of Education to develop and advance through regulations. His goal was to ensure existing teachers were appreciated for having stuck it out and not transferring out, as many of them had the opportunity to do. He thought the students in those schools deserved a good education. He did not consider a particular trigger and would leave that up to the Department of Education to develop. The details of both the trigger and the total amount per teacher would be developed by the Department of Education. His focus was to provide an allocation and prioritize existing teachers, then transferring teachers, and then new teachers. The existing teachers were valuable and could be most beneficial in those schools.

Assemblywoman Titus said she had several educators in her family and knew they liked to be acknowledged. She asked about the fiscal note and the money. She understood \$2.5 million was approved by the previous Legislature for recruitment of teachers to Title I schools. This bill would add an additional \$20 million. She asked about the total amounts.

Chair Carlton said it was her understanding that the Legislature had already processed within the Governor's recommended budget \$2.5 million for incentives for new teachers and \$2.5 million for incentives for existing teachers to transfer to Title I schools. No dollars were currently allocated to existing teachers in Title I and underperforming schools.

Assemblywoman Titus said Assemblyman Frierson mentioned half the funds were for existing teachers and half were for new teachers. She asked how many teachers Assemblyman Frierson sought to recruit and how many teachers were teaching in Title I schools.

Assemblyman Frierson replied that Assembly Bill 196 was a policy bill developed before the Governor's recommended budget was created. He recognized that the 79th Session (2017) created a structure to fund teacher incentives. Assembly Bill 196 was a policy bill to direct those incentives. He was uncertain about the total number of teachers. The bill was not a recruitment tool but an incentive for teachers to teach in the most challenging school environments. He had not developed any structure and believed that the Department of Education was best equipped to draft regulations to enact the bill. There had already been an allocation of \$2.5 million for new teachers and \$2.5 million for teachers transferring to Title I schools. The bill would allocate an additional amount for existing teachers or the categories of teachers who would receive an allocation could be adjusted to reflect existing teachers.

Assemblywoman Titus agreed that the policy had been vetted, but asked how the numbers were reached for the dollar figure.

Assemblyman Frierson responded that there were two different categories of teachers and \$2.5 million was allocated to each category. The Committee may decide to focus on what was already allocated. He asked that one of the categories be converted from new teachers to existing teachers.

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, asked whether the amount was \$2.5 million per year.

Sarah Coffman, Principal Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, responded that the amount was not per year but was \$2.5 million for new teacher incentives and \$2.5 million for teachers who transferred to Title I schools for the 2017-2019 biennium.

Chair Carlton said those dollars had already been allocated but failed to address existing teachers in Title I schools and that was the focus of A.B. 196. She knew that bills were often drafted before the Governor finalized The Executive Budget. Things might cross and overlap, and the Committee might reevaluate the bill. Chair Carlton clarified that both components provided incentives to new teachers and transferring teachers, but no incentives were provided to existing teachers, and that was the goal.

Ms. Jones said the Fiscal Analysis Division staff would verify those numbers. She believed that during the 2015-2017 biennium, \$10 million a year was provided as teacher incentives, and that was expected to continue. The Legislature during the 79th Session (2017) reduced the amount to \$2.5 million per year because \$7.5 million each year was removed from teacher incentives and added to Senate Bill 178 of the 79th Session (2017) to create the Account for the New Nevada Education Funding Plan.

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.

Chris Daly, Deputy Executive Director of Government Relations, Nevada State Education Association (NSEA), testified in support of A.B. 196. He supported Assemblyman Frierson's bill, Assembly Bill 434 of the 79th Session (2017). He appreciated Assemblyman Frierson's leadership in attempting to address the problem of teachers in some of the toughest and most important teaching conditions in the state. There was a big price tag on the bill, and he believed that the focus was correct.

There was no further testimony on the bill, and Chair Carlton closed the hearing on A.B. 196 and opened the hearing on Assembly Bill 250.

**Assembly Bill 250: Makes an appropriation to the Legislative Fund for certain members of the Legislative Committee on Public Lands to attend informational meetings and tours in Washington, D.C., during the 2019-2020 interim. (BDR S-508)**

Assemblywoman Heidi Swank, Assembly District No. 16, presented Assembly Bill (A.B.) 250. She served as Chair of the Legislative Committee on Public Lands [*Nevada Revised Statutes* 218E.510] that referred the bill. Assembly Bill 250 would appropriate \$13,980 to send five members of the Legislative Committee on Public Lands and one staff member of the Legislative Counsel Bureau to Washington, D.C., to attend informational meetings and educate and interact with the federal government on public lands.

Before the economic downturn, the Legislative Committee on Public Lands sent a delegation to Washington, D.C., during the interim to meet with individuals about the problem of Nevada having the largest percentage (84 percent) of the state that was federally owned. The Legislative Committee on Public Lands decided to refer the bill to reinstitute those visits. The current federal administration had allowed a secret plutonium shipment through Nevada, considered removal of the U.S. Bureau of Land Management office from Nevada, and contemplated oil drilling in the lovely Ruby Mountains. Nevada experienced massive wildfires over the last two years that spanned private, state, and public lands. There was an opportunity to resolve the checkerboard land problems. It appeared useful for Nevada with its large percentage of land owned by the federal government to have members of the Legislative Committee on Public Lands meet with the federal government. Members had traveled around the state and learned a lot about public lands. They should travel to Washington, D.C., to interact with the federal partners.

Chair Carlton asked for an explanation of checkerboard lands.

Assemblywoman Swank responded that the checkerboard lands came about before the building of the transcontinental railroad in the 1860s. The federal government created a checkerboard where the even-numbered parcels remained publicly owned by the federal government all along the transcontinental railroad, but the odd-numbered parcels were available for private ownership. The map of public and private lands across Nevada, as the railroad spanned Nevada, was literally a checkerboard of public and private lands. That restriction made it difficult to use those lands for anything useful given that there was such a checkerboard of ownership.

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. There was none. She closed the hearing on A.B. 250 and opened the hearing on Assembly Bill 414.

**Assembly Bill 414: Makes appropriations to provide grants to assist senior citizens and certain other persons with independent living. (BDR S-101)**

Dena Schmidt, Administrator, Aging and Disability Services Division (ADSD), Department of Health and Human Services, presented Assembly Bill (A.B.) 414. The bill resulted from a presentation by ADSD to the Committee to Study the Needs Related to the Behavioral and Cognitive Care of Older Persons regarding respite services in rural Nevada. There were many challenges faced by informal caregivers in accessing services for respite. A lack of available workforce and limited funding contributed to the waitlist for respite services. The

bill increased the \$1,000 cap on respite services to \$1,200 to increase access to additional services for individuals using respite services. The bill also reduced the waitlist of 248 individuals currently waiting for respite services throughout the state.

Chair Carlton heard there were 248 individuals on the waitlist for respite services.

Ms. Schmidt confirmed that 248 individuals were currently on the waitlist.

Chair Carlton said conversations about individuals on waitlists could get parsed. She asked whether individuals were in the queue because they had to be approved before they were put on the waitlist.

Ms. Schmidt responded that there were 248 eligible individuals waiting for respite services.

Assemblyman Kramer thought the bill would provide a \$1,200 grant to assist senior citizens and certain other individuals with independent living. He asked whether the \$1,200 grant amount was per year.

Ms. Schmidt replied that the \$1,200 amount was per year.

Assemblyman Kramer said he had a hard time understanding how \$100 per month would help many individuals pay for assisted living.

Chair Carlton asked Ms. Schmidt to explain respite services and how those dollars were actually used to relieve the immediate caregiver with an alternate caregiver. The members needed a better understanding of how the dollars would be used.

Ms. Schmidt responded that the program was a voucher program. Individuals who were qualified and eligible who were informal caregivers taking care of a loved one at home could apply for a \$1,200 grant and use the voucher anyway they needed throughout the year. Often the use of those funds allowed a substitute caregiver to come into the home to relieve the primary caregiver. The primary caregiver could then take a day off to go to the store, get a haircut, or do errands. Often a family member was the sole caregiver and needed a break. The \$100 per month provided the opportunity to hire a caregiver for the family member to take a break.

Chair Carlton asked how the \$1,200 broke down to hours of service. She asked about the 248 persons and how they were apportioned across the state.

Ms. Schmidt replied that 248 individuals was the statewide total. She did not have a breakdown of the areas where those individuals were located but would research that information and provide the data.

Chair Carlton said she was curious, but when 248 individuals needed help it did not matter where they were.

Assemblywoman Benitez-Thompson asked whether the balance would remain if the entire voucher amount was not used by a family before it expired. She asked whether any remaining funds would be returned to the account to be repackaged.

Ms. Schmidt believed that those funds could be reissued, but she was not certain and would look into that matter. The challenge was that when individuals did not use them, the agency was often unaware. The funds might not be used until the end of the year but did not carry over to the next year. The agency could carry federal funds forward and reallocate unused federal funds to the next year.

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. There was none. She closed the hearing on A.B. 414 and opened the hearing on Assembly Bill 483 (1st Reprint).

**Assembly Bill 483 (1st Reprint):   Revises provisions relating to motor vehicles.  
(BDR 43-871)**

Assemblyman Howard Watts, III, Assembly District No. 15, presented Assembly Bill (A.B.) 483 (1st Reprint). The Committee on Growth and Infrastructure referred the bill to the Legislature. The bill created a pilot program at the Department of Motor Vehicles (DMV) to gather mileage data. The goal was to address the decrease in revenue to the State Highway Fund. Multiple factors related to the decrease, including inflation. Some counties had worked on indexing fuel revenues to combat the decrease. Motor vehicles were more fuel efficient, and alternative fuel vehicles had increased. All of those factors led to decreases of revenue in the Highway Fund.

Assemblyman Watts sought to have DMV collect information on the mileage traveled by light-duty passenger vehicles. The data would be studied during the interim. He thought there was interest in working with the Legislative Committee on Energy [*Nevada Revised Statutes* 218E.805] to make data-driven decisions. He sought as much information as possible to model alternative ways of funding the transportation and infrastructure systems. A fiscal note from DMV totaled \$121,142 in fiscal year (FY) 2020 for programming efforts needed to develop the systems to receive, capture, and compile that data for use in reports.

Chair Carlton believed that the costs would be paid by the State General Fund because the Highway Funds were not available for that type of programming. The fiscal note was from the Department of Motor Vehicles.

Assemblywoman Neal understood the data system needs, but asked about the process to obtain the mileage during the registration process.

Assemblyman Watts suggested that the mileage could be obtained during a vehicle smog check. The odometer reading was taken during a smog check but was not transmitted or stored by DMV. The most important thing was to develop a system to transmit and store the data at DMV. Certain vehicles were exempt from smog checks, and those would remain

exempt. The bill included an exemption for counties that did not require smog checks, and those residents could submit that information to DMV during the vehicle registration process.

Assemblywoman Neal said DMV had an automatic registration system and asked about the cost to have the odometer information transmitted to the same system.

Assemblyman Watts invited DMV forward to discuss the programming needs. The fiscal note indicated that DMV would do some of the reprogramming. When individuals had smog checks performed, the odometer reading was transmitted to DMV. The biggest need was programming changes.

Dawn Lietz, Administrator, Motor Carrier Division, Department of Motor Vehicles, responded that the programming included several different aspects. The odometer information was not currently captured by DMV. The Department worked on a joint application design to identify potential ways to minimize the effects on the consumers. The Department had registered many vehicles, but the addition of odometer data was new. The system changes would allow the data to be entered at the kiosks, online, and at DMV offices. The programming costs would accommodate all the programming needed by DMV.

Assemblywoman Neal understood that DMV would receive a new computer system.

Chair Carlton clarified that the system was currently on hold and being reconsidered.

Ms. Lietz replied that the motor carrier needs would be rolled into the new system for intrastate carriers, but the rest of the system was on hold.

Chair Carlton asked whether the programming costs could be paid with Highway Funds.

Ms. Lietz responded that she was uncertain but thought perhaps Highway Funds could pay for the programming costs because it was Highway Fund programming. She added that she was not the legal expert on allowable expenses for the Highway Fund and General Fund.

Chair Carlton said she would investigate the proper uses of the Highway Fund.

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.

Angela Dykema, representing Southwest Energy Efficiency Project, testified in support of A.B. 483 (R1). Southwest Energy Efficiency Project was a nonprofit organization promoting energy efficiency and clean transportation across the six intermountain western states. She believed that passage of the bill was critical to advancing transportation electrification in Nevada. The bill provided important information that could be used to inform future policy decisions and legislation around finding comprehensive solutions to transportation system funding. The bill was complementary to Senate Concurrent Resolution 3 that created an interim study to look at the problem. It was important to address the problem now because



other states across the country imposed registration fees on electric vehicles. The bill showed that Nevada was getting ahead of the problem by collecting the necessary data and conducting the necessary studies. Any future decisions would be based on real data and sound analysis. She urged the Committee to approve the bill.

Russell Rowe, representing Tesla, testified in support of A.B. 483 (R1). He said that Tesla's mission was to advance sustainable energy, including sustainable transportation and transportation infrastructure. The bill was a necessary step to move Nevada toward funding infrastructure appropriately and equitably. Tesla wished to partner with Nevada and position Nevada as a leader in those policy matters.

Alexis Motarex, Government Affairs Manager, Associated General Contractors of America, Nevada Chapter, testified in support of A.B. 483 (R1). The association appreciated the ongoing conversation about finding a long-term solution to a sustainable Highway Fund and looked forward to participating in another study on the matter.

Jessica Ferrato, representing Advanced Energy Economies, testified in support of A.B. 483 (R1). She said Advanced Energy Economies represented large companies such as Apple, Microsoft, Oracle, and other small businesses that hoped to advance clean energy initiatives. Those business organizations were focusing heavily on affordable energy in the clean market. Advanced Energy Economies supported the bill in the policy committees and supported the bill in the money committees.

Brian Reeder, representing Nevada Contractors Association, testified in support of A.B. 483 (R1). He thought the bill was a good first step to ensure sufficient money in the Highway Fund.

Christi Cabrera, representing Nevada Conservation League, testified in support of A.B. 483 (R1). As Nevada looked to modernize the way it funded the transportation infrastructure, it was important to understand the problems. The bill would help obtain some of that crucial information to make smart decisions.

Joelle Gutman, Government Affairs Liaison, Washoe County Health District, testified in support of A.B. 483 (R1). She represented the Air Quality Management Division. The Division strongly supported the data collection and the pilot program. Although the bill did not directly affect the Air Quality Management Division, the data would be valuable for quality and planning purposes because vehicles were the largest source of ozone precursor emissions in the Truckee Meadows.

Chair Carlton asked for any testimony in opposition to or neutral on the bill. There was none. She closed the hearing on A.B. 483 (R1) and opened the hearing on Assembly Bill 516.

**Assembly Bill 516: Makes appropriations to the Interim Finance Committee for the unanticipated costs related to the implementation of Marsy's Law. (BDR S-1229)**

Susan Brown, Director, Office of Finance, Office of the Governor, presented Assembly Bill (A.B.) 516. The bill made a \$7.5 million General Fund appropriation in each year of the 2019-2021 biennium to the Interim Finance Committee (IFC) for unanticipated costs related to Marsy's Law. The Office was still exploring and trying to understand what those costs would be for the 2019-2021 biennium.

Chair Carlton asked what type of basic math was performed to arrive at the \$7.5 million.

Paul Nicks, Deputy Director, Office of Finance, Office of the Governor, stated that the Office met in February with the courts, Department of Public Safety, Department of Corrections, Peace Officer Standards and Training, and Office of the Attorney General. The Office of Finance collected information from the various agencies on the potential effects of Marsy's Law. Potential system changes were needed to allow the agencies to make the payments and monitor potential revenue shortfalls. The Office of Finance had no new information and estimated the \$7.5 million amount.

Chair Carlton asked whether the \$7.5 million would be appropriated to the IFC in a segregated account just for Marsy's Law.

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, confirmed that the amount would be in a segregated account just for the specified purposes.

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. There was none. Chair Carlton closed the hearing on A.B. 516 and opened a work session.

Chair Carlton said she would process Assembly Bill 196 based on the conversation about the other dollars to ensure the Committee decided appropriately. The Committee would need to wait on Assembly Bill 237 (1st Reprint) because a significant amount of money was involved and a discussion needed to be held. She would hold Assembly Bill 516 for the General Fund appropriation for Marsy's Law to study the numbers. She would process Assembly Bill 43 (1st Reprint), Assembly Bill 250, Assembly Bill 414, Assembly Bill 483 (1st Reprint), and several other bills tonight when the documents were ready. The Committee would move the bills that were in front of it now to ensure that any discussions were fairly accurate. More bills would be processed tomorrow morning all in a group and transmitted to the Assembly floor.

Chair Carlton moved to Assembly Bill 43 (1st Reprint).

**Assembly Bill 43 (1st Reprint): Increases the number of district judges in certain judicial districts. (BDR 1-498)**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that Assembly Bill 43 (1st Reprint) increased the number of district judges in certain judicial districts in Nevada. The bill originally proposed 15 judges, but that was reduced to 8 judges. One additional judge would be added in the Second Judicial District, one additional judge in the Fourth Judicial District, and six more judges in the Eighth Judicial District. The cost in the 2019-2021 biennium was \$1,148,906 and that included the salaries and the amount needed to fund a portion of the judicial retirement system. Justice Hardesty presented the bill, and there was support from local governments and others. There was no testimony in opposition or neutral on the bill.

There being no questions or comments, Chair Carlton called for a motion to Amend and Do Pass.

ASSEMBLYMAN FRIERSON MOVED THAT THE COMMITTEE AMEND AND DO PASS AS AMENDED ASSEMBLY BILL 43 (1ST REPRINT).

ASSEMBLYWOMAN TITUS SECONDED THE MOTION.

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

Chair Carlton assigned the floor statement to Assemblywoman Monroe-Moreno.

Chair Carlton moved to Assembly Bill 250.

**Assembly Bill 250: Makes an appropriation to the Legislative Fund for certain members of the Legislative Committee on Public Lands to attend informational meetings and tours in Washington, D.C., during the 2019-2020 interim. (BDR S-508)**

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that Assembly Bill 250 was presented by Assemblywoman Swank. The bill made an appropriation to the Legislative Fund for certain members of the Legislative Committee on Public Lands to attend informational meetings in Washington, D.C. The Fiscal Analysis Division staff recommended a minor amendment to section 3 where language stated that funds cannot be spent beyond September 17, 2020. The Fiscal Analysis Division staff suggested the date be changed to September 17, 2021 to make the bill work properly. That technical adjustment would be drafted by the Legal Division, Legislative Counsel Bureau.

There being no questions or comments, Chair Carlton called for a motion to Amend and Do Pass.

ASSEMBLYWOMAN BENITEZ-THOMPSON MOVED THAT THE COMMITTEE AMEND AND DO PASS ASSEMBLY BILL 250.

ASSEMBLYWOMAN TITUS SECONDED THE MOTION.

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

Chair Carlton assigned the floor statement to Assemblywoman Swank.

Chair Carlton moved to Assembly Bill 414.

**Assembly Bill 414: Makes appropriations to provide grants to assist senior citizens and certain other persons with independent living. (BDR S-101)**

Sarah Coffman, Principal Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that Assembly Bill 414 made a General Fund appropriation to the Aging and Disabilities Services Division, Department of Health and Human Services, for grant awards to programs for respite care in the amount of \$1,200 per grant. The fiscal effect associated with the bill was \$296,803 in each fiscal year of the 2019-2021 biennium to reduce the waitlist and an additional \$149,000 in each fiscal year of the 2019-2021 biennium to increase the grant from \$1,000 to \$1,200. Dena Schmidt, Administrator, Aging and Disability Services Division, Department of Health and Human Services, provided testimony indicating that there were currently 248 individuals on the waitlist. No individuals testified in support of, in opposition to, or neutral on the bill.

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

ASSEMBLYWOMAN TITUS MOVED THAT THE COMMITTEE DO PASS ASSEMBLY BILL 414.

ASSEMBLYWOMAN BENITEZ-THOMPSON SECONDED THE MOTION.

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

Chair Carlton assigned the floor statement to Assemblywoman Jauregui.

Chair Carlton said the discussion on Assembly Bill (A.B.) 483 (1st Reprint) was whether the costs could be paid with State Highway Funds. She had not received a definite answer on that.

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that the Fiscal Analysis Division staff did not see any reason why it could not be funded with Highway Funds. She was unsure whether the Budget Director had an opinion on that matter. There was no source of funding indicated on the fiscal note. She would prefer to consult with the Legal Division, Legislative Counsel Bureau, first because she had no definitive answer and would not want the Committee to be in violation of the *Nevada Constitution*.

Chair Carlton said she would wait on A.B. 483 (R1) knowing full well that the dollars were not significant and would not adversely affect the State General Fund or the Highway Fund. She would put the bill on the list to move tomorrow morning if she received an answer to ensure it was processed correctly. Chair Carlton said it was her intention to move some bills tomorrow morning to get them to the Assembly floor and then move more during the day to keep things rolling to the floor. Tomorrow would be a big day. The five big bills that had been discussed should be drafted by the Legal Division tomorrow. The Committee would work on those bills in draft form. If a bill was introduced by the Assembly, that bill would be presented in draft form first in the Senate. The Senate would study the bill and send it to the Assembly. The Assembly would study the bill and introduce the bill. Any work that was done on the bill would be done when it was in draft form to keep it moving smoothly. Conversely, it would work the other way. She was uncertain which of the five big bills went to which committee.

Ms. Jones said the bills that would be introduced by the Assembly would start in the Senate and included the unclassified Pay Bill, the Capital Improvement Program bill, and the Appropriations Act.

Chair Carlton said those bills would be studied by the Senate. The Distributive School Account funding had to be passed first, and the budget bill had to sit on the desk of the Chief Clerk of the Assembly for 24 hours. There were several choreographed pieces of work that had to be done at just the right time to make everything work. The Committee would see those bills in draft form. She opened public comment, and there was none.

The following two bills listed on the agenda were not heard and were rescheduled.

**Senate Bill 102: Makes an appropriation for funding the participation of certain students who participate through the Western Regional Education Compact. (BDR S-98)**

**Senate Bill 544 (1st Reprint):    Creates the Patient Protection Commission.  
(BDR 40-1221)**

There being no further business before the Committee, Chair Carlton adjourned the meeting [at 7:19 p.m.].

RESPECTFULLY SUBMITTED:

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Janice Wright  
Committee Secretary

APPROVED BY:

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Assemblywoman Maggie Carlton, Chair

DATE: \_\_\_\_\_

## EXHIBITS

[Exhibit A](#) is the Agenda.

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

[Exhibit C](#) is a six-page document titled "Proposed State Low-Income Housing Tax Credit (Bulletin 19-5 Committee to Study Issues Regarding Affordable Housing–Recommendation #5 Financing for Affordable Housing)," in support of Senate Bill 448 (1st Reprint) presented by Senator Julia Ratti, Senate District No. 13.

[Exhibit D](#) is a conceptual amendment to Senate Bill 448 (1st Reprint) presented by Senator Julia Ratti, Senate District No. 13.

[Exhibit E](#) is a one-page document related to Bill Draft Request S-1280 [later introduced as Assembly Bill 543, the Appropriations Act] dated May 28, 2019, titled "Remove NSHE Appropriations Bill Language Prohibiting Performance Raises," presented by Kent Ervin, Legislative Liaison, Nevada Faculty Alliance.

[Exhibit F](#) is the mock-up amendment 5928 to Assembly Bill 445 presented by Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau.