

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

**Eighty-Second Session
April 13, 2023**

The Committee on Revenue was called to order by Chair Shea Backus at 4:26 p.m. on Thursday, April 13, 2023, 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/82nd2023.

COMMITTEE MEMBERS PRESENT:

Assemblywoman Shea Backus, Chair
Assemblywoman Venicia Considine, Vice Chair
Assemblywoman Natha C. Anderson
Assemblywoman Lesley E. Cohen
Assemblywoman Danielle Gallant
Assemblyman Ken Gray
Assemblyman Gregory T. Hafen II
Assemblywoman Erica Mosca
Assemblyman Duy Nguyen
Assemblyman P.K. O'Neill
Assemblyman David Orentlicher
Assemblywoman Shondra Summers-Armstrong

COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

Assemblyman Steve Yeager, Assembly District No. 9
Assemblyman Bert Gurr, Assembly District No. 33

STAFF MEMBERS PRESENT:

Michael Nakamoto, Chief Principal Deputy Fiscal Analyst
Susanna Powers, Deputy Fiscal Analyst
Nick Christie, Committee Manager
Gina Hall, Committee Secretary
Cheryl Williams, Committee Assistant

Minutes ID: 763



OTHERS PRESENT:

Christine Hess, Executive Director, Nevada Housing Coalition
Sarah Adler, representing National Alliance on Mental Illness – Nevada Chapter
Wiz Rouzard, Deputy State Director, Americans for Prosperity Nevada
Cyrus Hojjaty, Private Citizen, Las Vegas, Nevada
Katrin Ivanoff, Private Citizen, Las Vegas, Nevada
Rose McKinney-James, representing Valley Electric Association
Joanna Jacob, Manager, Government Affairs, Clark County
Annette Magnus, Executive Director, Battle Born Progress
Mark Fiorentino, representing Nye County
Kevin Emmerich, Private Citizen, Beatty, Nevada
Kyle Davis, representing Interwest Energy Alliance
Jessica Ferrato, representing Solar Energy Industries Association
Gabriela Olmedo, Associate, Advanced Energy United

Chair Backus:

[Roll was taken and Committee rules and protocol were reviewed.] I wanted to give everyone the lay of the land for this evening. We are going to do the work session after we hear our two bills. We are going to take the bills out of order, with the first bill being Assembly Bill 448, which revises provisions governing the real property transfer tax, and then hear Assembly Bill 419, which revises provisions governing tax abatements for certain renewable energy facilities.

**Assembly Bill 448: Revises provisions governing the real property transfer tax.
(BDR 32-938)**

Assemblyman Steve Yeager, Assembly District No. 9:

Good afternoon. It is good to be here. I know you were here very late last night, so I wanted to thank you and your staff. It has been a long week, and we have a long way to go. I am thankful for the work you do on behalf of your constituents.

I am here today to present Assembly Bill 448, which relates to the real property transfer tax. The real property transfer tax is levied on the value of real property, transferred from one person to another, where the value of the transfer, exclusive of any encumbrance, exceeds \$100. There are different rates in different counties. In Clark County the rate is \$2.55 for each \$500 of value or fraction thereof. In other counties it is \$1.95. There is also a local option in Washoe and Churchill Counties of 10 cents in addition, and that is the result of some fair share legislation that happened in 1991 and 1993.

The reason this tax is important is that proceeds from this tax are distributed to local governments, the Account for Affordable Housing, the Clark County School District Capital Construction Fund—that would obviously be in Clark County, Washoe, and Churchill Counties, and the State General Fund. During the upcoming 2023-2025 biennium, the real property transfer tax is estimated to be \$241 million, or 2.1 percent of General Fund revenue.

You may be asking, rightfully so, why are you doing this bill? What was the genesis of this bill? First, let me say I do not think anybody is violating the law. I think there is a loophole in the law. I learned of some transfers of property that generally happen in Clark County, transfers amounting to \$27.5 billion in sales that happened at or near the Las Vegas Strip. Those are hotel casinos. Those are shopping malls. Since 2007 there has been \$27.5 billion in sales that generated exactly zero in the real property transfer tax. Those amounted to 24 sales in total, and again I want to reiterate, nothing illegal, but I think there is a loophole.

Before I get to that loophole, just by way of reference, in fiscal year 2021 there was \$248.6 million generated in real property transfer tax. In Clark County, what it meant is \$134 million went to the General Fund, but more important for this discussion, of that amount \$44 million went to the Clark County School District and \$10.4 million went to affordable housing, and we have talked a lot about affordable housing in this legislative body. When there are transfers that take place and the property transfer tax is not paid, that is a real hit, not just to the General Fund, which we care about in this building, but also to our school district and to affordable housing.

Let me tell you what the loophole is and how this bill attempts to solve it. The real property transfer tax itself was created in the 1967 Session. Certainly none of us were here for that session, but an exemption was granted whereby a mere change in identity form or place of organization occurs within five years from the date of such confirmation. There was an exemption put in there, and then really the heart of the matter is in Assembly Bill 97 of the 63rd Session, the law was clarified and that exemption was clarified to read that a transfer between a corporation and its parent corporation, a subsidiary, or an affiliated corporation would be exempted from the real property transfer tax. What is happening here, and the way deals are structured sometimes, is if someone is going to sell real property, the company will create a subsidiary, put the property into the subsidiary, no property tax is generated there because on the deed it will say zero because there is not really a sales price—it is a transfer—and then another company will acquire that company, thereby acquiring the property without essentially transferring it. What we are trying to do is get around that.

What the bill in front of you does is basically you have to pay the taxes if the business entity to which the real property is transferred was formed for the purpose of avoiding those taxes. Some questions you might have, and I think they are good questions, I will try to preempt them. Who would make this determination? Whether this company was formed solely for the purpose of avoiding the taxes, it would be the 17 county recorders. They are the ones who deal with this issue. I do anticipate that if we were to pass this bill, the Department of Taxation would likely do regulations to provide some kind of analysis for making a determination of whether the transfer was done—the company was formed solely for the purpose of avoiding those transfer taxes. I will readily admit to this Committee that I do not think this is a perfect solution. I think we still have a ways to go, but the intent of the bill is to make sure we are capturing that transfer tax, that we are not having a loophole where folks can get out of paying it, because it means real money not just for us but for our schools and for affordable housing, which is really important in the state. I will leave it there. I am sure

there are going to be some questions and I will do my best to answer those questions, and if I am not able to answer those, hopefully there may be some other folks in the room with more experience in this area who can answer them. As always, I am certainly happy to try to get answers offline. Thank you for hearing this bill the day before committee passage deadline.

Chair Backus:

Thank you for your presentation. Do we have any questions for Assemblyman Yeager?

Assemblywoman Mosca:

You mentioned ones in Clark County. Are there other places in the state where this is also happening?

Assemblyman Yeager:

I think the answer is probably. It is hard to know sometimes because this is really a local issue. The deeds get filed and the local county recorder takes a look at it. The transfer tax gets generated based on what the sale value is in the deed. I should also note that who pays the transfer tax is something that is often negotiated. It is not necessarily the seller or the buyer. They can negotiate that among themselves.

The reason I became aware of this was some news coverage of some rather large sales down in Clark County. As you might expect, anything that happens on the Las Vegas Strip or nearby tends to generate interest in the state. That is how I became aware of it, by reading through a newspaper article. I suspect it is happening in other places, probably just not to the magnitude. The sales we are talking about are down in Clark County.

There were a couple of sales that happened recently that did pay the real property transfer tax. I just wanted to give you an idea of those. Many of you are familiar with the Fontainebleau, which is the stalled casino project. That was actually purchased for \$600 million, and \$3 million was paid in real property transfer tax. Another one I am sure we are all familiar with is the Las Vegas Raiders. The parcel they purchased for \$177.5 million generated \$400,000 in real property transfer tax. Those are a couple of examples of ones that were not structured in a way to avoid paying the tax.

I do not think we have had sales of that magnitude in other places around the state, but my guess is it is a statewide issue. Hopefully, our Department of Taxation can provide some guidance so when those deeds get filed, we are able to look at them and determine whether that should have been a transaction where the tax was paid.

Assemblyman Hafen:

I think I understand the concept you are trying to tackle here. I want to ensure that some of our smaller mom-and-pop shops—family businesses—that may have a rental property or something they want to move from their own ownership to a limited liability company (LLC), or from an LLC to a family trust, that this is not going to trigger a real property transfer tax. Like you said, a lot of these are in the affordable housing realm. I just wanted to ensure that was not going to happen here.

I know some of this is probably going to have to get fleshed out in regulations. I want to make sure we are not doing what we do with a lot of other bills, where there are unintended consequences and we have to come back next session to fix it.

Assemblyman Yeager:

It is not my intent to do that. The intent is if the entity is formed solely for the purpose of avoiding those taxes. What I am thinking about is not inter-family things, but an arm's-length transaction. Usually we are talking about a lot of money being involved where someone uses a loophole. Again, that is legal and they are allowed to do that, and in some ways they are wise to do it. They are taking advantage of the way the law is structured. They are transferring it to an entity or a subsidiary for the purpose of avoiding that transfer tax. Certainly, there are a lot of other reasons you might form entities, transfer assets and property. We are not looking to get at those. We are looking to get at what the intent of the transfer tax is—when you are transferring among entities and individuals, that tax should be paid at the rate prescribed by that county.

Chair Backus:

I want to compliment you on including that. I did look at it as if a family did have an LLC that they are renting properties, but it seems pretty clear on lines 1 and 2 on page 2 of the bill, that would be like an exclusion.

Do we have any other questions for Assemblyman Yeager? [There were none.] We will move to those in support of A.B. 448. Is there anyone here in Carson City wishing to give testimony?

Christine Hess, Executive Director, Nevada Housing Coalition:

The Nevada Housing Coalition works to promote and advance affordable housing across Nevada. My letter has been uploaded to the Nevada Electronic Legislative Information System [[Exhibit C](#)]. It is a little more expansive. I want to thank Assemblyman Yeager and Assemblywoman Jauregui for this bill.

When we read the news coverage this summer, it hit hard because the real property transfer tax is absolutely critical for affordable housing. In our state we build affordable housing mostly with federal funds, which have a lot of compliance components—rent restricted, income restricted for 30 years—which is awesome, but there is always a gap. We have inflationary pressures, land and labor are expensive, and supply chain issues. To get our affordable housing projects done depends on sources of funds that can be a little more flexible, which come through the real property transfer tax.

Generally speaking, we have a range, roughly \$6 million to \$10 million that will come to the state annually, and this is exhausted for good projects—gap financing to get these projects over the hump. The real property transfer tax, for the Account for Affordable Housing, approximately \$3 million that might go to a project leverages \$60 million. As we look at the

taxes that were not collected over the years because of this loophole, we are imagining over \$400 million that could have been leveraged. We have to ask ourselves in this crisis, how many homes did not get built? We support this bill. This is a very high priority for the coalition.

Sarah Adler, representing National Alliance on Mental Illness – Nevada Chapter:

We have been proponents of this bill and are proponents of another bill in the other house, known as the Senate, that is seeking to create a revenue stream for a specific component of affordable housing—that being supportive housing—to assist people with chronic mental illness, to assist people in recovering from addiction, and moving people back into the workforce. We are proposing some utilization of the real property transfer tax, and we would certainly appreciate the contribution that closing this loophole would make.

Chair Backus:

We will now go to the phone lines. Do we have anyone on the phone lines wishing to give testimony in support of A.B. 448? [There was no one.] We will now move to opposition testimony. Is there anyone in Carson City wishing to give testimony in opposition to A.B. 448? [There was no one.] We will go to the phone lines. Is there anyone on the phone lines wishing to give testimony in opposition to A.B. 448?

Wiz Rouzard, Deputy State Director, Americans for Prosperity Nevada:

On behalf of thousands of activists, we do urge community members to oppose A.B. 448. I do want to thank Assemblyman Yeager for bringing this forward. Every individual or business should pay the same tax rate and be treated equally under the law. In regard to this bill, and I am glad that the bill sponsor pointed it out, however, we do think there is some vagueness there. The big thing is *mens rea*. We approach *mens rea*, meaning guilty mind, when we look at the laws in any conviction. We should also look at protections to ensure that *mens rea* is implemented in these types of proposals, for it to be proposed on the basis of people creating it and having to prove it was the sole purpose of tax evasion, I think that is going to be a challenge. As Assemblyman Hafen said, there could also be unintended consequences where it is vaguely applied in a way that hurts more people than it helps. We think it is a big thing to address, and I think more work can be done. As an organization, we are happy to partner with Assemblyman Yeager to find how we can ensure that businesses and individuals are paying the same tax rate, the laws are applying equally, and making sure loopholes are not in place where both state revenue and the individuals in the industry are being deprived of that resource.

Cyrus Hojjaty, Private Citizen, Las Vegas, Nevada:

I oppose this. If you want to raise taxes and add new fees, you better lower other ones. Ditto the previous and future comments.

Katrin Ivanoff, Private Citizen, Las Vegas, Nevada:

I am opposed to anything that will be increasing taxes, especially after the surplus revenue we have. Stop trying to increase taxes and start looking into how to save us some money. You have several bills this time around that you want to pay for illegals, for people who are

breaking the laws—you want to pay for everything for everybody—but not for the actual people who are paying the taxes, the people who are voting for you. It seems like you do not care about those people. Please start doing what you swore to do—uphold the *Constitution* in the interest of your constituents. I understand humanity, but that does not mean that we are going to make a bunch of other bills that we are going to pay for people in Afghanistan or people in Zimbabwe or people that are poor all over the world. We have to take care of Nevadans first. We have enough legal poor people in Nevada. You get enough money from our taxes as it is. Anything that you want to increase, even if it is 0.0001 percent, stop increasing our taxes. I apologize. I am very emotional over this. Thank you for the good work. I know you have good intentions, but as someone once said, the road to hell is paved with good intentions, and I for one do not want to go there.

Chair Backus:

Is there anyone else on the phone lines wishing to give testimony in opposition to A.B. 448? [There was no one.] We will move to neutral testimony. Is there anyone in Carson City wishing to give testimony neutral to A.B. 448? [There was no one.] We will go to the phone lines. Is there anyone wishing to give testimony neutral to A.B. 448? [There was no one.] Assemblyman Yeager, would you like to come up and give some closing remarks?

Assemblyman Yeager:

I just wanted to reiterate one thing. The intent here is to close a loophole—taxes I believe should already be paid. If I was not clear in my testimony, this is a loophole that is only going to be taken advantage of by the most sophisticated entities who have the wherewithal to be able to hire attorneys and accountants to make this happen. Again, I do not blame them because they are taking advantage of the tax laws as they exist, but taking advantage of that loophole really costs us all in terms of the money in our General Fund, the money that goes to our schools and affordable housing. To hear we may have lost out on \$300 million to the Account for Affordable Housing, that I believe draws down other money at a 20-to-1 ratio, that is a lot of money and a lot of housing we could have built. I appreciate your time and consideration of this measure. Again, I acknowledge it is probably not perfect yet, but would love the opportunity to keep it moving and see if we can make it better along the way.

Chair Backus:

I will close the hearing on A.B. 448 and open the hearing on Assembly Bill 419.

Assembly Bill 419: Revises provisions governing tax abatements for certain renewable energy facilities. (BDR 58-741)

Assemblyman Gregory T. Hafen II, Assembly District No. 36:

Good evening, Assembly Committee on Revenue members. It has been an honor serving with you, and it is an honor to be here presenting Assembly Bill 419. I have proposed a conceptual amendment [[Exhibit D](#)] that each of you should have received.

Assembly Bill 419 requires solar companies to pay sales tax and property tax if they are supplying power to out-of-state customers, but to continue the tax abatements to the solar companies that are providing power to Nevada and its citizens. This bill is intended to help Nevada reach its constitutional mandate of 50 percent of renewable energy by 2030.

To give you a little background information, Senate Bill 358 of the 80th Session required Nevada to double its renewable portfolio standard (RPS) to 50 percent by the year 2030. In addition to this bill, the voters of Nevada approved Ballot Question 6 during the 2020 General Election, which amended the *Nevada Constitution* to mandate that electricity providers must shift to at least 50 percent renewable by the year 2030. Our current laws allow solar companies to receive a partial tax abatement to sell their generated electricity to out-of-state customers. This bill is to try to ensure that Nevada achieves its constitutional mandate of 50 percent renewable by that 2030 mark.

I will now jump into the sections of the bill and the conceptual amendment [[Exhibit D](#)]. Section 1 of this bill includes new criteria for the partial abatements to require that solar energy companies distribute generated electricity to users located in Nevada, and that the solar companies purchase electricity from the public utility provider in their territory to provide station power.

I would like to walk through the conceptual amendment [[Exhibit D](#)] you all should have. Section 1, subsection 7, paragraph (a) of this bill defines what "station power" means, and that is energy used for operating electric equipment located on-site of the generating unit. This also includes the electric load that is necessary for heating, lighting, air-conditioning, and office equipment on-site of the generating unit. In addition, "station power" includes solar and/or battery inverter loads during any period of time the solar output is not sufficient to meet the energy needs of the inverter. With that, I am available for questions.

Chair Backus:

Thank you so much for your presentation. We will begin with Assemblywoman Anderson.

Assemblywoman Anderson:

Thank you for the presentation and how quick and straight to the point it was. My question has to do with page 4 of the bill, the new language that is being proposed [section 1, subsection 1, paragraph (h), subparagraph (1)]. Do we know how many of the current groups we might have that actually do use this electricity outside of our state? Do you have that data?

Assemblyman Hafen:

I have had a conversation with the Governor's Office of Energy about that specifically. Under the current law and the current statute, they are not able to actually determine how much of the power stays in Nevada. What they do know is that roughly half of the energy, just ballpark, was proposed to leave the state. It is suspected that more of it is leaving the state than that now. Because of the way the language is structured, the solar companies provide a letter of intent to the Governor's Office of Energy for the tax abatements, and that

letter of intent does not always get followed through with a power purchase agreement. We are not 100 percent sure those numbers are accurate, of the number that are staying in state or out of state, but this will tighten up those regulations so the power does stay in-state, if they are getting the tax abatement.

I would also like to expand that this is not going to stop any solar project from building. I do not think we have the authority to necessarily do that. What it does do is it says we are going to prioritize Nevadans, and Nevadans first, by continuing the tax abatements that are currently in statute for Nevadans, but any power that is going to be exported out of the state is no longer going to receive those tax abatements.

Assemblywoman Anderson:

If I am understanding correctly then, the letter of intent of generating electricity in this fashion is filed, but then the follow-through does not always happen to ensure that is actually only in Nevada. Is that the only reason why, at this time, they are supposed to get this abatement—is it if it is in Nevada—or are you proposing that is the only thing that it should be given for, only for distribution of electricity in this way, should only be done for the abatements if it is only in Nevada? Am I understanding that correctly?

Assemblyman Hafen:

The intention here is to try to clean up some of that and give the Governor's Office of Energy the tools it needs to ensure the power that is being abated and subsidized by Nevada citizens is staying here to keep our power rates lower. I think this is going to give the Governor's Office of Energy the tools it needs. There will always be loopholes that are found, and we have seen half the bills brought forward every session are to close those loopholes. I hope we have the language here to prevent that, but the intention of this bill is to prioritize Nevada and Nevada first.

Assemblywoman Anderson:

With 100 percent staying in Nevada, and we do not know how many of these companies are currently selling or providing this service to places outside of our state, is it possible that it could actually become more expensive because those companies are trying to recoup those funds? Does that make sense?

Assemblyman Hafen:

This has nothing to do with the ones that are in place now. There is nothing we can do. We are not going to retroactively go back and start taxing somebody who is already in place. Once we have entered into an agreement, I am one who believes you keep your word. I may not have agreed with that word, but I am one who believes once you have entered into a contract, you better honor that contract. This is just saying, going forward—I believe the effective date is July 1, 2023—anything entered into after that would have to go through this process to ensure that the abatements were going towards Nevada to keep Nevada citizen's power costs down.

Assemblywoman Considine:

When you are talking about July of 2023, I do not know how long the ramp-up period is, if they are negotiating to bring in an energy provider to build on land and when they signed the paperwork. Is the date this goes into effect when they sign the paperwork? If there is an entity already in the pipeline of the process, how does it affect it?

Assemblyman Hafen:

The intention of this is, if they signed the paperwork, the paperwork signed. If we have entered into an agreement today, that is something that we should honor. My understanding of the process is that it takes roughly four years to have a project up and running, and that is why I am here today. We are looking at July 2023 being at roughly 32 percent renewable, and having only a little over six years to get to that 50 percent mark. The intention is to say if we are going to do this, and we are going to live up to our constitutional mandate, we need to prioritize Nevada power before anyone else. Your question of July 1, if the contract is entered into with the state prior to that, I believe it should be honored, and this bill is not in effect until after that, so any contract entered into after that would be subject to these provisions.

Assemblywoman Considine:

We have Arizona on one side and California on the other. By doing this, will that chill any type of competition, or will that potentially cause any companies that are searching for a place to build their facility make another place look more attractive, or are you confident in Nevada?

Assemblyman Hafen:

I will say that in California the regulatory process they are required to go through makes it about twice as long to permit a project. As we know, time is money. The longer it takes to go through the process, not only is it more expensive to do but it takes twice as much money to do the environmental assessments, because you have to go through both the California process and the federal process. From a competitive standpoint, I believe we are still going to be in a better position than California even with this change.

In regard to Arizona, I have reached out to the Governor's Office of Energy to get more information from them on Arizona. As of tonight they have not been able to gather that information. They would have to research the Arizona revised statutes to try to determine what those provisions are in their statute.

Assemblyman Orentlicher:

I am curious whether we will be going in a different direction than what we heard from our federal delegation. If I remember correctly from Senator Cortez Masto's speech to us on Monday, one of her priorities was to fully develop our energy potential and to be an exporter of energy. Are we undercutting what she is trying to do for Nevada at the federal level?

Assemblyman Hafen:

No. We are not undercutting what they are trying to do at the federal level. At the federal level, what the Senator was referring to was the Inflation Reduction Act. The Inflation Reduction Act extends the tax credits on solar projects. It is a 50 percent tax credit. Those are huge tax credits when you are talking 50 percent. When you are talking about the difference in the sales tax in this, we are talking 5 percent. We are very small in consideration with what the federal program is offering. We are not hampering anything that the federal government is doing. They are offering, as I said, a substantial tax credit for these projects.

Assemblyman Orentlicher:

You are trying to reduce the exports and she is trying to promote exports. Those seem to be going in different directions.

Assemblyman Hafen:

Not necessarily in the different direction. I am just saying if Nevada is going to continue to export solar that we are going to pay property taxes and sales tax just like you and I did today when we went to the store. I look at the solar projects just like I look at mining. They are taking up our public lands—the lands I like to go off-roading on and my neighbors like to ride their horses on. Those are our public lands for us to enjoy. If we are going to close those public lands for the private companies to profit, Nevada should be treated equally, just as you and I are treated on our property taxes, our sales tax on our home and on our automobiles, and in the purchases we make every day. It is just saying Nevada citizens need to be put first.

Assemblywoman Summers-Armstrong:

I appreciate that you are speaking the language I have been speaking for the last two years, which is that Nevada is a fabulously beautiful state. She has resources that many people use and they should respect her. When they come to her and they want something from her, they need to be coming on equal footing to ensure they are worthy of what she is giving them.

I am curious, if we are allowing export of this energy out of the state, and we are not keeping a lot of this energy in-state, when we are short on energy are we going to somebody else to import in when we are exporting out? How does that work?

Assemblyman Hafen:

I do not work in the electric power field, but I do believe we are using natural gas to subsidize the renewable portion. Again, under current statute, we are allowed to do that. It is not until 2030 that we are going to run into this issue of being required to have 50 percent renewable. I do not believe we are using coal. Somebody tell me if I am wrong. I do not believe we are using nuclear either. I believe most of it is coming from natural gas, and so that is what is occurring currently. We use the natural gas plants to make up that 68 percent.

Assemblywoman Summers-Armstrong:

I want to make sure I understand. Your intent is to allow that power to be used here so we can wean ourselves off others, like gas, because we are trying to get rid of that with meeting our goal. I am curious, and I do not know if we can call a friend—maybe someone in the audience who has some concerns about this could answer. Are we importing electricity from someplace else? Is this going to impede our ability to close this loophole from the last session? I think it was Senate Bill 448 of the 81st Session where we were supposed to be building these high-powered lines. Are we trading one thing for another when we allow our energy to go out and we are building to make up for what we could actually already be producing that is leaving our state? I am not sure if there is a question in there, but I do have some concerns. I really appreciate your care for our state. She appreciates it too.

Assemblyman Hafen:

I will just concur that Nevada is the most beautiful state in the nation.

Chair Backus:

I wanted to ask a question with respect to section 1, subsection 1, paragraph (h), subparagraph (1) and the language providing that it generates electricity solely for the distribution by the facility or public utility to end users of electricity located in this state. One thing I was struggling with, in case a producer is unable to provide all of its electricity generated to companies here in Nevada for one reason or another, it would be a shame that they could not benefit from this, if they were storing electricity and it may go outside the state if they were going to sell it. Maybe it is because I do not know how each of these plants actually work. Does it seem like everything flows 100 percent? I was just worried if there was not enough market in Nevada that then we are penalizing a company that cannot generate at all 100 percent for a company within our state.

Assemblyman Hafen:

I am not an expert in energy, but the intention of the bill is currently we are at about 32 percent renewable. The constitutional mandate by 2030 is to get to 50 percent, so clearly there is room for Nevada to continue to grow and grow towards that. I am not going to pretend to understand the ins and outs of how solar panels and power work, but I do think there probably will be experts here to testify who could address that better than I can.

Chair Backus:

Do we have any other questions for the bill sponsor? [There were none.] We will go ahead and move to take testimony in support of A.B. 419. We will start in Carson City.

Rose McKinney-James, representing Valley Electric Association:

Valley Electric Association is a member-owned electric cooperative that is based in Pahrump, Nevada, and has a little over 20,000 members. Specifically, I am here to thank Assemblyman Hafen for considering the provisions that he outlined in the bill that relate to clarifying "station power." Companies operate in a geographic area that is frequently the basis for a large-scale solar development, and while we welcome and encourage that development, we believe that the host community should receive some additional benefit

from these projects. This clarification outlined for the definition of "station power" he has shared with you [[Exhibit D](#)] will assist Valley Electric Association in achieving greater operational efficiency and provide us with the ability to maintain reasonable rates for our members. So, on that basis I appreciate the opportunity to support the bill.

Joanna Jacob, Manager, Government Affairs, Clark County:

We are in support of this bill. In 2019 our board of county commissioners began work developing its first-ever climate and sustainability action plan. We continue to work towards that goal and we are supportive, especially the provisions about tying the property tax abatement to local jobs, workforce, and investment in Nevada. Property tax abatements are tough for counties, of course, so we appreciate the efforts by Assemblyman Hafen. We really see this benefiting us in two ways. One, towards helping us to keep online with the state's goals, as he outlined in his testimony, but also ensuring that if we are abating revenues here in Nevada, that it is going to companies that invest here in Nevada and benefit us. I believe that is what abatements are designed to do. We are in support of this bill, and we thank Assemblyman Hafen for bringing this forward.

Annette Magnus, Executive Director, Battle Born Progress:

We are here today in support of this bill because we think it is a great idea to try to keep more of our renewable energy and the different things that our renewable energy industry brings here in Nevada. We have seen this time and time again, when projects pop up in the renewable energy industry and then they export that energy to other states. We think it is important to try to keep that here, and at least let it benefit our community. I want to thank the sponsor for his work on this bill, and I hope you will support this bill.

Mark Fiorentino, representing Nye County:

I know you often say you would prefer we just say, "me too." I am going to test that today. We agree with the testimony, particularly presented on behalf of Nye County. We think this is a good idea to continue to promote the state's overall energy policy and to try to maximize the benefits for the citizens of the state. Thank you for the opportunity to testify, and thank you to Assemblyman Hafen for bringing the bill forward.

Chair Backus:

We will now go to the phone lines. Is there anyone on the phone lines wishing to give testimony in support of A.B. 419?

Kevin Emmerich, Private Citizen, Beatty, Nevada:

I do support this bill. I would like to request some addition to it. In short, the area we live in, just north of Beatty, has about 60-some-thousand acres of solar applications to the south and 40-some-thousand acres to the north. Those, if they were approved, are all talking about hooking into the GridLiance network, which is run by Valley Electric, and that would eventually go to the California Independent System Operators. It is about half of those projects that are proposing to do that, according to their applications. This bill would actually alleviate some of that.

I would also like you to consider taking this bill a little further or having another bill talking about the impact of solar to communities. They create fugitive dust. They hurt wildlife. They use too much water and construction. They cut off public land access. They lower property values to adjacent communities. You should consider a bill that protects communities from the impacts of these projects. They take up 5 to 10 square miles of land. That is really big. South of Pahrump they are really undergoing a land rush of solar application, so please consider that.

Chair Backus:

Is there anyone else on the phone lines wishing to give testimony in support of A.B. 419?
[There was no one.]

[[Exhibit E](#) and [Exhibit F](#) in support were submitted but not discussed and are included as exhibits for the hearing.]

We will move to testimony in opposition. Do we have anyone here in Carson City wishing to give testimony in opposition to A.B. 419?

Kyle Davis, representing Interwest Energy Alliance:

Interwest Energy Alliance is a trade association made up of about 40 of the largest wind, solar storage, geothermal, and transmission companies in the world doing business here in Nevada and five other western states. We are here today to oppose A.B. 419.

Assembly Bill 419 would disqualify some renewable energy projects from receiving a partial abatement of sales and use tax, and property taxes. Renewable energy projects deliver property and sales and use tax revenue to Nevada, particularly to local communities. If you take a look at the projects that have recently received partial abatements, communities where those projects are located still realize a significant amount of tax revenue that would not have existed otherwise. Those same projects also generate quality ongoing jobs in those communities. This is an important point to underscore. These projects are not replacing other economic activity; it is often these projects or nothing. Even with abatements these projects generate new tax revenue, and renewable energy projects generate these benefits for Nevada regardless of whether they sell power to Nevada ratepayers or elsewhere. Renewable energy developers are currently spending billions of dollars building renewable energy in the West. They competed against one another to offer to sell electricity at the lowest cost possible. It is an extremely competitive landscape and every dollar counts, including the savings generated by the tax abatement.

In the proponent testimony you are left with the impression that there are only a few projects out there, and if we do not grab them all we are not going to meet our goals. The reality is, there are plenty of projects out there. It is just a matter of whether Nevada can get those projects or not based on the competitive marketplace in the West. There are plenty of projects for us to meet our goals as well as export to other states. Given that competitive

environment, Nevada is competing against its neighboring states to attract renewable energy projects. Developers want to build projects in Nevada, but if it is cheaper to build the project somewhere else, they will locate projects there instead and we will miss out on those benefits.

I have been working on these issues for over 15 years. Nevada has always had the goal to build renewable energy here and export it to other states. This legislation is counter to that goal. We ask you to vote no on A.B. 419 to protect the jobs, the economic activity, and the tax revenue that this program creates.

Jessica Ferrato, representing Solar Energy Industries Association:

The Solar Energy Industries Association is the national trade association representing solar companies across the country. I would like to echo the comments of my colleague as well as highlight just a few things. Right now, the solar industry is meeting interim targets for the RPS, and we have additional solar that we are looking to sell out of state. To Kyle's point, without allowing us to use these tax abatements for out-of-state projects, we are going to be losing out on projects that will go to other states that have these tax abatement programs. In addition, we think this is anticompetitive and disincentivizes companies to come to the state, and we will go to our neighboring states to do these projects. Thank you for your time.

Chair Backus:

Do we have anyone else here in Carson City wishing to give testimony in opposition to A.B. 419? [There was no one.] We will go to the phone lines. Do we have anyone on the phone lines wishing to give testimony in opposition to A.B. 419?

Gabriela Olmedo, Associate, Advanced Energy United:

We are a business association working to make the energy we use clean, affordable, and reliable. We represent over 100 companies in the diverse advanced energy industry, such as large-scale renewables, geothermal energy storage, energy efficiency, and solar. Many of these companies are investing in Nevada, bringing jobs to Nevada, and doing good work in Nevada.

I am calling on behalf of our association in opposition to A.B. 419. Renewable energy projects such as those developed by our members provide myriad benefits to the communities they locate in. State incentives to renewable projects are effectively a state economic development program for these communities. First and foremost, these projects provide substantial investment and tax revenues to the locality. This stable, predictable income works to stimulate local economies and can be transformative for local residents. Without these abatements, many of these projects may not locate in Nevada and these revenues would not exist. Additionally, these projects provide good-paying jobs. The advanced energy industry employs over 32,000 Nevadans with continued anticipated job growth.

Finally, Nevada has ample solar resources and could benefit financially by selling excess energy to other states in the region and avoiding curtailment. Creating this onerous requirement for the abatement that projects must sell solely to end users located in the state is not in Nevada's best interest and may restrict the development of economically beneficial renewable energy resources. For these reasons we urge the Committee to reject this bill and maintain a welcoming business environment for renewable energy projects in Nevada. As we have heard, Nevada is competing for some of these projects with neighboring states, and an abatement can make the difference in the developer's decision to locate in Nevada. Thank you for your consideration.

Chair Backus:

Is there anyone else on the phone lines wishing to give testimony in opposition to A.B. 419? [There was no one.]

[[Exhibit G](#) in opposition was submitted but not discussed and is included as an exhibit for the hearing.]

We will move to neutral testimony in Carson City. Is there anyone wishing to give testimony neutral to A.B. 419? [There was no one.] We will go to the phone lines. Do we have anyone on the phone lines wishing to give testimony neutral to A.B. 419? [There was no one.] We will invite Assemblyman Hafen back to give closing remarks.

Assemblyman Hafen:

I appreciate the opportunity to address some of the comments that came up. You heard one that this clearly does not go far enough and another one that nothing was being received before. I am going to respectfully disagree with those comments. We heard the testimony from Beatty, where there are 60,000 acres being proposed to be closed off, and those are their all-terrain vehicle trails. Beatty is known as the gateway to Death Valley and they use their off-road trails as a tourism aspect to increase room tax revenue to their community. If you close those areas off, to export power out of state and completely abate those taxes, you are leaving that community with nothing when they are currently receiving something.

I wanted to address the very last objection, that abatements make the difference. I would agree with that. Abatements do make a difference, and that is exactly why I am proposing to keep the abatements for Nevada, because I want to prioritize the power to stay in the state of Nevada, have these projects be built to help keep the power cost in Nevada down, but also reach our constitutional mandate of 50 percent renewable by 2030. I thank you for the hearing this evening.

Chair Backus:

I will close the hearing on A.B. 419. The next item on our agenda is our work session. I will open the work session on Assembly Bill 232. I will turn it over to Ms. Powers.

Assembly Bill 232: Revises provisions governing the taxation of other tobacco products. (BDR 32-618)

Susanna Powers, Deputy Fiscal Analyst:

The work session document for Assembly Bill 232 is available to the public on the Nevada Electronic Legislative Information System [[Exhibit H](#)]. Assembly Bill 232 was sponsored by Assemblyman Hibbetts. The bill was heard on March 28, 2023, by this Committee.

Assembly Bill 232 specifies that for the purposes of the 30 percent tax on the wholesale price of tobacco products other than cigarettes, the tax imposed on other tobacco products that are premium cigars, which are cigars that are rolled by hand, have a wrapper made of whole tobacco leaves, and which do not have a filter or mouthpiece, may not exceed 50 cents for each premium cigar. A conceptual amendment was submitted by Assemblyman Hibbetts, which is attached to this work session document [page 2, [Exhibit H](#)]. This amendment would revise the tax on premium cigars to be at 30 percent of the wholesale price of these products, with the minimum tax of 30 cents per premium cigar and the maximum tax of 50 cents per premium cigar. The amendment would additionally provide for a July 1, 2023, effective date and a June 30, 2027, sunset date on these provisions.

At the time of preparing the work session document, A.B. 232 was not eligible for exemption. The Fiscal Analysis Division determined that A.B. 232 is eligible for exemption today. Are there any questions about the work session document? [There were none.]

Chair Backus:

I will entertain a motion to amend and do pass A.B. 232, with the amendment submitted by Assemblyman Hibbetts, as outlined in the work session document.

ASSEMBLYMAN NGUYEN MADE A MOTION TO AMEND AND DO
PASS ASSEMBLY BILL 232.

ASSEMBLYMAN GRAY SECONDED THE MOTION.

Is there any discussion on the motion?

Assemblywoman Anderson:

I appreciate the work that has been done by both Assemblyman Nguyen and Assemblyman Hibbetts, but I am not comfortable with the floor being 30 cents. I will be voting no on this. I feel, especially if it is for even just a small amount of time, the 50 cents makes more sense, just to have it consistent.

Chair Backus:

Do we have any other remarks regarding A.B. 232? [There were none.]

THE MOTION PASSED. (ASSEMBLYWOMAN ANDERSON VOTED
NO.)

I will assign the floor statement to Assemblyman Hibbetts. I will close the work session on A.B. 232 and open the work session on Assembly Bill 409. I will turn it over to Ms. Powers.

Assembly Bill 409: Creates the Juneteenth Educational and Economic Commission.
(BDR 18-982)

Susanna Powers, Deputy Fiscal Analyst:

The work session document for Assembly Bill 409 is available to the public on the Nevada Electronic Legislative Information System [[Exhibit I](#)]. Assembly Bill 409 was sponsored by Assemblywoman Thomas. This bill was heard on April 12, 2023, by this Committee.

Assembly Bill 409 creates the Juneteenth Educational and Economic Commission within the Department of Tourism and Cultural Affairs, which is designated to promote and educate the public on the history and the meaning of Juneteenth Day in the state of Nevada and the United States; develop strategies with businesses, nonprofit organizations, and community groups to support education on the significance of Juneteenth Day; support the efforts of businesses, community groups, and local governments to establish events and programs relating to Juneteenth Day throughout Nevada; and support programs in the arts to celebrate Juneteenth Day.

At the time the work session document was submitted, there were no amendments proposed to this bill; however, Assemblywoman Thomas submitted a conceptual amendment [[Exhibit J](#)] earlier today that makes the following changes:

- Changes the wording in the digest on page 1, line 8, to say "and" instead of "or," to align with section 7, subsection 2, which states the Commission is composed of one member from each of the three colleges and universities;
- Adds one additional member who is a representative of the Governor's Office to the Commission; and
- Adds Assemblywoman Mosca to the bill as a primary sponsor.

Assembly Bill 409 was denoted as being eligible for exemption by the Fiscal Analysis Division on March 30, 2023. Are there any questions about the work session document? [There were none.]

Chair Backus:

I will entertain a motion to amend and do pass A.B. 409.

ASSEMBLYWOMAN CONSIDINE MADE A MOTION TO AMEND AND
DO PASS ASSEMBLY BILL 409.

ASSEMBLYWOMAN ANDERSON SECONDED THE MOTION.

Is there any discussion on the motion?

Assemblyman Hafen:

Sometimes I wonder if we need all the additional commissions and studies; however, I do believe that Juneteenth and the education of the Emancipation Proclamation is extremely important. I believe that is the history of Nevada. Nevada was battle born directly to promote freedom in this nation; therefore I am going to support this today. I appreciate the sponsor for bringing this forward.

Assemblyman O'Neill:

I will be a no on this bill. I know back in 2011 Assemblyman Harvey Munford brought almost the identical bill and we passed it, making Juneteenth a day of recognition requiring the education and promotion of the incidents to be taught in schools [Assembly Bill 174 of the 76th Session]. The Governor does a proclamation for it. I see this as redundant, repetitive, and unnecessary.

Assemblywoman Cohen:

I happily support this bill. As I discussed last night, this is really a twofer for our state. This is about education for our state, but it is also about jobs and money for our state. This can bring in tourism. This can bring in people to the state who would not necessarily come to the state. I think this is something that is going to be very good for us, in both ways, and I am very excited about this bill.

Assemblyman Gray:

I am going to vote no in Committee but reserve my right to change my vote on the floor. I am just concerned about the fiscal impact. I am not convinced it will bring business into the state. I would like to see more work with the sponsor on that to see if that could be a realization.

Chair Backus:

Do we have any other remarks from our Committee members? [There were none.]

THE MOTION PASSED. (ASSEMBLYMEN GALLANT, GRAY, AND
O'NEILL VOTED NO.)

I will assign the floor statement to Assemblywoman Thomas. I will close the work session on A.B. 409 and open the work session on Assembly Bill 416. I will turn it over to Ms. Powers.

Assembly Bill 416: Provides an exemption from property taxation for accessory dwelling units leased to certain tenants. (BDR 32-187)

Susanna Powers, Deputy Fiscal Analyst:

The work session document for Assembly Bill 416 is available to the public on the Nevada Electronic Legislative Information System [[Exhibit K](#)]. Assembly Bill 416 was sponsored by Assemblywoman Summers-Armstrong. This bill was heard on April 12, 2023, by this Committee.

Assembly Bill 416 provides an exemption from property taxes for certain accessory dwelling units as well as the land upon which the unit is situated, if, for the year in which the exemption applies, the unit is rented or leased to a qualified tenant receiving assistance under the Housing Choice Voucher Program for a period of not less than 12 consecutive months. The accessory dwelling unit must additionally meet certain federal housing quality standards in order to qualify for the exemption.

A proposed amendment to A.B. 416 was submitted by Assemblywoman Summers-Armstrong, which is attached to this document [page 3, [Exhibit K](#)]. This proposed amendment makes the following changes:

- Specifies that an accessory dwelling unit may not exist within the same structure of the main residence;
- Specifies that the exemption only applies to the improvement and not the land upon which it sits;
- Requires that a housing authority verify that the tenant is a Housing Choice Voucher Holder on an annual basis;
- Limits the exemption only to accessory dwelling units on the same parcel as an owner-occupied residence;
- Specifies that "qualified tenant" means a person who is not related to the property owner of the accessory dwelling unit by consanguinity or affinity within the third degree;
- Requires that the use of the property, with respect to the addition of an accessory dwelling unit, must conform to local zoning regulations;

- Specifies that regulations be adopted for the administration of the exemption; and
- Specifies that the exemption can be taken only once per lot.

Assembly Bill 416 was denoted as being eligible for exemption by the Fiscal Analysis Division on March 30, 2023. Are there any questions about the work session document?

Chair Backus:

We will go to Assemblywoman Summers-Armstrong. I believe bullet point number 4 may need to be verified.

Assemblywoman Summers-Armstrong:

In the submitted amendment [page 3, [Exhibit K](#)], I do believe I mentioned that the main residence needs to be occupied by the owner of the property, so the main residence is not rented as well as the accessory unit.

Chair Backus:

We have "owner occupied" and hopefully that will reflect that the residence is owned and occupied, so our intent of what is stated. We will make sure that the amendment, when we get it, is reviewed to ensure adequacy. Mr. Nakamoto would like to add to that.

Michael Nakamoto, Chief Principal Deputy Fiscal Analyst:

That is the intent that we were trying to get with that particular bullet point when it was drafted, that it did need to be a residence that was not rented, and the owner of the property was actually living in that residence.

Assemblywoman Summers-Armstrong:

It just looked a little different in wording and I had a moment of panic. Thank you for the clarity.

Chair Backus:

I appreciate everyone working very hard to do all of these amendments. We are trying to make sure we capture and are sending out really good bills. Are there any other questions regarding the work session document? [There were none.] I will entertain a motion to amend and do pass A.B. 416.

ASSEMBLYMAN NGUYEN MADE A MOTION TO AMEND AND DO
PASS ASSEMBLY BILL 416.

ASSEMBLYMAN GRAY SECONDED THE MOTION.

Is there any discussion on the motion?

Assemblyman Hafen:

I absolutely support this legislation. I do want to make sure that the bill sponsor's comments of owner occupied are included. I will vote yes but I do want to make sure that language is included in the amendment on the floor. I just want to reserve my right to change my vote, but I do believe we are there.

Chair Backus:

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

THE MOTION PASSED UNANIMOUSLY.

I will assign the floor statement to Assemblywoman Summers-Armstrong. I will close the work session on A.B. 416 and open the work session on Assembly Bill 429. I will turn it over to Ms. Powers.

Assembly Bill 429: Revises provisions relating to aviation. (BDR 18-716)

Susanna Powers, Deputy Fiscal Analyst:

The work session document for Assembly Bill 429 is available to the public on the Nevada Electronic Legislative Information System [[Exhibit L](#)]. Assembly Bill 429 was sponsored by Assemblyman Gurr. The bill was heard on April 12, 2023, by this Committee.

Assembly Bill 429 moves the Nevada Air Service Development Commission into the Office of Economic Development, Office of the Governor; revises the membership of the Commission; and provides that the program developed by the Commission to provide grants for the purpose of establishing air service or providing enhanced air service may be made to governmental entities as well as to air carriers.

The bill additionally provides that the remaining balance in the Nevada Air Service Development Fund (Fund) does not revert to the State General Fund at the end of a fiscal year and instead must be carried forward to the next fiscal year.

Finally, the bill makes an appropriation of \$10 million to the Fund from the State General Fund to be used for the purpose of conducting a study of the development of intrastate air service in this state and making certain grants. The bill makes additional appropriations of \$1 million per year in fiscal year 2024 and fiscal year 2025 to the Fund from the State General Fund to be used by rural airports to match money that is available from the Federal Aviation Administration.

A proposed amendment [pages 2 and 3, [Exhibit L](#)] to A.B. 429 was submitted by the Nevada Association of Counties (NACO), which is attached to this document. This proposed amendment adds one member appointed by the Governor who represents NACO or its successor organization to the Nevada Air Service Development Commission.

There was another amendment submitted earlier today for A.B. 429. I will turn it over to Chair Backus to summarize that.

Chair Backus:

Our second amendment [[Exhibit M](#)] includes in section 1, subsection 2 that at least one member of the Commission must be from a county with a population of less than 100,000, and in section 3, subsection 3 the Commission shall submit an annual report to the Legislature.

Susanna Powers, Deputy Fiscal Analyst:

Assembly Bill 429 was denoted as being eligible for exemption by the Fiscal Analysis Division on March 30, 2023. Are there any questions about the work session document?

Assemblyman Gray:

I talked to the sponsor earlier today. I was a cosponsor and intentionally did that, leaving room for additional primary sponsors. I would like to make a friendly amendment that I be moved to a primary sponsor.

Chair Backus:

We have not done the amendment documents yet, so I think we could probably do that right now. It is probably safer to do it now versus waiting. I believe I did speak to the bill sponsor and I apologize that I forgot about that, but that was something that was included.

Assemblywoman Anderson:

I wanted to thank the sponsor as well as those who have been working with you on getting this to us so quickly. Looking over the Commission, I noticed that there are eight members, which I understand. It is always nice to have that odd number and maybe we can fix that a little bit later. I also noticed it is not in staggered terms. I am wondering if there is a way, even to be able to say verbally, that the appointments would be in a staggered term or something along those lines, since this would be an ongoing commission and it is the first time we have looked at it. I did not know if that would be appropriate to ask for at this time, or how you would like to handle that.

Chair Backus:

I apologize, Assemblywoman Anderson. I do believe you were asking about your amendment with the rollover aspect.

Assemblywoman Anderson:

That is correct. The money issue we can deal with when it goes to the Assembly Committee on Ways and Means. It has more to do with the Commission and the members of the Commission, and whether it is going to be on staggered terms or if they are all going to be in the same time frame. I think there is pretty standard language sometimes that it is on a staggered time frame for appointments.

Chair Backus:

We will have the bill sponsor and Ms. Fisher come up and talk about that. That was one thing I was not expecting.

Assemblyman Bert Gurr, Assembly District No. 33:

Yes, we want to stagger those terms. It just slipped our mind today to get it into the amendment.

Chair Backus:

That is perfectly acceptable, Assemblyman Gurr. You were also here pretty late last night so we will make sure to include that in this amendment as well. Are there any other questions regarding the work session document? [There were none.]

After hearing the work session document, in addition to the amendments that have been placed on the record, I will entertain a motion to amend and do pass A.B. 429.

ASSEMBLYWOMAN MOSCA MADE A MOTION TO AMEND AND DO
PASS ASSEMBLY BILL 429.

ASSEMBLYWOMAN GALLANT SECONDED THE MOTION.

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

THE MOTION PASSED UNANIMOUSLY.

I will assign the floor statement to Assemblyman Gurr. I will close the work session on A.B. 429 and open the work session on Assembly Bill 445.

**Assembly Bill 445: Revises provisions relating to the mental health of children.
(BDR 32-1004)**

Susanna Powers, Deputy Fiscal Analyst:

The work session document for Assembly Bill 445 is available to the public on the Nevada Electronic Legislative Information System [[Exhibit N](#)]. Assembly Bill 445 was sponsored by Assemblywoman Newby. This bill was heard on April 4, 2023, by this Committee.

Assembly Bill 445 authorizes the Office of Economic Development, Office of the Governor (GOED), to grant a partial abatement of personal property taxes, modified business tax, and sales and use taxes to a business that locates or expands in this state and that provides mental health services for children. This bill additionally creates the Account to Improve Mental Health Services for Children to provide supplemental rates or enhanced rates of reimbursement to a recipient of Medicaid who is a child for mental health services, and establishes a tax credit against the modified business tax on certain businesses for taxpayers who donate money to this Account.

Finally, A.B. 445 clarifies that facilities providing mental health services for children are eligible for loans and financial assistance from the Nevada State Infrastructure Bank. There were no amendments proposed to this bill. Assembly Bill 445 was denoted as being eligible for exemption by the Fiscal Analysis Division on March 30, 2023. Are there any questions about the work session document? [There were none.]

Chair Backus:

I will entertain a motion to do pass A.B. 445.

ASSEMBLYMAN NGUYEN MADE A MOTION TO DO PASS
ASSEMBLY BILL 445.

ASSEMBLYMAN GRAY SECONDED THE MOTION.

Is there any discussion on the motion?

Assemblyman Orentlicher:

I like most of this bill very much, but I do not think it is good to give incentives to for-profit programs. We have seen too many problems with for-profit health care. I am going to vote no for now.

Assemblyman O'Neill:

I will vote yes today to get it out of the Committee, but I reserve my right to vote no on the floor. I am trying to hear from GOED on the subject of their involvement with it.

Chair Backus:

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

THE MOTION PASSED. (ASSEMBLYMAN ORENTLICHER VOTED
NO.)

I will assign the floor statement to Assemblywoman Newby. I will close the work session on A.B. 445 and open the work session on Assembly Bill 449. I will turn it over to Ms. Powers.

Assembly Bill 449: Enacts provisions to provide a property tax credit under certain circumstances. (BDR 32-767)

Susanna Powers, Deputy Fiscal Analyst:

The work session document for Assembly Bill 449 is available to the public on the Nevada Electronic Legislative Information System [[Exhibit O](#)]. Assembly Bill 449 was sponsored by Assemblywoman Gallant. This bill was heard on April 12, 2023, by this Committee.

Assembly Bill 449 authorizes a taxpayer to obtain a tax credit against property taxes owed by the taxpayer under certain circumstances when an applicable partial abatement of taxes was not applied or claimed in the immediately preceding fiscal year, by submitting a written petition for the review of the partial abatement to the county assessor of the county in which the property is located.

Additionally, the bill authorizes a taxpayer who is aggrieved by a decision rendered by a county assessor to appeal the decision to the Nevada Tax Commission, and additionally specifies that a taxpayer who is aggrieved by a determination of the Nevada Tax Commission rendered on an appeal made pursuant to this act is entitled to a judicial review of that determination.

Proposed Amendment 3578 to Assembly Bill 449, which was submitted by Assemblywoman Gallant, is attached to this document [pages 3 through 6, [Exhibit O](#)]. This proposed amendment removes the existing language from the bill and instead provides that if during a fiscal year a county treasurer determines that a taxpayer has claimed and is entitled to a partial abatement from taxation for single-family, owner-occupied homes for the immediately preceding fiscal year, but that the taxpayer failed to claim the partial abatement, the county treasurer is authorized, with the concurrence of the assessor and without the approval of the board of county commissioners, to correct the tax roll for the immediately preceding fiscal year at any time during that fiscal year. If the treasurer corrects the tax roll of the county to indicate that the property of a taxpayer is eligible for a partial abatement from taxes for the immediately preceding fiscal year, the taxpayer is entitled to such a tax credit or refund, or combination thereof, as the treasurer deems appropriate.

Additionally, the amendment provides that a taxpayer who is aggrieved by a decision rendered by a county assessor and appeals the decision to the Nevada Tax Commission, the deadline to submit a written petition is June 30 of the fiscal year following the fiscal year for which the determination is made, if the determination was for the immediately preceding fiscal year.

Finally, the amendment amends *Nevada Revised Statutes* 361.773 by specifying that the taxpayer does not need to show good cause for failing to claim the partial abatement of property taxes for single-family, owner-occupied residences when entitled to this partial abatement.

Assembly Bill 449 was denoted as being eligible for exemption by the Fiscal Analysis Division on March 30, 2023. Are there any questions about the work session document? [There were none.]

Chair Backus:

I will entertain a motion to amend and do pass A.B. 449 with the amendment submitted by Assemblywoman Gallant as outlined in the work session document.

ASSEMBLYMAN NGUYEN MADE A MOTION TO AMEND AND DO
PASS ASSEMBLY BILL 449.

ASSEMBLYMAN GRAY SECONDED THE MOTION.

Is there any discussion on the motion?

Assemblywoman Summers-Armstrong:

I am not going to support this right now. I would like to talk to the bill sponsor about cost for the counties to comply, to make sure we are not making a law that is duplicative of what they can already do under regulation so we do not make them have to pay more money. I was not clear yesterday on how much this would cost.

Assemblywoman Anderson:

I will also be voting no. I am not comfortable with it at this time. When looking at Washoe County with 800, that is less than 0.02 percent, I think. I am not comfortable with it at this time, but I do not want it to be a surprise.

THE MOTION PASSED. (ASSEMBLYWOMEN ANDERSON,
CONSIDINE, AND SUMMERS-ARMSTRONG VOTED NO.)

Chair Backus:

I will assign the floor statement to Assemblywoman Gallant. I will close the work session on A.B. 449. We are going to take a short recess. We are in recess [at 5:57 p.m.].

We are reconvened [at 6:08 p.m.]. I will call our hearing back to order. I want to put on the record, prior to this evening's hearing I got permission from Speaker Yeager to go ahead and work session Assembly Bill 419 and Assembly Bill 448 in light of our rule that we have to wait 24 hours to work session a bill [Assembly Standing Rule 57.4]. That time period can be waived with the permission of the Speaker.

I will open the work session on A.B. 419 and turn it over to Ms. Powers.

Assembly Bill 419: Revises provisions governing tax abatements for certain renewable energy facilities. (BDR 58-741)

Susanna Powers, Deputy Fiscal Analyst:

Assembly Bill 419 was sponsored by Assemblyman Hafen and was heard earlier today by this Committee. Assembly Bill 419 revises the criteria for certain renewable energy wholesale facilities to be eligible for a partial abatement of certain taxes on applications submitted on or after July 1, 2023. A wholesale facility for the generation of electricity from renewable energy that uses solar energy to generate electricity is required to generate electricity solely for distribution by the facility or a public utility to end users of the electricity located in the state, and purchase electricity from the public utility providing electric service in the service territory where the facility is located to provide station power.

Additionally, the bill amends paragraph (a) of subsection 7 in *Nevada Revised Statutes* 701A.365, by providing a definition for "station power." A proposed amendment to A.B. 419 was submitted [[Exhibit D](#)] by Assemblyman Hafen and provides additional clarification for the definition of "station power." Are there any questions? [There were none.]

Chair Backus:

I will entertain a motion to amend and do pass A.B. 419 with the amendment submitted by Assemblyman Hafen.

ASSEMBLYMAN O'NEILL MADE A MOTION TO AMEND AND DO
PASS ASSEMBLY BILL 419.

ASSEMBLYMAN GRAY SECONDED THE MOTION.

Is there any discussion on the motion?

Assemblywoman Anderson:

I wanted to thank the sponsor who just had a pretty lengthy discussion with me and a few others about this. I continue to be concerned, particularly in the northern Nevada area, with how much of that energy could possibly be right along our California border with the Truckee-Lake Tahoe area, et cetera. At this time I will be a no, but I will be contacting others to make sure I have the right information and will be sharing it with the Committee.

Assemblyman Nguyen:

As of right now I have a different position. I have not had time to absorb this. I know we have a lot going on today, but even during the presentation I still have had some questions that need to be addressed. As of right now, until I get more on this, my position is a no, but I look forward to learning more from the bill sponsor as well as other stakeholders before it goes to floor.

Assemblyman Orentlicher:

For similar reasons as my colleagues—Assemblywoman Anderson and Assemblyman Nguyen—I will be voting no for now, but I have an open mind.

Chair Backus:

I appreciate the comments. Everyone has the ability to change their vote when it gets to the floor. I completely understand and appreciate everyone willing to listen.

THE MOTION PASSED. (ASSEMBLYMEN ANDERSON, NGUYEN,
AND ORENTLICHER VOTED NO.)

I will assign the floor statement to Assemblyman Hafen. I will close the work session on A.B. 419 and open the work session on Assembly Bill 448. I will turn it over to Ms. Powers.

**Assembly Bill 448: Revises provisions governing the real property transfer tax.
(BDR 32-938)**

Susanna Powers, Deputy Fiscal Analyst:

Assembly Bill 448 was sponsored by Assemblyman Yeager and was heard earlier today by this Committee. Existing law provides an exemption from the real property transfer tax if the transfer is a mere change in identity form or place of organization, such as a transfer between a business entity and its parent, its subsidiary, or an affiliated business entity, if the affiliated business entity has identical common ownership.

Assembly Bill 448 removes this exemption from the real property transfer tax applicable to certain transfers of real property between business entities if a transfer of real property is made to a business entity formed for the purpose of evading the tax on transfers of real property. There were no amendments proposed to this bill. Are there any questions? [There were none.]

Chair Backus:

I will entertain a motion to do pass A.B. 448.

ASSEMBLYWOMAN CONSIDINE MADE A MOTION TO DO PASS
ASSEMBLY BILL 448.

ASSEMBLYWOMAN SUMMERS-ARMSTRONG SECONDED THE
MOTION.

Is there any discussion on the motion?

Assemblyman Gray:

This is a complicated one. I am going to vote no but reserve my right to change my vote later on. I need to learn more about the situation and whether it is a loophole, or what it is.

Assemblyman Hafen:

I am going to echo Assemblyman Gray's comments, and just add that I do have concerns on how the regulations are going to be implemented, how each county is going to be able to handle it individually, and whether it will be consistent. Hopefully, we can address that prior to the vote on the floor. I will vote no today and reserve my right moving forward.

THE MOTION PASSED. (ASSEMBLYMEN GALLANT, GRAY, HAFEN,
AND O'NEILL VOTED NO.)

Chair Backus:

I will assign the floor statement to Assemblywoman Considine. I will close the work session on A.B. 448. That brings us to the end of our agenda. I will open the meeting for public comment. Is there anyone in Carson City who would like to provide public comment this

evening? [There was no one.] Do we have anyone on the phone lines wishing to give public comment this evening? [There was no one.] Do we have any comments from the members of the Committee before we adjourn?

Assemblywoman Anderson:

I wanted to thank all of our staff for staying so late over the last three nights and for how incredibly helpful and kind they have been. I want to thank them for all the work they have done for us.

Chair Backus:

I will echo the comments from Assemblywoman Anderson. I am very grateful to our staff. I thank all our members for the hard work put in this week. This concludes our meeting this evening. We are adjourned [at 6:17 p.m.].

RESPECTFULLY SUBMITTED:

Gina Hall
Committee Secretary

APPROVED BY:

Assemblywoman Shea Backus, Chair

DATE: _____

EXHIBITS

[Exhibit A](#) is the Agenda.

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

[Exhibit C](#) is written testimony dated April 13, 2023, submitted by Christine Hess, Executive Director, Nevada Housing Coalition, in support of Assembly Bill 448.

[Exhibit D](#) is a conceptual Amendment titled "Conceptual Amendment to AB 419," submitted and presented by Assemblyman Gregory T. Hafen II, Assembly District No. 36, regarding Assembly Bill 419.

[Exhibit E](#) is a letter dated April 11, 2023, submitted by Erika Gerling, Chair, Beatty Town Advisory Board, in support of Assembly Bill 419.

[Exhibit F](#) is a collection of letters submitted by various individuals in support of Assembly Bill 419.

[Exhibit G](#) is a collection of letters submitted by various individuals in opposition to Assembly Bill 419.

[Exhibit H](#) is the Work Session Document for Assembly Bill 232, dated April 13, 2023, submitted and presented by Susanna Powers, Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau.

[Exhibit I](#) is the Work Session Document for Assembly Bill 409, dated April 13, 2023, submitted and presented by Susanna Powers, Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau.

[Exhibit J](#) is a conceptual amendment titled "Conceptual Amendment to Assembly Bill 409," submitted and presented by Susanna Powers, Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau.

[Exhibit K](#) is the Work Session Document for Assembly Bill 416, dated April 13, 2023, submitted and presented by Susanna Powers, Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau.

[Exhibit L](#) is the Work Session Document for Assembly Bill 429, dated April 13, 2023, submitted and presented by Susanna Powers, Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau.

[Exhibit M](#) is a proposed amendment titled "Proposed Amendment to AB 429," submitted by Susan L. Fisher, representing Nevada Aviation Association, regarding Assembly Bill 429.

[Exhibit N](#) is the Work Session Document for Assembly Bill 445, dated April 13, 2023, submitted and presented by Susanna Powers, Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau.

[Exhibit O](#) is the Work Session Document for Assembly Bill 449, dated April 13, 2023, submitted and presented by Susanna Powers, Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau.