

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON REVENUE**

**Eighty-First Session
May 28, 2021**

The Committee on Revenue was called to order by Chair Lesley E. Cohen at 4:34 p.m. on Friday, May 28, 2021, Online and in Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/App/NELIS/REL/81st2021.

COMMITTEE MEMBERS PRESENT:

Assemblywoman Lesley E. Cohen, Chair
Assemblywoman Teresa Benitez-Thompson, Vice Chair
Assemblywoman Natha C. Anderson
Assemblywoman Shannon Bilbray-Axelrod
Assemblywoman Venicia Considine
Assemblyman Gregory T. Hafen II
Assemblywoman Heidi Kasama
Assemblyman C.H. Miller
Assemblyman P.K. O'Neill
Assemblyman David Orentlicher
Assemblyman Tom Roberts
Assemblyman Steve Yeager

COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

Senator Dina Neal, Senate District No. 4



STAFF MEMBERS PRESENT:

Russell Guindon, Principal Deputy Fiscal Analyst
Michael Nakamoto, Deputy Fiscal Analyst
Joe Reel, Deputy Fiscal Analyst
Bryan Fernley, Committee Counsel
Terri McBride, Committee Manager
Gina Hall, Committee Secretary
Cheryl Williams, Committee Assistant

OTHERS PRESENT:

Ondra Berry, Major General, Nevada National Guard
Melanie Young, Executive Director, Department of Taxation
Kevin Benson, General Counsel, Office of the Governor
Bryan Wachter, Senior Vice President, Retail Association of Nevada
Barry Duncan, Director of Government Affairs, Nevada Taxpayers Association
Michael Alonso, representing Turo, Inc.
Matthew Walker, representing Enterprise Holdings
Kyle Davis, representing Fluid Truck

Chair Cohen:

[Roll was taken.] As a note, Committee members may be coming in and out of the room, as it is that time of session and they are presenting in other committees. We will get started with our work session. I want to do it while I have as many members as possible present. I will open the work session on Senate Bill 278 (1st Reprint).

Senate Bill 278 (1st Reprint): Revises provisions relating to taxation of cannabis. (BDR 32-660)

Michael Nakamoto, Deputy Fiscal Analyst:

The first of the four measures for work session today is Senate Bill 278 (1st Reprint), which was heard in this Committee on May 25, 2021, and was sponsored by Senator Settlemeyer [[Exhibit C](#)]. Senate Bill 278 (1st Reprint) defines the term "wholesale sale" for the purposes of the wholesale excise tax on cannabis as a sale or transfer of cannabis by a cannabis cultivation facility to another cannabis establishment. The term does not include a transfer of cannabis by a cannabis cultivation facility to another cannabis cultivation facility when both cannabis cultivation facilities share identical ownership. There are no amendments. I am glad to answer any questions.

Chair Cohen:

Members, do you have any questions? [There were none.] I will accept a motion to do pass S.B. 278 (R1).

ASSEMBLYWOMAN KASAMA MADE A MOTION TO DO PASS
SENATE BILL 278 (1ST REPRINT).

ASSEMBLYMAN HAFEN SECONDED THE MOTION.

Is there any discussion on the motion? [There was none.]

THE MOTION PASSED. (ASSEMBLYMAN O'NEILL WAS ABSENT
FOR THE VOTE.)

I will assign the floor statement to Assemblyman Hafen. I will close the work session on S.B. 278 (R1) and open the work session on Senate Bill 297 (2nd Reprint).

Senate Bill 297 (2nd Reprint): Revises provisions relating to agriculture. (BDR 22-480)

Michael Nakamoto, Deputy Fiscal Analyst:

The second measure today for work session is Senate Bill 297 (2nd Reprint), which was sponsored by Senator Spearman and heard in this Committee on May 27, 2021 [[Exhibit D](#)]. Senate Bill 297 (2nd Reprint) makes various changes allowing for the development of community gardens and urban farms, including:

1. Requiring the Council on Food Security within the Division of Public and Behavioral Health of the Department of Health and Human Services to research and develop recommendations on community gardens and urban farms;
2. Allowing counties to approve partial abatements of property taxes for parcels on which community gardens or urban farms are located;
3. Allowing counties and cities to authorize the use of blighted land or other real property owned by the county or city for the purpose of community gardening or urban farming, and sets forth certain guidelines that the county or city may follow in adopting an ordinance for the use of land in such a manner; and
4. Allowing the Director of the Department of Transportation (Department) to lease to a local government, for \$1 per year, real property held in fee by the Department that has been acquired by the Department, for use by the local government as a community garden or urban farm in certain circumstances.

There are no amendments proposed for this. If there are any questions, I would be glad to answer them.

Chair Cohen:

Members, do you have any questions? [There were none.] I will accept a motion to do pass S.B. 297 (R2).

ASSEMBLYMAN MILLER MADE A MOTION TO DO PASS
SENATE BILL 297 (2ND REPRINT).

ASSEMBLYWOMAN BILBRAY-AXELROD SECONDED THE MOTION.

Is there any discussion on the motion? [There was none.]

THE MOTION PASSED. (ASSEMBLYWOMAN BENITEZ-THOMPSON
VOTED NO. ASSEMBLYMAN O'NEILL WAS ABSENT FOR THE
VOTE.)

I will assign the floor statement to Assemblywoman Bilbray-Axelrod. I will close the work session on S.B. 297 (R2) and open the work session on Senate Bill 442 (1st Reprint).

Senate Bill 442 (1st Reprint): Prospectively eliminates the program to provide a partial abatement of property taxes for certain buildings and structures which meet certain energy efficiency standards. (BDR 58-1070)

Michael Nakamoto, Deputy Fiscal Analyst:

The third bill for work session today is Senate Bill 442 (1st Reprint), which was heard in this Committee on May 25, 2021, and was sponsored by the Senate Committee on Finance on behalf of the Office of Finance, Office of the Governor [[Exhibit E](#)]. Senate Bill 442 (1st Reprint) prohibits the Office of Energy, in the Office of the Governor from accepting an application for a partial abatement of certain property taxes for a building or other structure that meets certain energy efficiency standards under the Green Building Rating System adopted by the Director of the Office of Energy on or after July 1, 2021. The bill additionally prohibits the Director from altering or amending the Green Building Rating System after July 1, 2021, and requires that the standards and ratings in effect on that date remain in effect. There are no amendments that were proposed for this bill. If there are any questions, I would be glad to answer them.

Chair Cohen:

Members, do you have any questions? [There were none.] I will accept a motion to do pass S.B. 442 (R1).

ASSEMBLYWOMAN BENITEZ-THOMPSON MADE A MOTION TO DO
PASS SENATE BILL 442 (1ST REPRINT).

ASSEMBLYWOMAN BILBRAY-AXELROD SECONDED THE MOTION.

Is there any discussion on the motion? [There was none.]

THE MOTION PASSED. (ASSEMBLYMAN O'NEILL WAS ABSENT FOR THE VOTE.)

I will assign the floor statement to Assemblywoman Kasama. I will close the work session on S.B. 442 (R1). We will go into a brief recess [at 4:41 p.m.].

We are reconvened [at 4:45 p.m.]. I will open the work session on Senate Concurrent Resolution 11.

Senate Concurrent Resolution 11: Creates a joint special committee to conduct a study concerning innovation zones. (BDR R-1148)

Michael Nakamoto, Deputy Fiscal Analyst:

The last measure on work session today is Senate Concurrent Resolution 11, which was sponsored by the Senate Committee on Legislative Operations and Elections, and heard in this Committee on May 25, 2021 [[Exhibit F](#)]. Senate Concurrent Resolution 11 creates a joint special committee to conduct a study of innovation zones. This committee shall, to the extent practicable, meet at least once a month to study, without limitation, the potential community and economic benefits of innovation zones, and the impact of innovation zones on the following:

1. Economic development and job creation;
2. Workforce development;
3. Affordable housing;
4. Empowerment centers;
5. Regional water supplies;
6. Natural resources and the environment;
7. Counties and other forms of local government; and
8. State and local revenues and the distribution of taxes.

The joint special committee shall, to the extent practicable, submit a report of the results of the study and any recommendations to the Governor on or before December 31, 2021, including, without limitation, whether no further action should be taken on innovation zones or whether legislation on innovation zones should be proposed during a regular or special session of the Legislature.

The work session document [page 2, [Exhibit F](#)] located on the Nevada Electronic Legislative Information System has a series of amendments that have been submitted for consideration:

1. On page 2, line 17 [number 5 of the impacts to be studied], add "and infrastructure," so that it would require the committee to study the impact of innovation zones on regional water supplies and infrastructure;

2. On page 2, line 19 [number 7 of the impacts to be studied], include tribal governments in with counties and other forms of local government;
3. On page 2, line 25, modify the reference to water authorities to include "water authorities, districts, and systems in this State";
4. In that same paragraph [page 2, lines 22 through 27], add "low income and historically underserved communities" to the list of interested stakeholders; and
5. On page 2, lines 32 through 35, modify the due dates, such that the committee, to the extent practicable, would conclude their meetings on or before February 28, 2022, and submit a report of the results of the study and any recommendations to the Governor on or before March 29, 2022.

If there are any questions, I would be glad to answer them.

Chair Cohen:

Members, to be clear, I am going to withdraw my amendment so this will be a motion to do pass based on what we heard at the hearing.

Michael Nakamoto:

To be clear, the motion would be to adopt because it is a concurrent resolution.

Chair Cohen:

Do we have any questions?

Assemblywoman Bilbray-Axelrod:

Is there anyone here who is in the position to answer questions? I am not seeing anyone. I will just get this on the record. I was pretty excited when I heard the amendment because I thought it made the bill palatable for me. The biggest glaring thing to me is the timeline—to December 31 is not a lot of time. I know what our schedules look like with special sessions and I am not comfortable with that date. I even thought the February date was a little too soon. I was going to recommend maybe the end of the fiscal year. As there is nobody here to answer my question, I am wondering why none of the amendments were accepted. I am just putting it on the record if someone wants to contact me.

Assemblywoman Anderson:

My question is similar to Assemblywoman Bilbray-Axelrod's. When I look at page 2, line 34 of the resolution, where it says, "any recommendations to the Governor on or before December 31, 2021, including, without limitation," I am wondering if one of those possible recommendations could be that there is a need for more time. I realize you are unable to answer that question, Chair Cohen, but if there is anybody listening and they would like to clarify that for later discussion, I was just wondering if there is a way for that recommendation to also include that there is a need for more time that the study committee might come up with.

Chair Cohen:

I think the answer to that would be, we do have the "if at all practicable" language in the resolution. Are there any other questions? [There were none.] I will accept a motion to adopt S.C.R. 11.

ASSEMBLYMAN YEAGER MADE A MOTION TO ADOPT
SENATE CONCURRENT RESOLUTION 11.

ASSEMBLYMAN ROBERTS SECONDED THE MOTION.

Is there any discussion on the motion?

Assemblywoman Bilbray-Axelrod:

I will vote to move this out of Committee, but I am still not comfortable with that date. I am hoping there might be a change.

Assemblyman Miller:

I will be voting to move it out of Committee. I would like to see language added regarding communities of color, underserved communities, and low-income communities in the language of the stakeholders who are to come to the table and be a part of this conversation.

Chair Cohen:

Is there any further discussion? [There was none.]

THE MOTION WAS ADOPTED. (ASSEMBLYMAN HAFEN VOTED NO.)

I will take the floor statement. I will close the work session on S.C.R. 11 and open the hearing on Senate Bill 440 (1st Reprint).

Senate Bill 440 (1st Reprint): Creates a sales tax holiday for certain members of the Nevada National Guard and certain relatives of such members. (BDR 32-1111)

Ondra Berry, Major General, Nevada National Guard:

Good afternoon, everyone. On behalf of Governor Sisolak, I want to thank you for the opportunity to present Senate Bill 440 (1st Reprint) [reading from prepared testimony, [Exhibit G](#)]. The Governor's proposed bill will amend existing law, as well as create a sales tax holiday for certain members of the Nevada National Guard and certain relatives of such members. To assist the Committee with any questions, in attendance with me today is Melanie Young, Director of the Department of Taxation; Kevin Benson, General Counsel to the Office of the Governor; and Lieutenant Colonel Kevin Remus, State Judge Advocate to the Nevada National Guard.

Existing Nevada law provides an exemption from certain sales and use tax for members of the Nevada National Guard who are called into active overseas service for the period during which the member is deployed. The Governor's proposed bill would amend *Nevada Revised Statutes* (NRS) 372.7281 to revise existing language and additionally create a sales tax holiday for members of the Nevada National Guard who are residents of Nevada but who have not been called to active duty. This tax holiday will occur over three days on the date on which Nevada Day is observed, and the following Saturday or Sunday.

It has been more than one year since the COVID-19 pandemic ushered in the largest and lengthiest activation of the Nevada National Guard in its 160-year history. As the virus began to spread rapidly in March 2020, the Nevada National Guard entered an elevated and unprecedented role in leading the state's emergency response. Nevada National Guard men and women immediately volunteered for a variety of missions to include the logistical movement of personal protective equipment to front-line medical personnel, the distribution of food items to our most vulnerable resident populations, and the construction and employment of multiple mass community-based testing sites. Of the about 4,400 uniformed personnel assigned to the Nevada National Guard, more than 1,400 of its citizen soldiers and airmen, or one-third of the force, have been activated in direct response to the COVID-19 pandemic. Currently, nearly 450 Guard men and women remain activated and are now additionally facilitating multiple vaccine distribution sites across Nevada. Of significant note, the citizen soldiers and airmen of the Nevada National Guard simultaneously conducted five major overseas combat deployments, as well as positioned hundreds of citizen soldiers and airmen to Washington, D.C., standing sentry following the January 6 siege of the United States Capitol. The Nevada National Guard has never been more engaged or visible within our communities. To provide an overview of this proud service to you, here is the Nevada National Guard's COVID-19 response by the numbers:

- 10 million articles of personal protective equipment distributed to front-line first responders;
- 2.9 million meals distributed to residents across the state;
- 860,000 COVID-19 tests conducted;
- 1.6 million vaccinations supported at multiple sites throughout the state; and
- 628,000 vaccinations directly administered in the arms of Nevada residents.

For one example, Army Specialist Jermaine Longmire, a graduate of Reno High School, took the initiative to learn Paiute and Shoshone greetings to speak with tribal members as they arrived at COVID-19 testing sites. Specialist Longmire and other members of the Nevada National Guard's mobile testing team led 40 COVID-19 collection sites in remote locations across the state. These sites were significant in the state's ability to track, trace, and stop the spread of the virus on tribal lands and in rural Nevada.

Not all Nevada Guard members responded to the pandemic in their military uniform. Army First Lieutenant Sparkle Mccuiston, a graduate of Cheyenne High School, was one of the first citizen soldiers to engage in the fight against the COVID-19 virus. Lieutenant Mccuiston responded in early March of last year working as an infectious disease nurse at

her civilian job in Clark County. Lieutenant Mccuiston and more than 240 Nevada Guard members work full-time as civilian critical-care medical professionals such as doctors, nurses, and dental technicians.

Members of the Nevada National Guard commit to military duty in a part-time status while balancing civilian employment, family lives, and higher education. Hundreds have been called away from full-time civilian jobs to assist the state's COVID-19 pandemic response. The state is indebted to their service before self.

Although there will be a small fiscal impact in revenue to the State, there is no denying the indispensable role the Nevada National Guard has played during the state's critical time of need. The Governor's bill, and the tax holiday it creates over the Nevada Day weekend, is a much-appreciated token of gratitude to the families of men and women who have sacrificed so much during this pandemic. Without reservation, these citizen soldiers and airmen, from our very own communities, will continue to lead Nevada through our recovery and beyond. The Nevada National Guard is always ready, always there—neighbors helping neighbors. Thank you for your time today. The state representatives and I are ready to answer questions and are happy to walk through the mechanics involved with any section of this bill.

Chair Cohen:

Thank you for your service. I knew the Nevada National Guard had been active over the last year. I really did not know to what extent and that it had been the longest deployment in its history. We do have some questions, but I would like to get some mechanics of the bill on the record first, to ensure we understand exactly what this process is going to be, who is going to benefit from this, and what the effect will be to the State.

Melanie Young, Executive Director, Department of Taxation:

If you would like me to answer the question on how this is processed, I would be happy to proceed.

Chair Cohen:

Sir, do you want Director Young to answer or would you prefer Mr. Benson to answer?

Kevin Benson, General Counsel, Office of the Governor:

I would be happy to walk through the mechanics of the bill first, if you would prefer. Director Young is available to answer any questions about the fiscal aspects of the bill.

Chair Cohen:

Please go ahead, Mr. Benson.

Kevin Benson:

There are essentially two things this bill does. The first aspect of the bill cleans up one of the exemptions for National Guard members that is in existing law. It changes some of the definitions in there for some of the terms to align with the definitions more properly as they

are in the federal law. For example, the definition of active duty is referred to as it is in 10 U.S.C. § 101 (d). It also specifies that those Nevada National Guard members who are eligible for the existing exemption are eligible for that exemption for up to 30 days after they return from their overseas deployment. Because as you might imagine, if you are deployed overseas, it is awfully difficult to take advantage of a sales tax holiday, especially if you do not have a household member or somebody who can act on your behalf.

The second aspect of the bill is the exemption General Berry spoke of, and that is the sales tax holiday on the Nevada Day holiday as it is observed, and the following Saturday and Sunday, so it is essentially a three-day, once-a-year tax holiday. That can be found in section 2, subsection 1 of the bill, and section 2, subsection 2 of the bill sets forth the mechanics for how that exemption is claimed. There is already an existing process in statute for claiming existing exemptions, where an application is filed with the Department of Taxation (Department) and the Department will issue a letter indicating that person is entitled to the exemption. I am happy to answer any questions the Committee may have.

Assemblywoman Anderson:

My question has to do with the realities of the process. So it is a member of the Nevada National Guard or their family member. Say they go to Target. Do they still pay the tax and get a refund, or is it that they present the letter at the time of the purchase and it is automatically exempt?

Kevin Benson:

The latter is how it would work. You would get the letter showing you are exempt and would bring that to the retailer. The retailer would then know you are not to be charged tax on that purchase.

Assemblyman O'Neill:

Just for clarification, I wanted to ensure it is just the state part of the sales tax that would be subtracted from the price of the item—the 2 percent. Is that correct? That is the way I am reading it.

Kevin Benson:

No. It is the entire sales tax, both the state portion and the local portion. It would be whatever the applicable tax rate is in that particular county. I believe Washoe County is the highest at approximately 8.27 percent.

Assemblyman O'Neill:

Thank you for clarifying that because I was reading it differently. Are there any limitations on these purchases? Could they buy multiple cars at one time?

Kevin Benson:

Yes. If their finances so allowed, that would be possible.

Assemblyman O'Neill:

The unfortunate part is our military are often taken advantage of—I know personally—on great credit. I just had to ask that. Seriously speaking, is there any protection, besides good faith, that they do not use this for resale later on? I would like to believe it would not happen, but I am curious. Unfortunately, I know there is always somebody who will try to scheme something.

Kevin Benson:

There is nothing built into the bill to address that. I will defer to General Berry to address that.

Ondra Berry:

Our members take an oath and they have values. I would hope they would follow the letter of the law in terms of what this is asking. Up until now, for those who have been deployed, we have not had any issues in terms of complaints or anybody coming back to us saying there has been misuse. I will tell you that there have been incidents in the nation, but we have not had any in Nevada that I am aware of up to now.

Assemblyman O'Neill:

That is because we have the best Guard around. Would it be a violation of military code if it did come out that somebody was abusing it like that?

Ondra Berry:

Yes. They would be subject to discipline if we found out they had misused the intent of this law.

Chair Cohen:

We have a question for Director Young.

Assemblyman Yeager:

First off, I want to say thank you to the Nevada National Guard. When we came for the 31st Special Session in July, I was plenty nervous about how this building was going to operate, given the pandemic. I cannot tell you how much seeing the Nevada National Guard there, with their tents popped up in the back of the building, gave me comfort. I knew we were going to be just fine. Thank you for helping get us through a really trying time for the state.

My question for Director Young is really just a technical question. In reading the bill, I understand that the Nevada National Guard or a family member can apply for the exemption. Could you walk me through what that looks like? Whom do they provide documentation to? What does it look like on your end in terms of what you need them to provide to you? How long does that process take? Can you give me a sense from a Taxation Perspective of how you verify and provide that letter that is then provided to the retailer?

Melanie Young:

We do currently, under NRS 372.7281 and NRS 374.7285. The Department currently issues tax exempt certificates for the sale of tangible personal property to Nevada National Guard members as discussed earlier in the testimony. The Nevada National Guard member provides a form to the Department that is signed off by a supervising officer. That form is submitted to the Department where we issue a letter to the Guard member who can utilize it in purchasing the items tax exempt.

Assemblyman Yeager:

That letter gets issued to the member of the Nevada National Guard. The exemption in the bill also applies to somebody related who essentially lives in the same household. Does that person use the letter that is provided to the member, and validate their relationship to the retailer, or does each family member get a separate letter from the Department?

Melanie Young:

We anticipate there would be a separate letter issued to each person in the household that they could utilize. The taxpayer who would be exempting the sale would be able to verify that information through checking identification and matching it to the letter.

Chair Cohen:

Director Young, do you have the numbers on what we have seen as far as members of the Guard taking advantage of this?

Melanie Young:

The Department does not gather this information. A taxpayer submits their tax return with an amount on it that provides for exempted sales, otherwise the Department would not know exactly who was purchasing that exempted item. That would happen through an audit. We would look at the taxpayer's records to determine they have accurate information on that exempted sale. It is unknown to the Department how many of the Nevada National Guard members have utilized it to date.

Chair Cohen:

How would this work for online purchases?

Melanie Young:

One way that could happen is the Nevada National Guard member would have to communicate with the company they are purchasing the item from to see if they would accept the sales exempt certificate. They could scan it and send it to the retailer. The alternative measure would be that the Nevada National Guard member could submit for a refund to the Department.

Assemblyman Roberts:

Going back to the family member, could it be anybody who resides in the household with the military member? They do not necessarily have to be a qualified dependent under the United States Department of Defense (DOD)? For instance, when I was active duty, you could qualify your mom or somebody if you were the caregiver for them. Would this apply to any family member as long as they live in the same household?

Kevin Benson:

No. It is restricted to a relative in the first degree of consanguinity, so that would mean an immediate family member—your spouse, your parent, or your child. That mirrors the family member exemption in the existing law.

Assemblyman Roberts:

Would that be regardless of age, whether they are an eligible dependent or not? If my 25-year-old adult child lives with me, would they be ineligible to be a dependent under the DOD but be eligible under this?

Kevin Benson:

There is no age restriction within the bill. As far as whether they qualify as a dependent under the Nevada National Guard's rules, I will have to defer to General Berry.

Ondra Berry:

At this time, based off your question, I do think there should be a limit in terms of the age, of who should be eligible to utilize this based off of this law. In the military, based off of the dependent, under TRICARE there is a certain age. As I think through this, that is a very good question. Maybe we should pattern it after some of the existing military qualifications and benefits that a person is able to use.

Assemblyman Roberts:

It did not hit me until I started thinking about it. I am a dependent husband because my wife is a retiree from the Air Force. I was active duty. I know there are certain qualifications to apply, as I am sure you all know as well. I do not know if we just took this language from somewhere else in statute. If you did define it a little better, it might give folks a level of comfort that it would be restricted based on the eligibility for CHAMPUS, TRICARE, or whatever. It is just a thought. I like the bill as is, but if that cleans it up and gets more people comfortable, it might be a way to go.

Assemblywoman Bilbray-Axelrod:

My understanding of first degree consanguinity is that if a sibling lived in the house with you, they would be included too. I am wondering if this is not a little too wide of a net. The reason I say that, and I worry about this constantly, is that we have a lack of revenue in this state and we are always up here trying to find nickels and dimes under the couch cushions. I want to do this bill and be comfortable with this bill, but I wish it were just for members or

had a cap. I am concerned that everyone will put off buying their new car, or things like that, until this weekend. It is not that the members do not deserve it; I am just nervous on what the impact could be for the State.

Ondra Berry:

I definitely understand. As I listened to some of the questions you have talked through, I understand the importance of putting on some restrictions. The previous language talked about blood, adoption, or marriage in terms of better defining what that looks like is very clear, and we understand that. The members are very appreciative this is even being looked at, and we are thankful the State is showing appreciation for the work we have done. I definitely understand that putting some restrictions on what it could potentially lead up to, I understand and have a chance to go back and review that.

Chair Cohen:

I did look it up. First degree of consanguinity are relatives with first degree of consanguinity or relationship by blood. So it is parents and children. I am getting conflicting information because I believe our Fiscal Analysis Division staff said siblings are included. I am looking online, so take that with a grain of salt, and it is saying parents and children and not brothers and sisters. We will get a legal definition for that and make sure we have it straightened out. Are there any other questions from members of the Committee? [There were none.] As there are no others to present, we will go to those in support in the room or on the Zoom call. [There was no one.] We will go to the phones for those in support. [There was no one.] Do we have anyone in the room or on the Zoom call in opposition? [There was no one.] We will go to the phones for those in opposition.

Bryan Wachter, Senior Vice President, Retail Association of Nevada:

We really want to thank General Berry and our Nevada National Guard for their frontline work during this very trying COVID-19 time. We agree that providing the sales tax holiday is a great way for Nevada to be able to show its appreciation for the hard work they have done over the last 15 months. Because the nexus of this bill is tying it to the COVID-19 pandemic, we would strongly urge the Committee to consider adding all frontline workers. As you know, our grocery store clerks and other frontline workers were never laid off. They have been working since March 2020 and we feel this would be an excellent gesture to add.

We are, however, unfortunately in opposition to S.B. 440 (R1) because of some questions we have regarding the constitutional provisions that have the authority here. As the Committee is aware, the 2 percent sales tax, as it is found in the 1955 Sales and Use Tax Act, was voted by the people. Article 19, section 1, subsection 3 of the *Nevada Constitution* says that cannot be changed without a direct vote of the people, and Article 10, subsection 6 of the *Nevada Constitution* allows the Legislature to create the exemption. We believe when you read these together, it only empowers the Legislature to be able to exempt everything but the 2 percent portion of the state tax. We believe this is something that needs to be addressed.

Senate Bill 440 (1st Reprint) could be made constitutional by waiving and getting rid of all the other taxes besides the 2 percent. This is something we would recommend. When you read the minutes from the hearing when section 6 was added to Article 10 of the *Nevada Constitution*, it is very clear there is a bifurcated process because of that 2 percent in the 1955 Sales and Use Tax law. Because of that, we do believe there are some constitutional questions.

We also believe that section 5.5 of the bill does not satisfy the requirements of Article 10, section 6 of the *Nevada Constitution*, where it actually requires the Legislature to identify a bona fide social or economic reason. We feel section 5.5 states that there is a reason but it does not actually provide any backup or evidence to that. I would direct the Committee to the opening comments from General Berry, or certainly opening comments from the Senate hearing. I think those could easily be turned into some "whereas" statements that would certainly satisfy Article 10, section 6 of the *Nevada Constitution*.

For those reasons we are opposed to S.B. 440 (R1). We hope there is a way to be able to work together to solve some of these issues. Ultimately, it would be nice if the Legislature were to consider a constitutional question removing the 1955 Sales and Use Tax law from the *Nevada Constitution* that would empower you to be able to make these decisions fully. We would look forward to working with you in the future on expanding sales tax holidays to many different communities and categories in the next legislative session.

Chair Cohen:

Unfortunately, we do not have our legal counsel with us today to address Mr. Wachter's comments. I can certainly get anyone on the Committee more information about that. We will hear from the next caller in opposition. [There was no one.] Do we have anyone in the room or on the Zoom call in neutral? [There was no one.] Director Young, I assume you just wanted to answer questions and did not have neutral testimony. Is that correct?

Melanie Young:

Yes, that is correct.

Chair Cohen:

We will go to the phones for neutral.

Barry Duncan, Director of Government Affairs, Nevada Taxpayers Association:

Let me begin by saying our concern relative to S.B. 440 (R1) is not with the policy of providing a sales tax exemption for Nevada National Guard members, but rather legal precedent and consideration of future exemptions.

Under Article 19 of the *Nevada Constitution*, a law approved by referendum can only be amended by a vote of the people. As the sales and use tax was approved by referendum, it can only be modified by referendum. While it is clear Article 10, section 6 of the

Nevada Constitution allows the Legislature to enact an exemption to sales and use tax if certain conditions are met, it is our belief that any exemption to the 2 percent portion of the sales and use tax must be approved by voters.

With that being said, we do believe Article 10, section 6 of the *Nevada Constitution* permits that sales and use exemption for all the combined rate with exception of the aforementioned 2 percent state portion. In wrapping up, we would like to take this opportunity to thank all the Nevada National Guard members throughout the state who have assisted us over the period of the pandemic.

Chair Cohen:

We will hear from the next caller in neutral. [There was no one.] Would you like to make any closing remarks, General Berry?

Ondra Berry:

I want to say thank you for the opportunity to present this to you and for you to receive and hear this request. One of the things I think is so important for our state is to understand that not only do the men and women of the Nevada National Guard serve domestically and abroad, but when you talk about the members of the Nevada National Guard, these are all ranks, and sometimes the perception may be that a lot of them are high-wage earners. We have members who are not in the category. We have a very young force. To be able to present and request that the sales tax exemption be passed would be a great benefit to our organization. I understand some of your concerns and we will definitely review those. We love to serve the state. We love to serve the nation. I can promise you and guarantee you that the members of our military will continue to do the great work. The Nevada National Guard is always ready, always there, and looking forward to doing good work again in our state.

Chair Cohen:

We are all very appreciative of the work you have done in the last year and we want to recognize that for the people who are serving us. I will close the hearing on S.B. 440 (R1) and open the work session on Senate Bill 440 (1st Reprint). We have voiced some concerns and I certainly want to get some input from our Legal Division staff, just so we have a clear record. In order to ensure the bill is moving, the most expeditious thing to do is to pass it out of this Committee and if there are any amendments necessary, we can make them over the next couple of days. I will accept a motion to do pass S.B. 440 (R1).

ASSEMBLYMAN ROBERTS MADE A MOTION TO DO PASS
SENATE BILL 440 (1ST REPRINT).

ASSEMBLYWOMAN CONSIDINE SECONDED THE MOTION.

Is there any discussion on the motion?

Assemblyman O'Neill:

We often say to our military, specifically to our Guard in this instance because they are our neighbors, they are our frontline, thank you for your service. Words are cheap. This allows us to actually put our words into play to literally say thank you. I know the salaries. Even on retirement, you are still looking for another job. I can think of many ways to express our gratitude to them, but this is a very good start. I will be a strong yes on this vote.

Assemblyman Yeager:

Obviously, I am supporting the motion, but I do think, as you noted, there were some interesting questions that were raised at the hearing today. I think we ought to see if we need to address those. Maybe we do, maybe we do not. I agree that we need to get this bill moving and we need to get it to the floor. I am certainly willing to support it and hopefully we can tie up any of the loose ends via a floor amendment if necessary. Again, I want to thank the members of the Nevada National Guard for all you are doing.

THE MOTION PASSED. (ASSEMBLYWOMEN ANDERSON AND BENITEZ-THOMPSON WERE ABSENT FOR THE VOTE.)

Chair Cohen:

I will assign the floor statement to Assemblyman Yeager. I will close the work session on S.B. 440 (R1). Senator Neal is on the floor of the Senate. We will take a brief recess in hopes she will be here shortly. We are in recess [at 5:30 p.m.].

We are reconvened [at 5:41 p.m.]. I will open the hearing on Senate Bill 389 (2nd Reprint). I will remind the Committee that the policy, non-revenue portion of this bill was heard, vetted, and passed out of the Assembly Committee on Growth and Infrastructure. Welcome, Senator Neal.

Senate Bill 389 (2nd Reprint): Establishes provisions governing peer-to-peer car sharing programs. (BDR 43-585)

Senator Dina Neal, Senate District No. 4:

I am here today to present Senate Bill 389 (2nd Reprint) along with Mr. Alonso, who will be co-presenting if you have any questions on the policy. I will get directly into the tax policy beginning with section 11. Section 11 creates the taxing structure.

The peer-to-peer (PTP) car sharing program will pay the governmental service fee of 10 percent. That is in section 11.3, subsection 1, paragraph (a). If you go to section 11.3, subsection 1, paragraph (b), this brings in the 2 percent portion. *Nevada Revised Statutes* (NRS) 244A.810 is Washoe County and NRS 244A.860 is Clark County. In just those two jurisdictions there is a 2 percent fee.

The purpose of S.B. 389 (R2) is to create the taxing structure around the PTP platform to try to create some equity in the policy sections that came in with Assembly Bill 429, then was merged into this policy bill so we could have one two-thirds vote and one conversation around the policy.

Section 11.3, subsection 2 talks about the timeline, when it is due, and discusses the form and the process. Section 11.3, subsection 3 describes where this money will go—it will be a General Fund deposit. Section 11.3, subsection 4 discusses the audit provision that will be in play. Section 11.3, subsection 5, paragraph (b) brings in A.B. 429—the Department of Motor Vehicles (DMV) statutes—which talks about the charge and collection fees that will be associated with Clark County and Washoe County when a shared vehicle is a part of a PTP sharing program.

Section 11.3, subsection 7 says "for the purposes of charging and collecting the governmental services fee," and says what must not be included in the fee. When you look at section 11.3, subsection 7, paragraphs (a) through (e), this is everything that should not be included in the total amount of which the shared vehicle is then charged.

Section 11.5 establishes what the platform will collect and remit. The PTP platform will collect and remit the tax. Section 11.5, subsection 2 discusses who is liable for failure of payment. The Department of Taxation (Department) shall not hold the PTP car sharing program liable if they fall under two circumstances—the PTP provides satisfactory proof that they made a reasonable effort to get accurate information [section 11.5, subsection 2, paragraph (a)] or if when they attempted to collect there was false or incorrect information given to them [section 11.5, subsection 2, paragraph (b)]. Section 11.5, subsection 3 talks about proof of payment of sales tax and what the Department can prescribe by regulation.

That is my quick overrun of the taxing policy. If you have questions on any other sections, I will have Mr. Alonso answer those. There are some taxing provisions in the back of the bill, but that is more conforming. I can answer those if you are really trying to get into the weeds. I am open for questions.

Assemblywoman Kasama:

I know we have people out there who are putting their cars out on these websites, so we have had no collection of this thus far, so this bill is to try to reel it in and collect taxes. Do the taxes on this pretty much mirror what the rental car companies are paying?

Senator Neal:

My answer is yes, but I will let Mr. Alonso add to that.

Michael Alonso, representing Turo, Inc.:

I think it is exactly the same thing. There is 10 percent on the rental and then the 2 percent in Clark County and Washoe County. The sales tax piece of it, under existing Nevada law somebody can go to the Department, get a permit, and then get a reseller certificate if they are going to put the car or other personal property, as it is not limited to cars, on a rental or

lease program, and then they have to collect it on that stream. As Senator Neal spoke about this, we are there to certify that they have paid the sales tax when they purchased the vehicle. In our case we believe most people are going to pay those sales taxes when they purchase the vehicle, but if they do not, then the PTP car sharing platform would collect and remit them on the transaction-by-transaction basis going forward.

Assemblywoman Bilbray-Axelrod:

I have used Turo before, and you are doing it through an Uber-type application (app), so people are familiar. Will the collection be built in so the consumer will see the tax right then? I was a little confused with section 11.5, subsection 2, paragraph (a), the PTP car sharing program provides proof satisfactory to the Department of Taxation, they cannot get the I would think, because it is on their platform, they would have those numbers. Am I missing something?

Michael Alonso:

The policy provisions of the bill cover what is supposed to be disclosed to the driver on the platform. Obviously, the owner goes on the platform and advertises the vehicle, and according to this bill, all the disclosures are there. Up until this point there is not any government services tax or other fees due. Once this goes into effect, that disclosure would be made on the app. Just like in a rental car transaction, and as Senator Neal laid out, you would know exactly what you are paying the governmental service tax on and what you are not paying it on. That would be disclosed on the app. The platform would then collect and remit those taxes that the driver of the vehicle pays to the State.

I think you were touching on sales tax again. We would then, on the effective date, any new vehicles that come onto the platform we would try to get a certification as to whether they paid the sales tax. To the extent that they did not, we would start collecting and remitting that going forward.

Chair Cohen:

Are there any other questions from the members of the Committee on the tax policy? [There were none.] Please proceed, Mr. Alonso.

Michael Alonso:

I am here representing Turo, Inc., which is one of the largest PTP car sharing platforms. We got out of order here, so I want to take a moment to thank Senator Neal and Assemblywoman Monroe-Moreno for sponsoring the bill and working through this in the interim with many stakeholders—Department of Motor Vehicles, Department of Taxation, Enterprise Rental Cars, local governments, and the Nevada Justice Association—to come out with what we think is a pretty good bill. As you stated earlier, Madam Chair, the policy portion of this bill [A.B. 429] was heard before the Assembly Committee on Growth and Infrastructure some time ago, and was amended into this.

There are a couple of major parts to the policy piece. There is the registration and licensing by the DMV of the platform, and all the things that go with that—which we can go into detail about—but the bill is pretty specific about what is required. An application has to be filed. The DMV can pass regulations to clarify even more what will happen in terms of the registration, potential discipline, renewal of those licenses, the registration fees, the license and renewal fees.

The other big part of the bill is the insurance provisions, liability provisions, and consumer protections. I want to take a moment to say the language in A.B. 429 that covers the insurance provisions and the consumer protections came out of the NCOIL [National Council of Insurance Legislators] model legislation, approved by NCOIL after stakeholder meetings between insurance companies, PTP platforms, and the rental car industry. So all of that was vetted.

A real important issue here is on the insurance piece. It is intended and written so there is never a gap in coverage. The car sharing time, and I think that is the most important piece, is what happens with the insurance provisions to make sure the parties are protected. In working with the Nevada Justice Association, we ended up with essentially twice the limits for the minimum requirements of the state of Nevada in terms of what the insurance policies have to provide. I would be happy to answer any other specific questions.

Assemblywoman Benitez-Thompson:

Tell me what this volume looks like in terms of anticipated transactions. I see from the fiscal note that the Department of Taxation is going to be asking for two new employees to help with this. That makes me feel like there is a lot of activity going on. Mr. Alonso, can you tell us what this will look like in terms of anticipated activity?

Michael Alonso:

I cannot give you specific numbers. I know your Fiscal Analysis Division staff worked with some of the parties and looked at it. Turo is one of the larger PTPs that have been around for a while, and is active in Nevada, but there are a half dozen to one dozen PTP car sharing companies. There are two additional ones that are represented here and were part of the coalition. Avail is owned primarily by Allstate Insurance Company and was part of the whole process, and NCOIL and the insurance companies were very involved. Fluid Trucks, which is more specialized, is here and Kyle Davis can speak to that. It is hard to tell you because I think some of them are waiting until this regulatory environment gets created to come here. I do not think there is any issue in terms of the fiscal note and whether there will be the revenue to cover that.

Senator Neal:

I think the estimate was somewhere around \$1 million based on the information we have. I will have Mr. Guindon talk about the estimate he used based on some confidential conversations.

Assemblywoman Benitez-Thompson:

I know there is information we cannot have because it is proprietary, but oftentimes our Fiscal staff will ask for it just to help sort things out on the back end. I was imagining that conversation had happened by now, so on the back end we could ensure we were estimating with the best proprietary knowledge we could.

Russell Guindon, Principal Deputy Fiscal Analyst:

As Mr. Alonso stated, we were able to have conversations with some of the representatives from this industry, and they were willing to share some information for your Fiscal staff's use and consideration. As well, we spent time trying to go out and look at the vehicles that are currently available on platforms such as Turo—the types and number of cars that were being listed on the site in Clark and Washoe Counties, as our two largest counties, and the average rental price.

Obviously, this is a difficult thing to estimate without any real-world actual information. Based on all the information we were able to obtain and take into consideration, we believe it is approximately \$1 million per year. This is for the State General Fund 10 percent portion. We did not have the ability to really try to estimate what it would be for Clark County or Washoe County for the 2 percent portions that have been referenced. We think it could be around \$1 million, but it could be higher or lower as things roll out. We especially have to remember we are not in the normal economy we would be because of the pandemic influence on it.

For fiscal year (FY) 2022, due to the October 1 effective date, it would be approximately \$750,000. Thus, if this bill is approved and signed by the Governor, your Fiscal staff would make an adjustment to the Economic Forum's forecast sheets for the short-term car rental tax of \$750,000 for FY 2022 and \$1 million for FY 2023.

Assemblywoman Benitez-Thompson:

That is what I needed to hear from our Fiscal staff, that we had enough information to get ahold of what this market might look like for us.

Chair Cohen:

In section 30.23, subsection 1, paragraph (b), the list of information that is going to be provided to the Director included locations of pickup and drop-off. What is the intent of having that information for the Director?

Michael Alonso:

I cannot tell you all the specifics, but this was all vetted through the NCOIL process. I believe all of this has to do with potential claims and the insurance because of the different insurance coverages. You have the owner's coverage up until the point where the car is passed off, then the platform's coverage would kick in during the car sharing time. Once that ends, the termination time, the vehicle owner's insurance would kick back in again. I think all of this is related to trying to ensure you keep the records of when it started and when it stopped. This came out of the NCOIL model legislation.

Russell Guindon:

I just wanted to point out that when we are reading the word "Director" here, this bill adds a new Chapter to Title 43 of NRS, so the Director would be the Director of the Department of Motor Vehicles, not Melanie Young, the Director of the Department of Taxation. I just wanted to provide that because it gives a different context to the response by Mr. Alonso in terms of the policy side of this and not the tax side of it that is going on for the reporting to DMV.

Chair Cohen:

I was wondering if that was trying to capture the information about some of the people who are doing this and dropping them off at airports. They are doing things like that—using something that belongs to all of us in their business transaction—so I was wondering if it was related to that and getting an idea. I know there is reference in another place in the bill about drop-offs at the airport. I was thinking maybe that was something we were looking into to determine where our property was being used as part of this.

Michael Alonso:

The other provision you are talking about does not do anything but keep the status quo with respect to the airports. The airports can still require whatever they require today in terms of concession agreements, any other rules or regulations, fees, et cetera, to use the airport property. That was important to the airports and that is why that language is in there. There is nothing in here to prohibit the airport from requiring us to enter or not to enter into an agreement, paying fees, or following any other rules or regulations the airport would have.

Chair Cohen:

Is Turo currently in agreements with our airports? I have heard stories of people doing exchanges at the airport where it is like, Meet me here, the exchange is just done, and the person who is getting the car has no understanding if that is part of any type of agreement.

Michael Alonso:

I am not aware that there are any agreements with any of the platforms at this time.

Chair Cohen:

On the \$5,000 bond provision, does that also come from the NCOIL language?

Michael Alonso:

No. That came from a request from DMV to have either insurance, a bond, or cash. It is related to compliance with the Act. The Department of Motor Vehicles could use that bond if there was a claim made that something was not complied with in terms of the platform's compliance with what the requirements of the Act are. The DMV requested that from us and we did our best to accommodate them. I think they are okay with the language from the hearing before the Assembly Committee on Growth and Infrastructure.

Chair Cohen:

We will move on to those in support in the room.

Matthew Walker, representing Enterprise Holdings:

I wanted to express our support. Parity and taxation are important to us. I also want to express that in other states this has been a much more extended and sometimes contentious conversation. The bill sponsor, her clarity of purpose, and the professionalism of Mr. Alonso made this a lot cleaner and simpler process. We are very appreciative of both of them.

Kyle Davis, representing Fluid Truck:

Fluid Truck is a PTP truck sharing platform, providing trucks and things you can use for hauling, your business, or anything along those lines. We are in support of the legislation. We also appreciate the work of all the stakeholders in the process and Senator Neal and Assemblywoman Monroe-Moreno for taking on this issue and getting us to where we are today.

Chair Cohen:

Is there anyone else in the room or on the Zoom call in support? [There was no one.] We will go to the phones in support. [There was no one.] Is there anyone in the room or on the Zoom call in opposition? [There was no one.] We will go to the phones in opposition. [There was no one.] Is there anyone in the room or on the Zoom call in neutral? [There was no one.] We will go to the phones in neutral. [There was no one.] Do you have any closing remarks?

Senator Neal:

Thank you for hearing this bill. If you can support this measure, hopefully it will create the regulatory structure and the tax parity.

Chair Cohen:

I will close the hearing on S.B. 389 (R2) and open the work session on Senate Bill 389 (2nd Reprint). Do the members of the Committee have any questions? [There were none.] I will accept a motion to do pass S.B. 389 (R2).

ASSEMBLYMAN MILLER MADE A MOTION TO DO PASS
SENATE BILL 389 (2ND REPRINT).

ASSEMBLYWOMAN BILBRAY-AXELROD SECONDED THE MOTION.

Is there any discussion on the motion?

Assemblyman Yeager:

I am certainly going to support the measure. I want to thank the sponsor of both this part of the bill and our colleague in the Assembly. When I first heard about this issue maybe a year ago, to be honest I thought this was going to be really contentious. The fact that we are where we are speaks to the work that was done and the parties getting this right. I believe in tax parity. I think this is going to be great for the state.

Assemblyman O'Neill:

I will be a yes for now but reserve my right to change my vote. I need a little more time to digest it. I have to admit, this is a brand-new thing to me.

Chair Cohen:

You have every right to; all members do. I will just remind you if there is going to be a change in your vote before we get to floor, please let me know. I will also remind you, I think this is one of those issues where it is already here. It is about having some regulation to keep us safe, keep our citizens safe, and also ensuring the revenue portion is taken care of because these cars are on our roads, putting carbon dioxide into our air, and a lot of them are using our airports. Is there any further discussion? [There was none.]

THE MOTION PASSED. (ASSEMBLYMAN ROBERTS WAS ABSENT FOR THE VOTE.)

I will assign the floor statement to Assemblyman Orentlicher. I will close the work session on S.B. 389 (R2). Our Legal Counsel, Bryan Fernley, is able to join us via Zoom to comment on the issues that were raised on Senate Bill 440 (1st Reprint) and the constitutionality of those provisions. We will go into a brief recess while we are waiting for Mr. Fernley to join us. We are in recess [at 6:10 p.m.].

We are reconvened [at 6:16 p.m.]. Mr. Fernley is with us now. Can you please address the issues that were raised in the hearing for S.B. 440 (R1) and the constitutionality of the bill?

Bryan Fernley, Committee Counsel:

With respect to S.B. 440 (R1), the first issue raised was whether the bill would require a vote of the people to approve the exemption for the State 2 percent rate. Article 19, section 2 of the *Nevada Constitution* governs the referendum process in Nevada, and it provides that if the voters approve a statute at a referendum election, the statute cannot be amended except by a direct vote of the people.

As has been stated in the bill hearing, the Sales and Use Tax Act of 1955, which established the 2 percent sales and use tax that goes into the State General Fund, was approved by a referendum of the voters at the general election in 1956, and is not subject to legislative amendment or repeal unless there is a vote of the people. However, based on a referendum of the voters in 1979, which repealed various administrative provisions of the Sales and Use Tax Act and reenacted them, the Legislature does have the authority to enact provisions related to the administration of the Sales and Use Tax Act—the 2 percent portion of the sales tax that goes into the State General Fund. The Legislature does have the authority to amend administrative provisions of that Act without a referendum.

You will see in Chapter 372 of *Nevada Revised Statutes* (NRS) there are various provisions that refer to the administration of the Chapter, and generally we start those sections with language such as "in administering the provisions of this Chapter," and then state what the administrative interpretation is.

One of those provisions is the provision that administratively extended the exemption for the State and its political subdivisions to members of the Nevada National Guard, and this exemption for the State was administratively extended to the members of the Nevada National Guard based on their service to the state. This was done in 2005 by the Legislature without a vote of the people. It is codified now in NRS 372.7281, which is the provision being amended by S.B. 440 (R1).

Senate Bill 440 (1st Reprint) amends this administrative provision by further administratively extending the exemption that is provided for the State and its political subdivisions. Because this is an administrative provision of the Sales and Use Tax Act, it is the opinion of our office that the Legislature has the authority to enact S.B. 440 (R1) without submitting it to a vote of the people.

The second question concerned whether the legislative findings contained in section 5.5 of the bill comply with Article 10, section 6 of the *Nevada Constitution*. Article 10, section 6 of the *Nevada Constitution* requires in enacting exemptions from the sales and use tax, the Legislature make the findings set forth in that section. Under well-established case law, legislatures are generally given great deference by the courts in determining matters of public policy, what is in the public interest and what is not. Based on the testimony provided on S.B. 440 (R1), the Legislature would have a rational basis to conclude that the findings required by Article 10, section 6 of the *Nevada Constitution* could be made. Section 5.5 of the bill merely states that the Legislature has made those conclusions, and the Legislature would be entitled to deference on those conclusions, and there is definitely a rational basis to support those conclusions based on the testimony provided on the bill.

I would also add that the language in section 5.5 has been used in many other bills that granted exemptions or abatements from property tax, sales and use taxes, so this provision is definitely consistent with how the Legislature has interpreted Article 10, section 6 of the *Nevada Constitution* in the past. I can give a brief list of those bills:

- Assembly Bill 522 of the 75th Session (2009)
- Assembly Bill 33 of the 77th Session (2013)
- Senate Bill 400 of the 77th Session (2013)
- Assembly Bill 138 of the 77th Session (2013)
- Senate Bill 281 of the 77th Session (2013)
- Senate Bill 1 of the 28th Special Session (2014)
- Senate Bill 170 of the 78th Session (2015)
- Assembly Bill 161 of the 78th Session (2015)
- Senate Bill 1 of the 29th Special Session (2015)
- Senate Bill 415 of the 79th Session (2017)
- Senate Bill 352 of the 79th Session (2017)

All of those bills have this language making this finding and did not have further "whereas" clauses because the reason for those findings was stated in the Committee hearings, similarly for S.B. 440 (R1) being reasons for the enactments of the exemption well stated in the bill hearing, and the Legislature has made the findings required by Article 10, section 6 of the *Nevada Constitution* in section 5.5 of the bill.

Chair Cohen:

Thank you, Mr. Fernley. That was extremely thorough, especially for being done on the fly. Members, do we have any questions? [There were none.] We will move on to anyone wishing to give public comment. [There was no one.] Committee, I do not know if we are going to have another hearing before sine die. Stay close and we will let you know. We are adjourned [at 6:23 p.m.].

RESPECTFULLY SUBMITTED:

Gina Hall
Committee Secretary

APPROVED BY:

Assemblywoman Lesley E. Cohen, Chair

DATE: _____

EXHIBITS

[Exhibit A](#) is the Agenda.

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

[Exhibit C](#) is the Work Session Document for [Senate Bill 278 \(1st Reprint\)](#), dated May 28, 2021, presented and submitted by Michael Nakamoto, Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau.

[Exhibit D](#) is the Work Session Document for [Senate Bill 297 \(2nd Reprint\)](#), dated May 28, 2021, presented and submitted by Michael Nakamoto, Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau.

[Exhibit E](#) is the Work Session Document for [Senate Bill 442 \(1st Reprint\)](#), dated May 28, 2021, presented and submitted by Michael Nakamoto, Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau.

[Exhibit F](#) is the Work Session Document for [Senate Concurrent Resolution 11](#), dated May 28, 2021, presented and submitted by Michael Nakamoto, Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau.

[Exhibit G](#) is written testimony presented and submitted by Ondra Berry, Major General, Nevada National Guard, dated May 28, 2021, regarding [Senate Bill 440 \(1st Reprint\)](#).