

**MINUTES OF THE
SENATE COMMITTEE ON FINANCE**

**Eighty-first Session
May 27, 2021**

The Senate Committee on Finance was called to order by Chair Chris Brooks at 9:18 a.m. on Thursday, May 27, 2021, Online and in Room 1214 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Chris Brooks, Chair
Senator Moises Denis, Vice Chair
Senator Marilyn Dondero Loop
Senator Ben Kieckhefer
Senator Pete Goicoechea
Senator Scott Hammond
Senator Heidi Seevers Gansert

COMMITTEE MEMBERS ABSENT:

Senator Nicole J. Cannizzaro (Excused)
Senator Julia Ratti (Excused)

GUEST LEGISLATORS PRESENT:

Senator Pat Spearman, Senatorial District No. 1
Assemblywoman Brittney Miller, Assembly District No. 5
Assemblyman Howard Watts, Assembly District No. 15

STAFF MEMBERS PRESENT:

Wayne Thorley, Senate Fiscal Analyst
Alex Haartz, Principal Deputy Fiscal Analyst
Barbara Williams, Committee Secretary

OTHERS PRESENT:

Jan Jones Blackhurst, Principal, Black Fire Innovation

Senate Committee on Finance
May 27, 2021
Page 2

Melanie Young, Executive Director, Department of Taxation
Jamie Rodriguez, Washoe County
Brandi Hairston
Felicia Gonzales, Deputy Superintendent of Educator Effectiveness and Family
Engagement, Department of Education
Hawah Ahmad, Clark County Education Association
Chris Daly, Nevada State Education Association
JD Decker, Administrator, Compliance Enforcement Division, Department of
Motor Vehicles
Christi Cabrera, Nevada Conservation League
Rudy Zamora, Chispa Nevada
Jessica Ferrato, Ceres
Peter Krueger, Nevada Emission Testers Council
Ed Uehling
Rafael Arroyo
Andrew MacKay, Executive Director, Nevada Franchised Auto Dealers
Association

CHAIR BROOKS:
I will open the hearing on Senate Bill (S.B.) 267.

SENATE BILL 267 (1st Reprint): Establishes provisions relating to the collection
and reporting of information concerning diversity and equality in the
workplace. (BDR 19-461)

WAYNE THORLEY (Senate Fiscal Analyst):
There is a Proposed Amendment 3333 to S.B. 267 ([Exhibit B](#)) dated May 24
and a proposed conceptual amendment ([Exhibit C](#)) dated May 25 submitted by
Senator Spearman.

SENATOR PAT SPEARMAN (Senatorial District No. 1):
The conceptual amendment removes the Department of Taxation's role in the
original bill. The diversity study will be completely voluntary and will be handled
by Black Fire Innovation at the University of Nevada, Las Vegas (UNLV).

Senate Bill 267 is about diversity in the workplace. There are more and more
women in the workforce, but not enough in senior or decision-making positions.
The bill will enable us to see how we are doing in the State.

JAN JONES BLACKHURST (Principal, Black Fire Innovation):

We proposed a conceptual amendment to the inclusion survey that would be conducted with businesses that qualify for the Commerce Tax as well as State and university agencies. It is proposed to be a four-year pilot. Data would be collected by Black Fire Innovation, which is part of UNLV.

There would be no fiscal impact as Black Fire will do all the collecting and come back with a report to the Governor and the Director of the Legislative Counsel Bureau (LCB). We only ask the Department of Taxation provide the list of companies that are subject to the Commerce Tax.

Under a gender equity bill passed in the Eightieth Session, the Secretary of State (SOS) was directed to compile similar data, with a sunset provision of June 2022. Under the conceptual amendment it would sunset in June 2021.

The survey is basic and looks for representation, pay equity and policies germane to inclusivity of women in the workplace.

CHAIR BROOKS:

Did you say you would need access to businesses subject to the Commerce Tax? Would the entity compiling the survey then reach out to those companies independent of the Department of Taxation?

MS. JONES BLACKHURST:

Yes. The survey is completely voluntary. The same holds true for governmental entities and the Nevada System of Higher Education.

SENATOR SEEVERS GANSERT:

Section 6, subsection 2 of S.B. 267 lists the information the survey will request. It is extremely comprehensive. Given that it will be voluntary, I wonder how many companies will dedicate the time necessary to respond. I want you to get as much information as possible, but if you overwhelm them with requests, you may not receive any information. I am also concerned about corporations declining to participate over confidentiality concerns.

MS. JONES BLACKHURST:

The Human Rights Campaign (HRC) Foundation Corporate Equality Index is the gold standard for the LGBTQ community. It has always been voluntary and the survey has about the same number of questions as ours.

Caesars Entertainment was one of the first companies to receive a 100 percent score, and other companies rushed to compete to receive a good score. Corporate America likes to be at the forefront of things. If we get companies like Caesars Entertainment and MGM Resorts to comply, others will follow. It is not our intent to embarrass anyone; it is our intent to reward best practices.

The information would be compiled and presented to the Governor. It would be at his discretion what sort of report would be made public. Two years ago, when another iteration of this proposal was passed, most localities responded. The data was not compiled because there was no one coordinating entity. That is why S.B. 267 makes it clear the onus falls on UNLV.

SENATOR SPEARMAN:

Of the top 100 companies in the HRC survey, there is not a company in Nevada that did not fill out the survey. This is not new. Many corporations realize that consumers pay attention to corporate behavior in terms of diversity and sustainability. When a company ranks high in these types of surveys, it is a feather in its cap.

CHAIR BROOKS:

You referenced a similar study performed a few years ago that never resulted in anything. How will this be different? Are we just collecting data that we will do nothing with?

MS. JONES BLACKHURST:

One of the problems with the earlier survey was that it was posted on SilverFlume and was difficult for businesses to access. The SOS did not have the resources to collect and present the data in a helpful way.

CHAIR BROOKS:

Will this require any State funds? Will Black Fire be doing all the submission of surveys, collection of data and reporting to the State?

MS. JONES BLACKHURST:

That is correct.

CHAIR BROOKS:

Unfortunately, it is a familiar pattern: we initiate a study, collect data and do nothing with it.

SENATOR HAMMOND:

I understand the mechanics of the bill. We will shut down what the SOS is doing and enable UNLV to start its system and collect data. Markets will respond. As Senator Spearman said, companies will likely want to rank high on the list.

The conceptual amendment, [Exhibit C](#), calls for periodic reporting. How often do you envision reporting the data?

MS. JONES BLACKHURST:

It is a four-year pilot. I would envision annual reporting as it will probably take us a year to acquire enough data to produce a meaningful report.

SENATOR SPEARMAN:

As we come out of the pandemic and restart the economy, it is indexes like these that many corporations review to see if their workforce will fit in a particular state. This can only help us as we talk about diversifying our economy and opening up our doors to more corporations.

SENATOR KIECKHEFER:

Is a business' status as a payer of the Commerce Tax considered confidential?

MELANIE YOUNG (Executive Director, Department of Taxation):

Nevada Revised Statutes (NRS) 360.255 stipulates that all of our taxpayer records are confidential. That was a concern when working with stakeholders on S.B. 267. The revised bill only has us releasing the taxpayer's contact information. The information would simply be a name, address and email address if available.

SENATOR KIECKHEFER:

Would that be the business contact or an individual's contact information?

MS. YOUNG:

It would be the name and address of the business.

SENATOR KIECKHEFER:

How many Commerce Tax payers are there?

Ms. YOUNG:

Over 200,000 businesses are registered for the Commerce Tax. On average, about 7,000 are actually liable for payment. Legislation in the Eightieth Session excused some businesses from remittance obligations. Many businesses that do not owe Commerce Tax maintain taxpayer accounts because they are close to the threshold.

SENATOR KIECKHEFER:

How many of those are in-State?

Ms. YOUNG:

I can provide you that information later.

SENATOR KIECKHEFER:

When we passed the Commerce Tax, one of our objectives was taxing large out-of-state corporations doing business in-State. Why did you decide the Commerce Tax should be the trigger for the study, as compared to something more traditional such as number of employees, which is not confidential?

Ms. JONES BLACKHURST:

Originally, we contemplated using only companies with over 500 employees. We may still use that standard. By targeting the Commerce Tax, we understood we would only be looking at large companies. We are not looking to survey small business.

CHAIR BROOKS:

Will the Department of Taxation require any additional resources to share that information?

Ms. YOUNG:

With the conceptual amendment, [Exhibit C](#), we can provide the requested information without using additional resources.

SENATOR KIECKHEFER:

I have a problem with providing an exemption to the confidentiality of our taxpayers. Often when we do data transfer, the confidentiality is waived for the initial information but not extended further. If we provide a list of Commerce Tax payers to Black Fire, would it hold that list in confidence and not share it

with anyone? I do not want to start telling the public which companies are grossing \$4 million. That is not appropriate.

MS. JONES BLACKHURST:

It would be our intent to keep the information confidential and not share it with the public. We would reach out to companies asking if they would like to participate—they are under no obligation to do so.

SENATOR KIECKHEFER:

That may require some language in the bill.

CHAIR BROOKS:

Is confidentiality discussed at all in the bill or the proposed amendments?

SENATOR SPEARMAN:

It is not addressed explicitly; certainly, that is something we could add, but I would stress again that the survey is voluntary. The McKinsey Global Institute does similar studies frequently. In 2020, it found not only does diversity matter, but diversity increases a corporation's bottom line.

Most corporations will be eager to complete the survey. Women represent about 51 percent of those who hold the purse strings and about 51 percent of the workforce. With the downsizing and the effects of Covid-19, there will be more women looking for jobs with companies that are friendly to them.

CHAIR BROOKS:

I agree it is valuable to have that information, and it is valuable to have women leaders in the corporate world. The indexes you reference are put together by organizations to serve private industry so corporations can demonstrate to the consumer why they are good. Those indexes were not created by statute.

The sharing of taxpayer information is not voluntary in S.B. 267. I understand that participating in the survey is voluntary. The concern is sharing of taxpayer information with a private organization through legislation.

MS. JONES BLACKHURST:

We are glad to come with additional language that ensures the confidentiality of the information.

SENATOR KIECKHEFER:

The Commerce Tax trigger appears for the first time in the conceptual amendment, [Exhibit C](#). The sharing of information is not unprecedented. There is a clause in NRS allowing the Department of Taxation to share records with the LCB Fiscal Analysis Division to make revenue projections.

JAMIE RODRIGUEZ (Washoe County):

Washoe County is neutral on S.B. 267. We are more than happy to comply and provide the information we have. We want to make clear that employees have the option of providing the information in the survey. Gender and ethnicity are optional fields on employee information forms. That means the information we provide may not be complete or a perfect picture of what our workforce looks like.

As a female of Hispanic descent, I always provide that information. Not all employees feel providing such information has value to them.

BRANDI HAIRSTON:

This survey could provide useful information. The language in the bill talks about women of color, but does not break it down further than that. The data could be more useful if it were more specific and differentiated between Blacks, Hispanics and Asians, for instance. The data could be more specific.

It would be advantageous if men were included in the bill. If we look at the data for Nevada, Black men and Black women have the highest unemployment rate.

CHAIR BROOKS:

I will close the hearing on S.B. 267 and open the hearing on S.B. 459.

SENATE BILL 459: Authorizes expenditures by agencies of the State Government for the 2021-2023 biennium. (BDR S-1171)

MR. THORLEY:

Senate Bill 459, the Authorizations Act, was introduced yesterday as a bill draft request (BDR). The bill authorizes expenditures by agencies of the State government for the 2021-2023 biennium. There were no changes between the BDR and the bill.

Senate Committee on Finance
May 27, 2021
Page 9

CHAIR BROOKS:

I will close the hearing on S.B. 459 and open a work session.

SENATOR DENIS MOVED TO DO PASS S.B. 459.

SENATOR DONDERO LOOP SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

CHAIR BROOKS:

I will open the hearing on Assembly Bill (A.B.) 266.

ASSEMBLY BILL 266 (2nd Reprint): Revises provisions relating to class size.
(BDR 34-704)

ASSEMBLYWOMAN BRITTNEY MILLER (Assembly District No. 5):

Assembly Bill 266 addresses the excessive class sizes in Nevada. The bill makes changes to who is included in the student to teacher ratios so we have more accurate information. It defines licensed positions such as social workers, counselors and nurses.

The part of the bill that is pertinent to the fiscal note is a value-based weight that is added to teacher evaluations when class size exceeds the recommended ratio. That part of the bill requires additional training for the school district administration.

CHAIR BROOKS:

The amendment in the Assembly added that value-based weight that prompted the fiscal note. Was that amendment to address policy issues or fiscal issues?

ASSEMBLYWOMAN MILLER:

The amendment was to address policy.

SENATOR DONDERO LOOP:

Did the inclusion of nurses in the bill come from the last amendment?

ASSEMBLYWOMAN MILLER:

Nurses were included in the original bill.

SENATOR DONDERO LOOP:

I know nurses were inadvertently omitted from S.B. 151. I was checking to see if that had happened here as well.

SENATE BILL 151 (1st Reprint): Revises provisions relating to education.
(BDR 34-77)

Sometimes a principal will ask a good teacher to handle a few extra students. Both parties know the teacher is going to get an excellent evaluation even without the value-based weighting. What prevents such a situation?

ASSEMBLYWOMAN MILLER:

That is a piece of policy we have not yet been able to address in Nevada. Capping class size is part of collective bargaining in many school districts in the Country. In Nevada, effective teachers are the ones often given extra students or students who need the most intensive support. There are many school districts in the Country that pay teachers a premium for additional students in the classroom. In Nevada, we do not pay teachers for the extra work and we cannot collectively bargain for it.

The value-based weight is a way to acknowledge even the effective teachers' abilities. The amendment only addresses teachers off probation and already deemed effective.

SENATOR DENIS:

Assembly Bill 266 helps good, effective teachers. It does not advantage bad, ineffective teachers.

ASSEMBLYWOMAN MILLER:

Some teachers do struggle and need additional support. Those teachers should not be given larger classes.

SENATOR SEEVERS GANSERT:

The bill stipulates only the number of teachers employed full-time. I know quite a few teachers who split classrooms. Together they are full-time, but individually they are part-time. Do they count as zero, one or two teachers?

ASSEMBLYWOMAN MILLER:

Schools now are using licensed personnel as a factor which includes all professionals with a license such as counselors, social workers, librarians and special education teachers. All these people are licensed but are not actually teaching a class. If one calculates all the students in a school divided by licensed staff, the resulting average is much lower than if one includes just those who are actually teaching.

In the case of a split teacher classroom, those teachers are included because they are actually teaching in the classroom.

SENATOR SEEVERS GANSERT:

Section 1, subsection 7, paragraph (a) stipulates using the number of teachers employed full-time. I understand the intent, but I am not sure the language reflects the intent.

In higher education, there are standard definitions for many of the terms. If we compare Nevada to other states and do not use the standard definitions, the data is not useful. If A.B. 266 is gathering data for internal purposes, it may not matter, but if we share ratios and such with national organizations, it may not reflect accurately. Will we follow national standards when we turn in data to national organizations?

FELICIA GONZALES (Deputy Superintendent of Educator Effectiveness and Family Engagement, Department of Education):

We do provide class size ratios to organizations that request information, and we use that organization's definitions in compiling the data. State to state comparisons are therefore apples to apples.

Assembly Bill 266 calls for more extensive data to be collected. The definitions in the bill do not necessarily match those of external organizations, but the data collected will be more extensive and provide a clearer picture.

SENATOR SEEVERS GANSERT:

How will you count two teachers who split a classroom?

Ms. GONZALES:

They would count as one.

Senate Committee on Finance
May 27, 2021
Page 12

SENATOR SEEVERS GANSERT:
The language in the bill suggests otherwise.

Ms. GONZALES:
When school districts report on class sizes, two part-time teachers who split a classroom are counted as one full-time position.

SENATOR DONDERO LOOP:
My teaching experience agrees with what Ms. Gonzales is saying.

SENATOR SEEVERS GANSERT:
My concern is with the language of the bill.

ASSEMBLYWOMAN MILLER:
In some instances, it may come down to the districts. In my school district, the class splitting scenario would be considered one full-time equivalent position.

SENATOR DONDERO LOOP:
In the Clark County School District, there are few job sharing opportunities. I would suspect in small districts there may be none.

CHAIR BROOKS:
Does the unsolicited fiscal note from the Department of Education reflect the bill in its current form?

Ms. GONZALES:
Yes, it does.

HAWAH AHMAD (Clark County Education Association):
The Clark County Education Association supports A.B. 266. The value added approach will give us clarity on the data and clarity in the distinctions in how we count our educators and where we publish that information. The nurse ratio is also important to us as are other licensed professionals. Most importantly, we want to thank this Committee for all your hard work this Session. You put \$500 million into education last week. We stand committed to continuing to work with this Legislature, the Governor, mining and gaming to ensure we all have skin in the game and put education, educators and students first.

CHRIS DALY (Nevada State Education Association):

The Nevada State Education Association supports A.B. 266 since Nevada has the largest class sizes in the Country.

The Nevada State Education Association has long been engaged in ensuring teacher evaluations are fair measures of a teacher's performance. Teachers with overcrowded classrooms have a disadvantage in their evaluations through no fault of their own. The double whammy of overcrowded class sizes combined with punitive evaluation measures is too much for many educators, who instead opt to leave the profession. Providing a legislative fix to this issue is not just a matter of fairness, but it also would help address the issue of teacher retention.

CHAIR BROOKS:

I will close the hearing on A.B. 266 and open the hearing on A.B. 349.

ASSEMBLY BILL 349 (2nd Reprint): Revises provisions governing motor vehicles. (BDR 43-58)

A conceptual amendment ([Exhibit D](#)) has been submitted by the bill sponsor.

ASSEMBLYMAN HOWARD WATTS (Assembly District No. 15):

The primary focus of A.B. 349 is to reduce vehicle pollution in Nevada, but it will also deliver benefits to our climate, our health and our economy. The American Lung Association has repeatedly found that Clark County and Washoe County have some of the highest air pollution in the Nation. These pollutants are closely linked to health ailments including asthma, cancer, chronic obstructive pulmonary disease and cognitive decline. They disproportionately impact low-income communities and communities of color.

Assembly Bill 349 looks to address these issues in a couple of different ways. First, the bill closes what is known as the "classic car loophole." Many of us have seen vehicles with classic vehicle plates that are not hobby or show vehicles. One of the reasons they have proliferated over the last decade is because those plates are a way to avoid annual smog checks and the inability in the statutory framework to enforce the 5,000 annual mileage limit associated with classic car plates.

The bill requires classic vehicles to have a classic vehicle insurance policy. These policies come with additional requirements and help create accountability.

Most true hobbyists already have these beneficial policies.

Assembly Bill 349 makes changes to modernize our smog check system. A brand new vehicle is currently exempt from smog checks for two years. The bill changes this to three years. There have been proposals to extend that time further because the newer vehicles are much less likely to fail checks. In conversations with the industry and other stakeholders, we opted to extend the time by one year. That collectively allows a significant amount of money to stay in the pockets of Nevada vehicle owners.

The final sections of the bill look to make investments to help low-income people who are using classic car plates because they cannot afford to fix their car emissions. This help could be in the form of a voucher or coupon to cover the cost of repair or a cash-for-clunkers type program that would help people replace older, polluting vehicles with newer, cleaner vehicles. This is modeled on a successful program in the San Joaquin Valley in California.

Assembly Bill 349 authorizes counties with populations above 100,000 to impose a supplemental fee with the smog check fee and use it to fund these programs. The bill directs at least 50 percent of that investment into historically underserved communities.

There is a waiver for car owners who are doing self-repair to vehicles not passing smog tests. In Clark County, self-repair is not an option; repairs must be done by an emission station. In conversations with the County, that is part of the State Implementation Plan under the Clean Air Act. The conceptual amendment, [Exhibit D](#), strikes the proposed changes to the self-repair waiver as doing so could jeopardize the State's Clean Air Act compliance.

Whenever a smog technician works for a company with multiple locations, each additional location he or she works at requires an additional fee of \$10. That was described as a potential barrier for some businesses and employees. The original bill sought to eliminate the fee entirely. Conversations with the Department of Motor Vehicles (DMV) indicated there were compliance issues with that proposal. The conceptual amendment changes the fee to \$2 for each additional location.

Finally, the conceptual amendment strikes the section of the bill which authorized the DMV to develop a remote sensing system to test emissions.

There is a lot of interest in such a system, but there were also concerns about accuracy and deployment.

CHAIR BROOKS:

Does the conceptual amendment, [Exhibit D](#), change the fiscal notes?

ASSEMBLYMAN WATTS:

The last fiscal note from the DMV was based on modifying the fee structures in [A.B. 349](#). The latest version of the bill removes all fee structure changes at the DMV level, so those fiscal impacts are removed. The reduction from \$10 to \$2 of the emission inspector location fees reduces the impact of that in the DMV fiscal note.

Elimination of the direction to develop a remote sensing system removes the \$5,000 fiscal note for regulatory costs. The DMV note regarding additional revenues from closing the classic car loophole is maintained.

SENATOR DENIS:

I am concerned about people with low-income who depend on their older cars for transportation to work.

ASSEMBLYMAN WATTS:

That was a key consideration for me. I want to close the loophole; everyone should play by the same set of rules. I do understand that a lot of people who have taken advantage of the program as it is could have negative consequences from closing the loophole.

That is why I worked to include the revenue piece I discussed. The bill implements the changes to the classic car plates at a slightly later date to allow time to stand up the repair and replace programs. If a vehicle does not pass a smog test, the owner would receive a voucher for the average cost of a repair. Existing law provides that if an owner spends that amount on a repair and the vehicle still does not pass, the vehicle receives a waiver from the emissions requirement.

The other provision is trying to find a pathway to help low-income vehicle owners transition to newer, cleaner vehicles which would also reduce their vehicle maintenance costs. As [A.B. 349](#) now stands, it provides both health and economic benefits to lower-income communities most in need.

SENATOR DENIS:

How does the bill impact the true classic car hobbyist?

ASSEMBLYMAN WATTS:

We have several designations for classic vehicles. We are not touching any existing legislation around antique pre-1940s automobiles. There are three designations with rolling timelines. The shortest is 20 years. Right now, model year 2000 vehicles qualify as classic cars.

The bill stipulates the vehicle cannot be used commercially and that it must have classic car insurance. True hobbyists generally already have classic car insurance because it requires an appraisal and premiums are reduced due to the fact such vehicles are driven rarely. We have received positive feedback from true classic car enthusiasts.

CHAIR BROOKS:

Does the DMV fiscal note accurately reflect A.B. 349 as it stands in the second reprint?

JD DECKER (Administrator, Compliance Enforcement Division, Department of Motor Vehicles):

My emissions people are telling me the bill reduces the \$6,000 loss in revenue to \$4,800.

CHAIR BROOKS:

Do the other increased revenue projections still hold?

MR. DECKER:

Yes, those projections are unchanged.

CHAIR BROOKS:

Have you seen the conceptual amendment, [Exhibit D](#)?

MR. DECKER:

My emissions people have reviewed it.

CHAIR BROOKS:

Does the unsolicited fiscal note submitted by the DMV in response to the first reprint net a \$9.6 million increase in revenue?

ASSEMBLYMAN WATTS:

The first reprint of A.B. 349 modified various State fees related to the smog program. The second reprint eliminated all those proposed changes and instead authorizes the counties to implement a supplemental fee in those areas. The large revenue line in the unsolicited fiscal note no longer applies.

The first line of the unsolicited fiscal note refers to additional revenue from closing the classic car loophole, and that note still applies. As Mr. Decker noted, there is a slight decrease in the DMV projected loss of revenue due to the changes in emission inspector licensing. The last line in the fiscal note relates to the remote sensing regulatory change that is stricken by the conceptual amendment and should no longer apply.

CHAIR BROOKS:

Is it still a net positive after those changes?

MR. DECKER:

Yes, it is.

ASSEMBLYMAN WATTS:

The State collects fees from emissions testing and uses the funds to administer the program with the excess going to the counties for air quality programs. So a loss in revenue of a few thousand dollars is actually a loss to the counties, and the bill authorizes them to collect supplemental fees.

CHRISTI CABRERA (Nevada Conservation League):

Assembly Bill 349 is a priority of the Nevada Conservation Network, a diverse coalition of over 20 of our State's leading conservation and environmental groups. The Nevada Conservation Network came together around a focused set of five priority bills for the Eighty-first Session, all of them strong steps for advancing conservation and the protection of Nevada's environment.

Assembly Bill 349 would help us make progress toward our State's ambitious goal of reducing greenhouse gas emissions to net-zero by 2050. By removing some of the dirtiest smog-producing cars from our roads and making clean energy alternatives available, we can lower Nevada's emission levels and put ourselves in a better position to meet our climate goals.

This bill is a critical step in fighting the climate crisis and works to improve air quality and public health. It checks two boxes in Nevada's State Climate Strategy: closing classic car loopholes and funding a program to help more families make the switch to an electric vehicle. We thank Assemblyman Watts for bringing this important legislation forward, and we strongly urge the Committee's support.

RUDY ZAMORA (Chispa Nevada):

I am here today not only on behalf of Chispa Nevada, but also the dozens of other groups who support A.B. 349. It is an important solution that would address the older, more polluting vehicles on our roads by closing the classic car loophole. That would provide a pathway for low-income communities who are most harmed by unhealthy air to access cleaner forms of transportation, either by repairing or replacing their vehicle with assistance from county programs. This latter component is critical to make sure we do not leave low-income Nevadans without transportation as we make sure cars on our roads can pass smog checks.

As you can see from the exhibit testimony supporting this bill, support comes from diverse groups advocating for equity, health, business and conservation. It is supported by Clark and Washoe Counties and their air quality and health departments.

We hope you will join thousands of Nevadans who are asking for cleaner air to breathe by supporting A.B. 349.

JESSICA FERRATO (Ceres):

Ceres runs the Business for Innovative Climate and Energy Policy Network, a coalition of nearly 70 major employers that recognize that climate change poses a significant risk to the long-term economic success of the business community and have set goals to reduce their emissions.

Just as transportation is now the largest source of greenhouse gas emissions in Nevada, vehicle fleets are often a substantial component of their carbon footprint, as well as a major operating expense. Clean vehicles help businesses create financial savings and minimize the risks associated with fuel costs, maintenance downtime and supply volatility. Importantly, our members and business partners support policies that accelerate the transition to clean

transportation options not only because it helps their bottom line but because it benefits their employees, customers and the communities they operate in.

We strongly support A.B. 349.

PETER KRUEGER (Nevada Emission Testers Council):

The Nevada Emission Testers Council opposes A.B. 349. The bill extends the exemption for smog checks on new vehicles from two years to three years. That covers approximately 70,000 cars in the State, representing about \$450,000 in lost revenue to the Pollution Control Account.

That loss of revenue is important because those dollars go to the Tahoe Regional Planning Agency, DMV, the Department of Agriculture and others. The loss of revenue would negatively impact the clean air program.

ED UEHLING:

This looks like one more money grab by the government—\$19 million out of the private sector into the public sector. It is a solution in search of a problem.

Many people have to use old cars to get to work and contribute to the economy of the State. The air quality in the Las Vegas Valley is much improved over 20 years ago. How much of the pollution is dust? After all, we live in the middle of the desert.

I understand the projection is over half of cars on the road in 2030 will be electric. This problem will disappear in time. Maybe the State could use some of the money from the federal government to do a cash-for-clunkers deal and get some of these old cars off the road.

RAFAEL ARROYO:

I am an emissions station owner in the Las Vegas Valley. While I am opposed to A.B. 349, I support the closing of the classic car loophole. I am opposed because of the impact this will have on small business owners. A fee increase by Clark County will negatively affect those owners of one or two stations. The big chains can absorb the increase more easily than a small business.

I understand the intent for expanding the new vehicle exemption to three years, but that money will be spent at some chain convenience store instead of being revenue for a small business. This bill is not good for small businesses.

Senate Committee on Finance
May 27, 2021
Page 20

ANDREW MACKAY (Executive Director, Nevada Franchised Auto Dealers Association):

The Nevada Franchised Auto Dealers support A.B. 349. We have not reviewed the conceptual amendment, but we want to echo our remarks in previous hearings of the bill. Expansion of the new vehicle exemption to three years is consistent with our neighboring states. We fully support the closing of the classic car loophole.

MR. DECKER:

I want to clarify my previous answer regarding the fiscal note. The DMV fiscal note is a net negative, but since some loss of revenue will be absorbed by the counties, the fiscal note is closer to net neutral.

Remainder of page intentionally left blank; signature page to follow.

Senate Committee on Finance
May 27, 2021
Page 21

CHAIR BROOKS:

Please summarize the DMV position for the Committee in an email. Seeing no public comment, this meeting is adjourned at 3:41 p.m.

RESPECTFULLY SUBMITTED:

Barbara Williams,
Committee Secretary

APPROVED BY:

Senator Chris Brooks, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit Letter	Begins on Page	Witness / Entity	Description
	A	1		Agenda
S.B. 267	B	1	Wayne Thorley / LCB	Proposed Amendment 3333
S.B. 267	C	1	Wayne Thorley / LCB	Proposed Conceptual Amendment
A.B. 349	D	1	Senator Chris Brooks	Conceptual Amendment