MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON REVENUE

Eighty-Third Session
May 16, 2025

The Committee on Revenue was called to order by Chair Shea M. Backus at 12:56 p.m. on Friday, May 16, 2025, in Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 1 of the Nevada Legislature Hearing Rooms, 7120 Amigo Street, Las Vegas, Nevada. Copies of the minutes, including the Agenda [Exhibit A], the Attendance Roster [Exhibit B], and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/App/NELIS/REL/83rd2025.

COMMITTEE MEMBERS PRESENT:

Assemblymember Shea M. Backus, Chair
Assemblymember Venicia Considine, Vice Chair
Assemblymember Reuben D'Silva
Assemblymember Tanya P. Flanagan
Assemblymember Danielle Gallant
Assemblymember Heather Goulding
Assemblymember Ken Gray
Assemblymember Gregory T. Hafen II
Assemblymember Duy Nguyen
Assemblymember PK O'Neill
Assemblymember Erica P. Roth

COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

None

STAFF MEMBERS PRESENT:

Michael Nakamoto, Chief Principal Deputy Fiscal Analyst
Kathryn Dodge, Committee Manager
Lori McCleary, Committee Secretary
Cheryl Williams, Committee Assistant

OTHERS PRESENT:

Will Adler, representing Storey County
Stephen Wood, Director of Strategy and Public Policy, Governor's Office of Economic Development
Austin Osborne, County Manager, Storey County

Chair Backus:
[Roll was called. Committee rules and protocols were explained.] We have a short work session on the agenda with three bills: Senate Bill 41 (1st Reprint), Senate Bill 69 (1st Reprint), and Senate Bill 196 (1st Reprint). We will have public comment at the end of our meeting. The first bill on the work session is Senate Bill 41 (1st Reprint).

Senate Bill 41 (1st Reprint): Revises provisions relating to the taxation of cannabis establishments. (BDR 32-284)

Michael Nakamoto, Chief Principal Deputy Fiscal Analyst:
The work session document is available for the members and the public on the Nevada Electronic Legislative Information System. Senate Bill 41 (1st Reprint) was heard in this Committee on May 13, 2025, and is sponsored by the Senate Committee on Revenue and Economic Development on behalf of the Department of Taxation. [Read from Exhibit C.]

Senate Bill 41 (1st Reprint) requires that a cannabis tax permit be obtained from the Department of Taxation by any business wishing to engage in the sale of cannabis in Nevada. The new permit must be obtained by any licensee of the Cannabis Compliance Board engaged in the business of selling cannabis of any kind, in addition to any other permit required by law. There were no amendments proposed for the bill. I will answer any questions if there are any.

Chair Backus:
Members, are there any questions regarding the work session document? [There were none.] I will entertain a motion to do pass Senate Bill 41 (1st Reprint).

ASSEMBLYMEMBER CONSIDINE MADE A MOTION TO DO PASS SENATE BILL 41 (1ST REPRINT).

ASSEMBLYMEMBER NGUYEN SECONDED THE MOTION.

Is there any discussion on the motion?

Assemblymember Gallant:
I am going to vote yes to get it out of Committee, but I reserve my right to vote no on the floor.

Chair Backus:
Any other discussion? [There was none.]

> THE MOTION PASSED. (ASSEMBLYMEMBERS GRAY, HAFEN, AND O'NEILL VOTED NO.)

I will assign the floor statement to myself. The next bill on the work session is Senate Bill 69 (1st Reprint).

Senate Bill 69 (1st Reprint): Revises provisions relating to economic development. (BDR 32-369)

Michael Nakamoto, Chief Principal Deputy Fiscal Analyst:
Senate Bill 69 (1st Reprint) was heard in this Committee on May 6, 2025, and it was sponsored by the Senate Committee on Revenue and Economic Development on behalf of Storey County. [Read from Exhibit D.]

Senate Bill 69 (1st Reprint) requires the lead participants in large-scale economic development projects that are located in an economic diversification district to enter into agreements with local governments to help cover the costs of public services and infrastructure, if requested. The bill also expands certain confidentiality provisions for related communications and mandates local government acknowledgment of applications.

There was an amendment submitted by the Governor's Office of Economic Development that would add new subsections to *Nevada Revised Statutes* 360.889 and 360.945 that states the municipality with land use planning authority over the physical location of the project will serve as the lead negotiator representing the governing body of any city, county, or fire protection district that requires an agreement pursuant to section 1 of the bill. The amendment would also delete certain paragraphs from the definition of "local government services and infrastructure" in subsection 13 of section 2, and subsection 11 of section 6. I would note, the amendment submitted by the Office of Economic Development is attached to the work session document. I would be glad to answer any questions.

Chair Backus:
We have a question on clarifying some of the language in section 2 of the bill. It says "whichever." I am going to go to section 2 to get some clarity whether it implies it is whichever of the lesser amounts. I am curious about that.

I know there have been a lot of participants involved in the drafting of the amendment to S.B. 69 (R1). Mr. Wood from the Governor's Office of Economic Development is here. Mr. Wood, I appreciate your being here. On the amendment on page 8, which is not numbered on the work session document, there is language utilizing—just so we are all on the same page, I do believe it is page 5 [page 5, line 9]—"Which do not exceed."

Michael Nakamoto:
Madam Chair, if I can help provide some clarification. The language you are looking at on both page 5 and page 8 is actually part of the bill in its first reprint. It is not part of the amendment. It is going into separate sections of the bill relating to both the economic incentives for a capital investment of at least $1 billion and $3.5 billion, so it is getting added twice. Because this is language that is part of the bill in its first reprint and not part of the amendment, we do have the people from Storey County at the table who are probably the best ones to answer the questions you have.

Chair Backus:
We have both representatives from Storey County as well as the Governor's Office of Economic Development here. Regarding the language used and for the purpose of clarity, what is the intent behind the utilization of "Which do not exceed"? There are then bullet points (I) and (II) [section 2.2 (o)]. How were they determined?

Will Adler, representing Storey County:
For clarification, we wanted to make it clear "Which do not exceed" could also be clarified as the lesser of the two choices. It is not applying both (I) and (II) after that. It is actually a selection of one or the other, or to be selected, the lesser of the two. It could be applied. You are doing 10 percent and you are doing this deferring of costs. However, it is a selection of the lesser of the two choices. I just want to clarify that in this context because we were asked that question, but it was not clarified in any hearing prior to this.

Chair Backus:
I notice it has an "or" and not an "and." That is pretty self-evident unless Mr. Wood would like to add anything to that.

Stephen Wood, Director of Strategy and Public Policy, Governor's Office of Economic Development:
I believe that is the intent. Mr. Osborne and I were just discussing this. If I could explain, you would have a company negotiating with the local jurisdiction, and whatever they reach in that negotiation for the government services agreement (GSA), it is not to exceed 10 percent. It could be any lesser amount.

Austin Osborne, County Manager, Storey County:
I want to put on the record, I agree with what was said here. As the chief negotiator in the government services agreements for Storey County in the past, that has always been what it is. The reality of the situation, not to exceed, in this case, a certain amount, and that being 10 percent.

Will Adler:
The final clarification for the record, it was not said orally in the summary, but this amendment was adopted from the Governor's Office of Economic Development. Both the $3.5 billion and $1 billion categories will be at a cap of 10 percent for these GSAs.

Chair Backus:
I do want to clarify, because you have the other alternative, the amount necessary to defray. You have the 10 percent versus the actual amount. I take it, it would be whichever is less, not that you automatically get the 10 percent, especially when the cost to defray could be less than the 10 percent. I think that is the "Whichever is less." I believe we had testimony on that during the hearing.

Stephen Wood:
That is our intent. If a change to our amendment is necessary, if the Legal Division of the Legislative Counsel Bureau feels we need to capture that intent, that is acceptable to us.

Chair Backus:
With that, do we have any other questions regarding the work session document for S.B. 69 (R1)? [There were none.] I will entertain a motion to amend and do pass Senate Bill 69 (1st Reprint).

> ASSEMBLYMEMBER O'NEILL MADE A MOTION TO AMEND AND DO PASS SENATE BILL 69 (1ST REPRINT).
>
> ASSEMBLYMEMBER GRAY SECONDED THE MOTION.

Is there any discussion on the motion?

Assemblymember O'Neill:
I want to say thank you to the various members involved in the negotiations on S.B. 69 (R1). I know it has been difficult. I greatly appreciate the work and time you have put in. Thank you very much.

Chair Backus:
Any other discussion? [There was none.]

> THE MOTION PASSED. (ASSEMBLYMEMBER GALLANT VOTED NO. ASSEMBLYMEMBER HAFEN WAS ABSENT FOR THE VOTE.)

I will assign the floor statement to Assemblymember O'Neill. The next bill on the work session is Senate Bill 196 (1st Reprint).

Senate Bill 196 (1st Reprint): Authorizes a heavy equipment rental company to charge a recovery fee to offset taxes levied on certain heavy equipment. (BDR 32-19)

Michael Nakamoto, Chief Principal Deputy Fiscal Analyst:
Senate Bill 196 (1st Reprint) was heard in this Committee on May 6, 2025, and is sponsored by Senator Cannizzaro. [Read from Exhibit E.]

Senate Bill 196 (1st Reprint) allows heavy equipment rental companies to charge a recovery fee not to exceed 2 percent of the rental price of heavy equipment to offset personal property taxes levied on their heavy equipment. The bill also clarifies that the term "rental charge" does not include any other separately stated charges for recovery of the property taxes on the heavy equipment rental property. There were no amendments. I am glad to answer any questions.

Chair Backus:
Members, are there any questions regarding Senate Bill 196 (1st Reprint)? [There were none.] I will entertain a motion to do pass Senate Bill 196 (1st Reprint).

> ASSEMBLYMEMBER NGUYEN MADE A MOTION TO DO PASS SENATE BILL 196 (1ST REPRINT).
>
> ASSEMBLYMEMBER GRAY SECONDED THE MOTION.

Is there any discussion on the motion?

Assemblymember Flanagan:
I want to say for the record, I will vote yes to get it out of Committee, but I reserve my right to vote no on the floor.

Chair Backus:
Any other discussion? [There was none.]

> THE MOTION PASSED. (ASSEMBLYMEMBER CONSIDINE VOTED NO.)

I will assign the floor statement to Assemblymember Hafen.

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

With that, I will open the meeting for public comment. Is there anyone in Carson City, Las Vegas, or on the phone wishing to make public comment? [There was no one.]

Our next meeting will be Thursday, May 22, 2025, at 1:30 p.m. I look forward to seeing everyone in a week. This meeting is adjourned [at 1:13 p.m.].

RESPECTFULLY SUBMITTED:

_____
Lori McCleary
Committee Secretary

APPROVED BY:

_____
Assemblymember Shea M. Backus, Chair

DATE: _____

EXHIBITS

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
S.B. 41 (R1)	C	Michael Nakamoto, Chief Principal Deputy Fiscal Analyst, Legal Division, Legislative Counsel Bureau	Work Session Document
S.B. 69 (R1)	D	Michael Nakamoto, Chief Principal Deputy Fiscal Analyst, Legal Division, Legislative Counsel Bureau	Work Session Document
S.B. 196 (R1)	E	Michael Nakamoto, Chief Principal Deputy Fiscal Analyst, Legal Division, Legislative Counsel Bureau	Work Session Document