

**MINUTES OF THE
SENATE COMMITTEE ON REVENUE AND ECONOMIC DEVELOPMENT**

**Eightieth Session
May 16, 2019**

The Senate Committee on Revenue and Economic Development was called to order by Chair Marilyn Dondero Loop at 2:45 p.m. on Thursday, May 16, 2019, in Room 2134 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Marilyn Dondero Loop, Chair
Senator Julia Ratti, Vice Chair
Senator David R. Parks
Senator Ben Kieckhefer
Senator Heidi Seevers Gansert

GUEST LEGISLATORS PRESENT:

Assemblywoman Teresa Benitez-Thompson, Assembly District No. 27

STAFF MEMBERS PRESENT:

Russell Guindon, Principal Deputy Fiscal Analyst
Joe Reel, Deputy Fiscal Analyst
Bryan Fernley, Committee Counsel
Barbara Williams, Committee Secretary

CHAIR DONDERO LOOP:

Today's meeting is a work session. We will start with Assembly Bill (A.B.) 73.

ASSEMBLY BILL 73 (1st Reprint): Provides for the creation of a temporary working group in Clark County to address issues relating to homelessness. (BDR S-461)

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JOE REEL (Deputy Fiscal Analyst):

Assembly Bill 73, provides for the creation of a temporary working group in Clark County to address issues relating to homelessness. It was sponsored by the Assembly Committee on Taxation on behalf of the City of Las Vegas and heard in this Committee on May 14. I have submitted the work session document ([Exhibit C](#)).

SENATOR KIECKHEFER MOVED TO DO PASS A.B. 73.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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MR. REEL:

The next bill is A.B. 79.

ASSEMBLY BILL 79 (1st Reprint): Revises provisions governing the collection of delinquent property taxes. (BDR 32-490)

Assembly Bill 79, provides an expedited procedure for the sale of property on which delinquent taxes, assessments, penalties, interest and costs are owed to a county and which the county has determined the property to be abandoned. It was sponsored by the Assembly Committee on Taxation on behalf of Clark County and heard in this Committee on May 7. I have submitted the work session document ([Exhibit D](#)).

SENATOR SEEVERS GANSERT:

I am going to vote no on this bill out of concern with the low threshold on the definition of abandoned. We also had discussion regarding when a property owner is considered one-year delinquent.

SENATOR PARKS MOVED TO DO PASS A.B. 79.

SENATOR RATTI SECONDED THE MOTION.

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THE MOTION CARRIED. (SENATOR SEEVERS GANSERT VOTED NO.)

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MR. REEL:

The next bill is A.B. 113.

ASSEMBLY BILL 113: Revises provisions governing the taxation of certain deliveries and transfers of firearms. (BDR 32-659)

This bill revises provisions governing the taxation of certain deliveries and transfers of firearms. It was sponsored by Assemblywoman Robin L. Titus and heard by this Committee on May 7. I have submitted the work session document ([Exhibit E](#)).

CHAIR DONDERO LOOP:

I have concerns with this bill but will vote it out of Committee.

SENATOR KIECKHEFER MOVED TO DO PASS A.B. 113.

SENATOR SEEVERS GANSERT SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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MR. REEL:

The next bill is A.B. 242.

ASSEMBLY BILL 242 (2nd Reprint): Makes various changes relating to regional commercial air service in this State. (BDR 18-1024)

Assembly Bill 242, makes various changes relating to regional commercial air service in this State. It was sponsored by Assemblywoman Lesley E. Cohen and others and heard in this Committee on April 30. It provides for the creation of the Nevada Air Service Development Commission and the Nevada Air Service Development Fund. I have submitted the work session document ([Exhibit F](#)).

SENATOR PARKS MOVED TO DO PASS A.B. 242.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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MR. REEL:

The next bill is A.B. 244.

ASSEMBLY BILL 244 (1st Reprint): Allows the imposition of rate increases for certain taxes in a county to fund capital projects of the school district based on the recommendations of an advisory committee and voter approval. (BDR S-1008)

This bill allows the imposition of rate increases for certain taxes in a county to fund capital projects of the school district based on the recommendations of an advisory committee and voter approval. It was sponsored by Assemblyman Al Kramer and heard in this Committee on April 30. I have submitted the work session document ([Exhibit G](#)).

SENATOR RATTI:

I have some concerns about this bill. I generally have reservations about sales tax increases. I will vote to get it out of Committee today and hope to have the opportunity for additional conversation with the sponsor.

SENATOR SEEVERS GANSERT:

I understood this was similar to initiatives we have had in Washoe County where a board is established and decides what is palatable to the voters. It is not necessarily a sales tax increase.

SENATOR RATTI:

Washoe County did increase sales tax once as a result of an initiative, but the next time we took sales tax off the table as it was getting to be a high rate and because of its regressive nature. Washoe County has done it both ways.

SENATOR SEEVERS GANSERT:

That is reasonable. I agree that Washoe County and Clark County sales taxes are quite high, with both being over 8 percent. Nevertheless, I will be supportive of the measure.

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CHAIR DONDERO LOOP:

I had some concerns as well and hope to have ongoing discussion with the sponsor.

SENATOR KIECKHEFER MOVED TO DO PASS A.B. 244.

SENATOR SEEVERS GANSERT SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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MR. REEL:

The next bill is A.B. 385.

ASSEMBLY BILL 385 (1st Reprint): Revises provisions governing the Southern Nevada Enterprise Community Board. (BDR 18-865)

This bill revises provisions governing the Southern Nevada Enterprise Community Board. It was sponsored by Assemblyman William McCurdy and others and heard in this Committee on May 7. The bill requires the Director of the Governor's Office of Economic Development (GOED) to meet at least once per calendar quarter with the Southern Nevada Enterprise Community Board. I have submitted the work session document ([Exhibit H](#)).

SENATOR RATTI MOVED TO DO PASS A.B. 385.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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SENATOR KIECKHEFER:

I am reserving my right to change my vote on the Floor.

MR. REEL:

The next bill is A.B. 400.

ASSEMBLY BILL 400 (1st Reprint): Revises provisions governing economic development. (BDR 22-803)

This bill revises provisions governing economic development. It was sponsored by Assemblywoman Teresa Benitez-Thompson and heard by this Committee on May 14. The bill specifies that for any economic development incentives offered by GOED granted after the passage and approval date of this act or applications filed after the passage and approval date of this act where sales and use taxes may be abated under current law, all local sales and use tax rates may be abated except for the Local School Support Tax (LSST). I have submitted the work session document ([Exhibit I](#)).

SENATOR SEEVERS GANSERT:

I am going to support the measure. It is important to keep the LSST in the counties. At some point, maybe next Session, we need to look at revamping all the economic development programs.

SENATOR KIECKHEFER:

I agree that we need to look at our economic development programs and incentive structures along with our goals. But I do not want to pull the rug out from under GOED, so I will be in opposition to this bill.

SENATOR RATTI:

I agree we need to do a comprehensive review of our economic development programs. I will vote yes because we need to stop taking money away from schools.

SENATOR KIECKHEFER:

Did the sponsor ever respond to the request from the Reno-Tahoe Airport Authority regarding a delay in the effective date because of negotiations they were having?

ASSEMBLYWOMAN TERESA BENITEZ-THOMPSON (Assembly District No. 27):

While the topic was mentioned during the hearing, the Authority did not provide the follow-up I would have needed to understand what category of abatement was up for discussion. The aviation abatements remain in place for a generous period of time. I am most comfortable with the legislation as it is.

SENATOR RATTI MOVED TO AMEND AND DO PASS AS AMENDED
A.B. 400.

SENATOR SEEVERS GANSERT SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR KIECKHEFER VOTED NO.)

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MR. REEL:

The next bill is A.B. 443.

ASSEMBLY BILL 443 (1st Reprint): Revises provisions relating to the Clark County Sales and Use Tax Act of 2005. (BDR S-1128)

This bill revises provisions relating to the Clark County Sales and Use Tax Act of 2005. It was sponsored by the Assembly Committee on Taxation and heard in this Committee on May 2. This bill removes the prospective October 1, 2025, expiration date of the Act. I have submitted the work session document ([Exhibit J](#)).

The Legal Division of the Legislative Counsel Bureau has offered some technical amendments ([Exhibit K](#)) that are required for the bill to enact the provisions. The first amends the Clark County Crime Prevention Act of 2016 to include the provisions in A.B. 443 being added to the Clark County Crime Prevention Act of 2005.

The second through fourth amendments of [Exhibit K](#) relate to other sections where there is an expiration by limitation on October 1, 2025. The fifth amendment clarifies that the reporting requirements would be on a prospective basis.

SENATOR KIECKHEFER:

What are the restrictions on the funding collected to date in the reserve fund?
Can it be diverted for any other purpose?

MR. REEL:

It cannot be diverted for any other purpose.

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CHAIR DONDERO LOOP:

Why does the third amendment say it expires on September 30, 2027?

MR. REEL:

The technical amendment makes necessary adjustments to other sections of *Nevada Revised Statutes* (NRS) in order to enact the provisions of A.B. 443.

RUSSELL GUINDON (Principal Deputy Fiscal Analyst):

The original Act of 2005 expires October 1, 2025. The technical amendment captures other sunset dates in NRS tied to the original Act. All the items in the amendment are required in order to be consistent throughout NRS.

SENATOR PARKS:

If this bill does not pass, would there still be an opportunity to extend the sunset in the 2021 and 2023 Sessions?

MR. GUINDON:

There would actually be three sessions because the 2025 Session would be before the sunset provision.

BRYAN FERNLEY (Committee Counsel):

The second through fourth amendments address other bills from past sessions where the expiration of the Clark County Crime Prevention Act of 2005 was referenced. The other date references in the amendments not lined out refer to parts of those statutes not affected by A.B. 443.

SENATOR RATTI MOVED TO AMEND AND DO PASS AS AMENDED
A.B. 443.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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MR. REEL:

The last bill on our work session today is A.B. 458.

ASSEMBLY BILL 458: Revises provisions relating to certain tax credits for the Nevada Educational Choice Scholarship Program. (BDR 32-794)

This bill revises provisions related to certain tax credits for the Nevada Educational Choice Scholarship Program. It was sponsored by the Assembly Committee on Education and heard in this Committee on May 2. The bill eliminates the 10 percent annual increase authorized for tax credits provided for in the Nevada Educational Choice Scholarship Program. I have submitted the work session document ([Exhibit L](#)).

During the hearing, Assemblyman Jason Frierson offered Proposed Amendment 5837 which specifies that the amount of credits authorized is a total of \$6,655,000 for both types of Modified Business Tax combined.

SENATOR SEEVERS GANSERT:

I will be opposing this measure. Every session, we increase spending for public education. I am concerned that without some type of escalator, this program will die. About 2,200 students in low-income households are served by this program.

SENATOR RATTI MOVED TO AMEND AND DO PASS AS AMENDED
A.B. 458.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS KIECKHEFER AND SEEVERS
GANSERT VOTED NO.)

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CHAIR DONDERO LOOP:

Having no further business, this meeting is adjourned at 3:23 p.m.

RESPECTFULLY SUBMITTED:

Barbara Williams,
Committee Secretary

APPROVED BY:

Senator Marilyn Dondero Loop, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit / # of pages		Witness / Entity	Description
	A	2		Agenda
	B	2		Attendance Roster
A.B. 73	C	1	Joe Reel	Work Session Document
A.B. 79	D	1	Joe Reel	Work Session Document
A.B. 113	E	1	Joe Reel	Work Session Document
A.B. 242	F	1	Joe Reel	Work Session Document
A.B. 244	G	1	Joe Reel	Work Session Document
A.B. 385	H	1	Joe Reel	Work Session Document
A.B. 400	I	39	Joe Reel	Work Session Document
A.B. 443	J	2	Joe Reel	Work Session Document
A.B. 443	K	1	Joe Reel	Technical Amendments
A.B. 458	L	7	Joe Reel	Work Session Document