MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON WAYS AND MEANS

Eighty-Third Session
May 31, 2025

The Committee on Ways and Means was called to order by Chair Daniele Monroe-Moreno at 9:13 a.m. on Saturday, May 31, 2025, in Room 3137 of the Legislative Building, 401 South Carson Street, Carson City, Nevada and Room 2 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. Link to Executive Budget.

COMMITTEE MEMBERS PRESENT:

Assemblymember Daniele Monroe-Moreno, Chair
Assemblymember Shea M. Backus, Vice Chair
Assemblymember Natha C. Anderson
Assemblymember Tracy Brown-May
Assemblymember Jill Dickman
Assemblymember Gregory T. Hafen II
Assemblymember Brian Hibbetts
Assemblymember Sandra Jauregui
Assemblymember Gregory S. Koenig
Assemblymember Erica Mosca
Assemblymember PK O'Neill
Assemblymember Selena Torres-Fossett
Assemblymember Howard Watts
Assemblymember Steve Yeager

COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

Senator James Ohrenschall, Senate District No. 21
Senator Dina Neal, Senate District No. 4
Senator Fabian Doñate, Senate District No. 10
Senator Rochelle T. Nguyen, Senate District No. 3
Senator Julie Pazina, Senate District No. 12
Senator Nicole J. Cannizzaro, Senate District No. 6

STAFF MEMBERS PRESENT:

Sarah Coffman, Assembly Fiscal Analyst
Brody Leiser, Assembly Chief Principal Deputy Fiscal Analyst
Natalia Jordan, Committee Manager
Joi Guthrie, Committee Manager
Janice Wright, Committee Secretary
Lisa McAlister, Committee Assistant

OTHERS PRESENT:

Steve Aichroth, Administrator, Housing Division, Department of Business and Industry
Mendy Elliott, representing Nevada Housing Coalition; Nevada Rural Housing Authority; City of Reno Housing Authority; and Southern Nevada Regional Housing Authority
Wendy Colborne, Chief of Staff, Building and Construction Trades Council of Northern Nevada
Kanani Espinoza, representing Nevada HAND
Trevor Parrish, Manager, Government Affairs, Vegas Chamber
Maurice Page, representing Nevada Housing Coalition
Emily Persaud-Zamora, Executive Director, Silver State Voices
Sean Sever, Deputy Administrator, Division of Research and Project Management, Department of Motor Vehicles
Joshua Skaggs, Legislative Affairs Director, Nevada Republican Party
Janine Hansen, State Chairman, Independent American Party
Iris B. Stone, Private Citizen, Las Vegas, Nevada
Lynn Chapman, State Vice President, Nevada Families for Freedom
Oscar Williams, Private Citizen, Reno, Nevada
Ellen Gifford, Private Citizen, Incline Village, Nevada
Yolanda Knaak, Private Citizen, Incline Village, Nevada
Katrin Ivanoff, Private Citizen, Las Vegas, Nevada
Mark Wlaschin, Deputy for Elections, Office of the Secretary of State
Adam Plain, Insurance Regulation Liaison, Division of Insurance, Department of Business and Industry
Clarissa M. Cota, Vice President, External Relations and Campus Operations, College of Southern Nevada
Patricia Charlton, Chancellor, Nevada System of Higher Education:
Austin Daly, Manager of Government Affairs, University of Nevada, Reno
Mike Bindrup, Economic Data Research Associate, College of Agriculture, University of Nevada, Reno
Jo Cato, representing African Chamber of Commerce
Catherine Francisco, Founder and President, Asian American and Pacific Islander Chamber of Commerce
Shellie Hughes, Executive Director, Department of Taxation

Jackie Spicer, Coalition Coordinator, Nevada Environmental Justice Coalition
Olivia Tanager, Director, Toiyabe Chapter, Sierra Club
Tara Webster, Policy Manager, Progressive Leadership Alliance of Nevada
Peter Guzman, President, Latin Chamber of Commerce
Kirsten Stasio, Chief Executive Officer, Nevada Clean Energy Fund
Rose McKinney-James, Managing Principal, Energy Works LLC; and McKinney-James and Associates
Christi Cabrera-Georgeson, Deputy Director, Nevada Conservation League
Alex Tanchek, representing Pyramid Lake Paiute Tribe; Duck Valley Shoshone-Paiute Tribe; and Vitality Unlimited
Henry Rosas, External Affairs Manager, United Way of Southern Nevada
Dawson Deal, representing Environmental Defense Fund
Tim Farkas, Finance Director, Ameresco
Paul J. Hauptman, Dean, School of Medicine, University of Nevada, Reno
Maureen Scott, Medical School Student, School of Medicine, University of Nevada, Reno
Leonardo Benavides, Director of State Government Affairs and Community Engagement, Office of Government and Community Engagement, University of Nevada, Las Vegas
Jacqueline L. Nguyen, Policy Director, Nevada State Medical Association; representing Nevada Chapters of the American College of Obstetrics and Gynecology; and Advanced Practice Nurses Association; and Private Citizen, Las Vegas, Nevada
Areli Alarcon, representing Touro University Nevada
Blayne Osborn, President, Nevada Rural Hospital Partners
Connor Cain, representing HCA Hospital Corporation of America; Sunrise Hospital and Medical Center; and Sunrise Children's Hospital
Grace Michaelson, representing Dignity Health-St. Rose Dominican Hospital
Damon Schilling, representing Intermountain Health
Samantha Barnes, representing Roseman University of Health Sciences
Mo Denis, representing Green Our Planet
Woody Worthington, Senior Director of Government Affairs and Community Engagement, Green Our Planet
Susan Keema, Executive Director, Nevada Association of School Superintendents
Sheila Bray, Director of Government and Community Engagement, University of Nevada, Reno
Sarah Adler, representing Coalition of Independent Public Charter Schools of Northern Nevada
Marco Rauda, representing United Way of Southern Nevada
Teresa Benitez-Thompson, Chief of Staff, Office of the Attorney General
John Abel, representing Las Vegas Police Protective Association Metro; and Public Safety Alliance of Nevada
Thomas Morley, representing Laborers Local 872; Laborers Local 169; Communication Workers of America; and Teamsters Local 631
Peter Krueger, Private Citizen, Reno, Nevada

Lesley Pittman, representing JUUL Labs
Adrian Hunt, Detective, Office of Intergovernmental Services, Las Vegas Metropolitan Police Department
Alfredo Alonso, representing R.J. Reynolds Tobacco Company
Scott Cosby, representing Core-Mark
Edward Ableser, representing Philip Morris International
Josh Griffin, representing Vapor Technology Association
Chris Finch, Owner, Vapetasia, Las Vegas, Nevada
Scott Stevenson, Private Citizen, Las Vegas, Nevada
Manny Hilkey, Private Citizen, Henderson, Nevada
Jamie Reza Homampour, Owner, Blue Diamond Vapors, Las Vegas, Nevada
Gregory Conley, Private Citizen
Melissa Mackedon, Executive Director, State Public Charter School Authority
William Horne, representing Charter School Association of Nevada
Tami Romo, Private Citizen

Chair Monroe-Moreno:
[Roll was called. Committee rules and protocols were explained.] We are at that time of session where members are running between committees during hearings. Thank you for joining us here in Carson City and in Las Vegas on a beautiful Saturday morning. We will have to go to the Assembly floor at 10 a.m. We will get through as much as we can before 10 a.m. We added a bill to the agenda this morning. That bill is going to go first because it has to get to the floor this morning, and that bill is Assembly Bill 62.

We are the fiscal committee. Occasionally, if a bill has not had a policy hearing, we will have the policy hearing and the fiscal hearing in this Committee. Sometimes people hear things that they do not agree with and do not like, but you will be respectful of each other at all times, and that includes members on the dais. If you are not respectful in your interactions with this Committee, I will have you escorted out of my Committee, because I do not allow that behavior. Once we recess to go to the floor, we will come back. Please do not ask my staff 50 million times when we are coming back because they do not know. We will come back when we come back. That is how it rolls at the end of session. With that, we will open the hearing on our first bill. That will be Assembly Bill 62. The second bill on our agenda is Senate Bill 422 (2nd Reprint). That hearing will be right after Assembly Bill 62.

Assembly Bill 62: Revises provisions relating to transferable tax credits for affordable housing. (BDR 32-437)

Steve Aichroth, Administrator, Housing Division, Department of Business and Industry:
I cannot tell you how pleased I am to see Assembly Bill 62 on the agenda this morning. Thank you. Assembly Bill 62 came out of the Advisory Committee on Housing, which was formed in 2019. We have had a good record of getting bills across the finish line. I appreciate the movement on this. Assembly Bill 62 effectively does a couple of things, but it really addresses the state tax credits for affordable housing. I am not going to go into everything

because it has already been through the policy committee. There is technical language included regarding ground leases and timing that are important to the Housing Division, Department of Business and Industry to effectuate the use of the state affordable housing tax credits.

As this is the fiscal committee, I will focus on the fiscal impacts, which include the change from a $40 million to a $100 million ask. This was established in 2019. The initial issuance was $40 million for state tax credits. As this was developed, we thought we could go to another $60 million ask to get us through a number of years. That may need to be changed just because we understand when this was developed and submitted back in the fall, things were a little rosier from an economic standpoint.

But I want to focus on the fact that we have $16 million left in the next two years to allocate. That is below the $10 million per year that is allowed to be allocated. What will happen is sometime at the beginning of fiscal year (FY) 2027 before the next session ends, we will be out of state tax credits. The ask here to the Committee is to at least modify the ask. I am not 100 percent sure how that gets done, whether it is via a work session or on the floor. But we want to continue the tax credits so we can have an uninterrupted allocation to get us to where FY 2027 could be a potential ask for a full allocation. With that, I will be ready to answer any questions.

Chair Monroe-Moreno:
Thank you so much. My question is what is the current amount? We know that going to the $100 million is not going to happen. What is it that we actually need to get us to FY 2027?

Steve Aichroth:
To get us through to the end of the 84th Session whenever sine die happens would be $10 million.

Chair Monroe-Moreno:
If we were to approve $20 million, that would give us a cushion for any unexpected thing that came along.

Steve Aichroth:
That is accurate. More is better.

Assemblymember Backus:
This is a program I like. I sat on the Revenue Committee, so I could see how these funds are utilized for braiding for our affordable housing projects. As I understand it, right now we have existing tax credits on the books for housing that are in this fiscal year, correct? Next fiscal year we are looking at $10 million or even $20 million. I know the ask was $100 million spread over a period of time. Can you tell us in what fiscal years those would hit because we already have an existing tax credit program in place and know what that looks like. When we are planning for that future, we want to know what we can expect.

Steve Aichroth:
I think I can answer your question. In FY 2025, at the end of this year, we will have issued $13 million worth of state tax credits in the gap financing structure of the affordable development. By issuing $13 million in FY 2025, we are limited to $7 million in FY 2026. That will leave us at about $31 million or $32 million of the initial $40 million allocation to be expended. Members of this Committee are aware, getting to put together affordable housing projects in the capital stack is getting more difficult. This is an incredible tool. We are getting about 90 cents on the dollar as we go through. From a national standpoint, of the other states that have state affordable housing tax credits, we are the highest, and certainly one of the most efficient in ways of getting state tax credits across the board.

Assemblymember Backus:
If we added the $20 million on top of that, would you expect to use all $20 million in FY 2026? We would still have a cap that could roll back into FY 2026 and FY 2027. I am trying to figure out what years the $20 million would hit.

Steve Aichroth:
I really did not answer that part of the question. We are good for FY 2026. We have issues in FY 2027. The $10 million solidifies FY 2027, and $20 million would solidify FY 2027 and FY 2028.

Chair Monroe-Moreno:
I have a question on the bill in section 2, subsection 1, paragraph (b) where the total to exceed was $40 million, and the new total was $100 million. Should that now be amended to $60 million?

Steve Aichroth:
Yes, the $40 million to $60 million.

Chair Monroe-Moreno:
That is where we need to make the change. Members, are there any other questions? [There were none.] Thank you so much, and thank you for being ready on the fly for this hearing. I will ask you to take a step back, and I will invite to the table anyone who would like to testify in support of the bill.

Mendy Elliott, representing Nevada Housing Coalition; Nevada Rural Housing Authority; City of Reno Housing Authority; and Southern Nevada Regional Housing Authority:
We are in strong support of Assembly Bill 62. For the Committee, these are the last in tax credits that can make or break a deal. They absolutely provide that last gap funding. It can get a deal from no to yes for the developers and these partnerships. I know we have Ovation here, and they can provide some additional context. We truly do utilize these to build multifamily units. We want to thank the Chair for hearing this bill this morning and for your consideration. These tax credits are worth their weight in gold as we continue to develop projects that serve Nevadans.

Wendy Colborne, Chief of Staff, Building and Construction Trades Council of Northern Nevada:
We not only represent more than 6,000 union construction workers in northern Nevada, but we also develop affordable housing. We have a Section 8 affordable housing complex, 100 percent affordable senior preference, which is currently undergoing a rehabilitation. We are building more units at Clear Acre in North Reno right now as well. We are working on that project. Tax credits like these make projects like ours possible. We strongly support A.B. 62 and encourage you to do so.

Kanani Espinoza, representing Nevada HAND:
Nevada HAND is the state's largest developer, builder, and manager of affordable rental homes for low-income seniors and working families currently serving over 8,200 residents. We would like to thank the Committee for hearing this bill today. The state tax credits are a huge incentive for gap financing for these projects. We appreciate your support.

Trevor Parrish, Manager, Government Affairs, Vegas Chamber:
The Vegas Chamber is in support of the fiscal provisions of the bill.

Maurice Page, representing Nevada Housing Coalition:
I apologize for not being in attendance, but to follow up with everyone's comments; thank you for putting this on the agenda. Thank you for allowing A.B. 62 to be heard. On behalf of the Nevada Housing Coalition, we are in strong support of Assembly Bill 62, which provides the critical technical adjustments and appropriations to Nevada's transferable state tax program for affordable housing. This is a huge incentive, especially for our mid and small developers. We ask that you review this bill and push this forward so this way there will not be any stops or any gaps moving forward with development of any future projects. Thank you again for your time, your energy, and your dedication. We are looking forward to working with you in the future.

Chair Monroe-Moreno:
Is there anyone else who would like to testify in support of this bill? [There was no one.] Is there anyone who would like to testify in opposition to the bill? [There was no one.] Is there anyone who would like to testify in the neutral position on the bill? [There was no one.] We will ask the presenter if there are any closing remarks? [Closing remarks were waived.] Then we will close the hearing on A.B. 62. Members we will take a brief recess.

[The Committee recessed at 9:29 a.m. and reconvened at 9:32 a.m.]

Chair Monroe-Moreno:
We will bring the meeting back to order. Members we are going to open a work session on Assembly Bill 62. As you know, Speaker Yeager waived the rules a few days ago in this Committee and all committees to do immediate work sessions. We will move into the work session for Assembly Bill 62, and I will turn the microphone over to our Assembly Fiscal Analyst.

Assembly Bill 62: Revises provisions relating to transferable tax credits for affordable housing. (BDR 32-437)

Sarah Coffman, Assembly Fiscal Analyst:
Today the Committee heard Assembly Bill 62. Assembly Bill 62 revises the procedure for applying for transferable tax credits for affordable housing, revises provisions governing the transfer of transferable tax credits for affordable housing, revises provisions relating to the amounts of transferable tax credits for affordable housing that may be approved, and revises provisions relating to the expiration of transferable tax credits for affordable housing. Madam Chair, I believe after having the hearing, you had suggested providing an amendment to section 2, subsection 1, paragraph (b) to strike the changes that were made in that section and keep the amount at $40 million. If the Committee wishes to entertain this bill, the motion would be amend and do pass.

Chair Monroe-Moreno:
Members, are there any questions on Assembly Bill 62? [There were none.] I will accept a motion.

> ASSEMBLYMEMBER BACKUS MADE A MOTION TO AMEND AND DO PASS ASSEMBLY BILL 62.
>
> ASSEMBLYMEMBER JAUREGUI SECONDED THE MOTION.

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

> THE MOTION PASSED. (ASSEMBLYMEMBER HAFEN VOTED NO. ASSEMBLYMEMBERS HIBBETTS AND YEAGER WERE ABSENT FOR THE VOTE.)

I will assign the floor statement to myself. Moving on, we will open the hearing for Senate Bill 422 (2nd Reprint), which revises provisions relating to voting.

Senate Bill 422 (2nd Reprint): Revises provisions relating to voting. (BDR 24-954)

Senator James Ohrenschall, Senate District No. 21:
I want to thank you for hearing Senate Bill 422 (2nd Reprint) today. Senate Bill 422 (2nd Reprint) is a bill that tries to make sure that persons who are qualified to vote are able to participate in our elections and that any potential obstacles to their participation are removed. With me to my right is Emily Persaud-Zamora, Executive Director, Silver State Voices; and Mark Wlaschin, Deputy for Elections, Office of the Secretary of State, who are here to help answer any questions.

As to the fiscal note, I did spend a lot of time over in the other house with Sean Sever, Deputy Administrator, Division of Research and Project Management, Department of Motor Vehicles (DMV). He was kind and spent hours going over my questions and concerns. At

this point, I do not have any qualms with the fiscal note as it is presented. I believe that what we are asking for in S.B. 422 (R2) is a valuable service for our constituents to be able to have those extra hours at the DMV. Mr. Sever let me know that in past elections, the Department of Motor Vehicles has tried to offer some extended hours to help people who need to get that driver's license or Nevada identification card. I applaud Mr. Sever and the DMV for trying to make sure that happens. Senate Bill 422 (2nd Reprint) would try to make sure that is in statute. In the future, if there are different priorities and that is not something DMV has as a priority or can afford to do, then it is still in statute. It is a priority for our constituents. With your permission, Madam Chair, could I turn it over to Emily Persaud-Zamora, then I am happy to try to answer any questions on the bill?

Chair Monroe-Moreno:
Thank you so much.

Emily Persaud-Zamora, Executive Director, Silver State Voices:
I will keep it light, because I know we are in the money committee and there is a lot to talk about today. We are appreciative of the ability to have this hearing and to Senator Ohrenschall for carrying this particular bill. The bill originated because we run an election protection program that is nonpartisan each and every day through all 17 counties within the state of Nevada. We have seen that, although same-day voter registration is a policy approved in Assembly Bill 345 of the 80th Session, there are a lot of voters—Republicans, Nonpartisans, and Democrats—who are using the policy. There are still a lot of questions, and folks not really understanding that in order to participate in same-day voter registration, you do need a Nevada identification (ID). We get a lot of folks who go to a polling location who have not updated their voter registration address and then want to do so and register at their current address but are not able to do so because they are unable to get into the Department of Motor Vehicles in a quick enough fashion to get that ID [Exhibit C]. I will keep it at that.

Chair Monroe-Moreno:
Thank you so much. Members, do you have any questions for the presenters? I am going to ask one of you to step back, and we will invite the DMV to the table to speak to their fiscal note on this bill.

Sean Sever, Deputy Administrator, Division of Research and Project Management, Department of Motor Vehicles:
We are neutral on Senate Bill 422 (2nd Reprint). We do have a fiscal note on it, as mentioned. The impact here is pretty simple. It is just overtime pay for our employees. They work 40 hours a week, and if we have to bring them in over the weekend or after hours, we need to pay them overtime along with security guards we need to have on hand as well. We already do this for people wanting to register to vote at our urban offices. We are open two weeks prior to Election Day, from 8:30 a.m. to 11:30 a.m., and then Monday through Saturday without an appointment. In addition, we are open 7:30 a.m. to 6 p.m. on Election Day and the day before Election Day.

It is important also to point out that the DMV does not register people to vote. We are just ID providers. People get that confused sometimes. We are happy to work with the bill sponsor if you want to reduce the fiscal note, which I have told the Senator to reduce the hours to reduce the cost.

Chair Monroe-Moreno:
Perfect. Members you should have a copy of the fiscal note. It would be $118,501 in each year of the biennium. Are there any questions for DMV or the bill sponsor? [There were none.] Thank you for the presentation. I will ask you to take a step back, and I will invite to the table anyone who would like to testify in support of the bill. [There was no one.] Is there anyone who would like to testify in opposition to the bill?

Joshua Skaggs, Legislative Affairs Director, Nevada Republican Party:
I am here today in opposition to S.B. 422 (R2). The bill has a fiscal note of $237,000 for this biennium and $355,000 for future biennia from the DMV. We particularly object to section 3, which adds an additional six days of special treatment by the DMV at a cost of hundreds of thousands of dollars according to DMV's fiscal note. The DMV voter registration has been an abject failure, wasting significant taxpayer dollars on a flawed system, causing voters to lose their party registration, and failing to produce increased participation in elections. This section adds unnecessary expense and complexity when most adults already have a driver's license as part of functioning in society.

Senate Bill 422 (2nd Reprint) is another attempt to pass Senate Bill 433 of the 82nd Session. That bill was vetoed by Governor Lombardo who correctly noted in his veto message that the bill allows for an insufficient proof of residency to vote and places the sanctity and security of our elections in jeopardy. Senate Bill 422 (2nd Reprint) creates further delays in reporting final accurate election results by encouraging additional provisional ballots. Provisional ballots which come primarily from same day voter registrations are already difficult and complex for counties to manage. The bill needlessly adds further complexity and delay because it is already incredibly easy to register to vote in Nevada. You can register to vote online, in person, automatically at the DMV, or at the polling place on Election Day, and registered voters have ballots delivered to them free of charge without even asking. For all these reasons, we ask you to please vote no on S.B. 422 (R2).

Janine Hansen, State Chairman, Independent American Party:
We also oppose any additional money going to this. It is so easy to vote in the state of Nevada. It is so easy to register in the state of Nevada. One of the problems we have with this particular piece of legislation is that it allows people to vote with out-of-state driver's licenses or with no driver's license at all, or no ID. Now, I do not know how they get along in society without any kind of an ID. I have never been able to figure that one out for myself, but this is just incredible that we have people with out-of-state driver's licenses who have not been able to get their act together in order to be able to vote and some with none. They just sign an affidavit. We particularly are concerned about that section and then of course, the provisional ballots are not even counted until the Friday after the election which delays election results and complicates things. We are concerned about that.

We wonder how many people are actually going to benefit who do not have a driver's license from Nevada or ID here and how much money it costs for each one to provide for time at the DMV. How much will that cost for each additional voter? We never heard any information about how many people who do not have Nevada driver's licenses will be going to the DMV. Will it be 10, 20, or 30? How much will each vote or each registered voter cost? It is unbelievable. Thank you very much. We oppose the bill.

Iris B. Stone, Private Citizen, Las Vegas, Nevada:
We need to balance accessibility against secure election processes. I too am concerned about spending money on this particular bill because the outcome would not be good in certain circumstances. In fact, I would like to describe a scenario that could be allowed if S.B. 422 (R2) were to be approved and passed. An Arizona resident rents an apartment in Las Vegas two- and one-half months prior to Election Day with a proper Arizona driver's license and an Arizona address. This person temporarily moves to Las Vegas and makes sure she or he pays their utility bills for those two months. The person votes in Las Vegas on Election Day. They show their Arizona driver's license and bring their Nevada utility bill with them. As a result, they will be allowed to vote in Nevada's election. No provisional vote is required. Then a week after the election, the Arizona resident cancels their rental contract and returns full time to their Arizona residence. The above scenario can easily be applied to any out-of-state student since the student ID is acceptable as a form of ID in Nevada. The same scenario applies to people with tribal ID cards from anywhere in the United States.

In reality, S.B. 422 (R2) would create a loophole to allow people with other state driver's licenses to vote in our state. While this may not increase provisional ballots, it sets us up to allow nefarious actors to traffic in voters; just rent an apartment in their name. It sure takes ballot harvesting to a new level. On top of that, it would be impossible to prove malfeasance after the election even if we determined that this happened; we could not do anything about it since it is a legal process in Nevada. I urge legislators to think long and hard about spending money on this kind of a process and the unintended consequences that it would entail. Thank you for your attention.

Lynn Chapman, State Vice President, Nevada Families for Freedom:
In the old days, we had one day to vote—just one. The money expended for elections was low. Now we are talking about over $118,000 just for overtime for the DMV and security guards. This is quite concerning to us. How much more money do the taxpayers have to pay for people who cannot get off the dime and get things done in a timely manner like all the rest of us? Do you know there is over six months' worth of campaign ads? People cannot figure out that an election is coming up in over six months and take care of getting all the information they need together to go to the DMV and get the updated driver's license or ID cards. This is concerning.

We have a real problem on our hands if we have people who cannot figure out what to do. We are taxed for all of their inefficiencies for not being able to figure out what to do and then they want to vote. Oh dear, this is concerning. The amount of money being expended for just the DMV is outrageous, and the taxpayers should not have to be on the hook for other people's inefficiencies. Please vote no on Senate Bill 422 (2nd Reprint).

Oscar Williams, Private Citizen, Reno, Nevada:
I urge you to vote no on Senate Bill 422 (2nd Reprint) because it allows for a crime to potentially occur by giving a noncitizen, illegal voter a ballot. Then it obligates the city or county to catch the crime when that ballot is cast and returned. Frankly, there is no worse way to run an election than what S.B. 422 (R2) intends to do. Again, please vote no on S.B. 422 (R2).

Ellen Gifford, Private Citizen, Incline Village, Nevada:
A definition of clutter is a confused or disordered state. This certainly describes S.B. 422 (R2). This bill is a horrible waste of taxpayer dollars and an insult to Nevada's voters. The definition of elector according to Nevada law is a citizen of the United States of the age of 18 and upwards who shall have actually resided in the state six months and in the district or county 30 days next preceding any election period. Yet this bill interjects anyone from anywhere into Nevada's election process leaving our county clerks with the job of having to determine if their votes even counted after the election is already over.

Yes, Nevada's provisional ballot legislation is also cluttered. A provisional ballot by law cannot even be opened until the day after the election. Then the law allows for days to resolve any issues. Election legislation's purpose is to support the people's election process—not to clutter it up. Voters are never going to understand this cluttered bill, and of course, most of them will not even see the bill, and it will have to be interpreted somehow in their sample ballot. Laws are supposed to be beneficial to the people. They should be able to pick up any bill, read it, and understand it. We are paying for these bills, and S.B. 422 (R2) should be discarded.

Yolanda Knaak, Private Citizen, Incline Village, Nevada:
Madam Chair and Committee, I would like to ditto what everyone else has been saying. Please vote no on S.B. 422 (R2).

Katrin Ivanoff, Private Citizen, Las Vegas, Nevada:
I want to add a strong ditto to everything in opposition. I also want to add, if you are serious about election integrity and having the voters trust you, then this is going in the wrong direction. How about approving a bill that Nevada local politicians do not accept money from out-of-state entities or get rid of the Political Action Committees or get rid of the lobbyists and have people who represent actually the voters. How about those things? Why are we not seeing anything in that direction? Why is it that every time you make a bill related to voting in Nevada, the bill is always in the opposite direction? You say you want to fix the problem, but your action speaks louder, and they definitely do not speak for you trying to fix anything. It looks like you are trying to muddy things even more. With the amount of money this is

going to cost, come on, it is like you do not have respect for our taxes; yet you want to jack up our taxes again. Maybe if you stop spending frivolously like in this bill, you do not have to jack up our prices. Please vote no on this bill. Thank you and have a lovely day.

Chair Monroe-Moreno:
Is there anyone else who would like to provide testimony in opposition to S.B. 422 (R2)? [There was no one.] We will move to neutral. Is there anyone who would like to provide neutral testimony on Senate Bill 422 (2nd Reprint)? [There was no one.] We will ask the sponsor of the bill if you have any closing comments.

Senator Ohrenschall:
Thank you for hearing the bill. Just to be brief, I have a lot of respect for everybody who participates and for the opposition. But I vehemently disagree with some of the comments made, and they are not true. If you look at the plain language of S.B. 422 (R2), the bill strengthens proof of residency requirements by requiring that proof of residency requirements that are currently in statute now have to be no older than 60 days. It actually strengthens those requirements, and it makes sure that with our same-day voter registration system, qualified electors are able to participate. With your permission, Mark Wlaschin, Deputy for Elections, Office of the Secretary of State had a couple of points he wanted to bring up as well.

Mark Wlaschin, Deputy for Elections, Office of the Secretary of State:
Francisco V. Aguilar, Secretary of State appreciates the Senator bringing the bill forward but has also asked me repeatedly to make sure that we put facts on the record to make sure that misassumptions and other disinformation is addressed in a prompt manner for the record. First, I want to clarify that the residency requirement in Nevada is not six months. It turns out if you use AI [artificial intelligence] improperly, it will tell you it is six months. It is important that voters understand that it is not; residency is only 30 days. We are eager to talk about that with anybody who is interested in reaching out about it.

Then secondly, Arizona is also a member of the Electronic Registration Information Center States Organization. We bounce our voter rolls against each other to make sure that anyone who is registered to vote in Nevada is not also registered in Arizona. Again, under federal and state law, it is a crime to vote or attempt to vote twice. If an individual did go through a scenario where they did vote in Arizona and Nevada, we would prosecute them to the fullest extent of the law. Absolutely. Thank you for your time.

Senator Ohrenschall:
Thank you very much, Chair.

Chair Monroe-Moreno:
Thank you both so much, and thank you for putting the facts on the record. I appreciate that. We do not want misinformation to continue to grow.

Assemblymember Hafen:
I have a question for the DMV. I understand there is 30-day requirement for you to live in the state before you are eligible to vote. But what is the requirement for how long you can be here before you have to have a Nevada driver's license from this state, not from another state?

Sean Sever:
There is no time limit when you come to Nevada. You need to get a driver's license right away.

Assemblymember Hafen:
There is a limitation that you can be living here no longer than . . .

Sean Sever:
You could be living here no longer than 30 days.

Assemblymember Hafen:
It is 30 days; it is the same period of 30 days. Okay, thank you for that clarification.

Chair Monroe-Moreno:
With that, we will close the hearing on Senate Bill 422 (2nd Reprint). As I said at the top of the meeting, we will be taking a recess because we have to go to the Assembly floor, but we will be doing one more bill before we go to the floor because it is going to be super quick. That is Senate Bill 503. We will open the hearing and invite the presenter, and I said be really quick.

Senate Bill 503: Eliminates the Account for the Regulation and Supervision of Captive Insurers in the Fund for Insurance Administration and Enforcement. (BDR 57-1236)

Adam Plain, Insurance Regulation Liaison, Division of Insurance, Department of Business and Industry:
In the spirit of expediency, we have budget account (BA) 3818 Captive Insurers. During our budget closing, it was determined that BA 3818 would become insolvent by the end of this upcoming biennium. We have lost many dozens of registered captive insurers, and there is no longer enough captive premium tax to support the positions within the budget account. As a solution we are proposing closing BA 3818 and rolling it into the Division's main operational account BA 3813 [Insurance Regulation], which will be able to support those positions and operations going forward. I am happy to answer any questions.

Chair Monroe-Moreno:
Members, do you have any questions? [There were none.] The bill clarifies that any money remaining in the account as of July 1, will remain in the Fund for Insurance Administration and Enforcement and may be used for any other purposes for which the money in the Fund may be used, is that correct?

Adam Plain:
That is correct, Madam Chair. Budget account 3818 was originally designed to have a portion of its support for the promotion of the captive insurance industry. The money would still be earmarked for that.

Chair Monroe-Moreno:
Members, are there any questions? [There were none.] Thank you for the presentation. I will ask you to take a step back, and I will invite to the table anyone who would like to testify in support of the bill. [There was no one.] Is there anyone who would like to testify in opposition to the bill? [There was no one.] Is there anyone who would like to testify in the neutral position on the bill? [There was no one.] We will ask the presenter if there are any closing remarks? [Closing remarks were waived.] Then we will close the hearing on this bill. With that members, we are going to go down to the Assembly floor, so we are going to stand in recess.

[The Committee recessed at 10:02 a.m. and reconvened at 12:25 p.m.]

Chair Monroe-Moreno:
We will bring the Assembly Committee on Ways and Means back to order. Thank you for your patience with all the moving parts today. We will open the hearing on Senate Bill 119 (2nd Reprint).

Senate Bill 119 (2nd Reprint): Revises provisions relating to the NV Grow Program. (BDR S-81)

Senator Dina Neal, Senate District No. 4:
I am here to quickly present Senate Bill 119 (2nd Reprint). Senate Bill 119 (2nd Reprint) is the NV Grow Program, which the state has funded for ten years. The new total on this request is reduced from $1.9 million to $1.2 million because of the current economic situation. I am open for questions.

Chair Monroe-Moreno:
Members are there any questions? [There were none.] As Senator Neal said, this is a program we have funded for ten years. We need to put this in The Executive Budget, so we do not have to come here every year and do this just to get it funded through the budget. Let us work on that moving forward. Senator Neal, does your colleague wish to add anything?

Clarissa M. Cota, Vice President, External Relations and Campus Operations, College of Southern Nevada:
I would like to thank the Committee for your support of the NV Grow Program. It has been very impactful to thousands of small businesses, and it has been our privilege to be part of this Program. Our clients are succeeding. It is a successful program, and we ask for your support today.

Chair Monroe-Moreno:
Thank you. Senator Neal, will you just state again what the appropriation would be?

Senator Neal:
It is $1.2 million.

Chair Monroe-Moreno:
Perfect. Thank you so much. I am not seeing any questions from any of the members. Thank you both for being here. We will invite to the table anyone who would like to testify in support of Senate Bill 119 (2nd Reprint).

Patricia Charlton, Chancellor, Nevada System of Higher Education:
I appreciate your comments and the suggestion of this being memorialized in The Executive Budget. This has been an incredibly successful program, and we thank Senator Neal for her longtime support. We urge your support of Senate Bill 119 (2nd Reprint).

Trevor Parrish, Manager, Government Affairs, Vegas Chamber:
The Vegas Chamber is in support from the fiscal perspective.

Austin Daly, Manager of Government Affairs, University of Nevada, Reno:
We are in support of S.B. 119 (R2) as well.

Mike Bindrup, Economic Data Research Associate, College of Agriculture, University of Nevada, Reno:
We are in support of S.B. 119 (R2). The Extension helps to provide some tailored data for small businesses for the NV Grow Program. Our data specialists meet one-on-one with small business owners to help them identify some unique needs that they have. We deliver customized data reports to small business owners, which gives them access to help make better informed business decisions. It has been a successful program. It helps businesses identify new markets, understand customer demographics, better evaluate business location and placement, and analyze competition.

As we know, small business is the backbone of our economy. Quite often local entrepreneurs are at a strategic disadvantage because they lack the resources to be able to get this sort of data that the NV Grow Program provides, which costs thousands of dollars. The services from the NV Grow Program are free of charge to clients and are also provided both in English and Spanish, which ensures accessibility across our state to our diverse business community. Please continue to support S.B. 119 (R2) and the NV Grow Program as it gives small business owners the right information at the right time so that they can grow their businesses for a stronger, more resilient Nevada.

Jo Cato, representing African Chamber of Commerce:
I am here to speak on behalf of the African Chamber of Commerce today in strong support of S.B. 119 (R2), which will renew the funds for the NV Grow Program. As a community partner of the NV Grow Program, the African Chamber of Commerce has worked closely

with the Program to ensure our members, many of whom are first generation business owners, have direct access to the resources they need to thrive. Through this partnership our members benefit from technical assistance, one-on-one counseling, business planning support, and access to strategic growth tools that are otherwise difficult to obtain.

The NV Grow Program is not just a program. It is a proven ecosystem of support that helps level the playing field for underserved entrepreneurs across Nevada. It empowers our members to scale their business, grow jobs, create jobs, and contribute meaningfully to the state's economic development. We believe in the power of small business to transform communities. We believe the NV Grow Program is essential to making that transformation possible. On behalf of the African Chamber of Commerce, I urge this Committee to vote in support of S.B. 119 (R2) and continue investing in Nevada's small business success story. Thank you for your time and for your commitment to inclusive economic growth. Again, my name is Jo Cato representing the African Chamber of Commerce.

Catherine Francisco, Founder and President, Asian American and Pacific Islander Chamber of Commerce:
I am here today calling to express our strong support for Senate Bill 119 (2nd Reprint). We especially applaud the bill's focus on improving access and eligibility. Many owned businesses are small family-run operations that may have previously fallen through the cracks of traditional support programs. Senate Bill 119 (2nd Reprint) opens the door to more inclusive participation. This is about building a more resilient, more dynamic economy across Nevada. When we invest in the success of all small business owners, regardless of their background, we invest in the future of our state. On behalf of the Asian American and Pacific Islander Chamber of Commerce and the many entrepreneurs we serve, I urge you to support S.B. 119 (R2). Thank you to Senator Neal for your leadership and thank you to the Committee for your time and commitment to Nevada's small business community.

Chair Monroe-Moreno:
Is there anyone else who would like to testify in support of the bill. [There was no one.] Is there anyone who would like to testify in opposition to the bill? [There was no one.] Is there anyone who would like to testify in the neutral position on the bill? [There was no one.] We will ask the presenter if there are any closing remarks? [Closing remarks were waived.] Then we will close the hearing on this bill and open the hearing on Senate Bill 431 (2nd Reprint).

Senate Bill 431 (2nd Reprint): Revises provisions relating to the excise tax on live entertainment. (BDR 32-692)

Senator Dina Neal, Senate District No. 4:
Senate Bill 431 (2nd Reprint) is the live entertainment tax on the secondary ticket resale market. The bill does a couple of things. There is a portion that is already in law where the Nevada Arts Council receives some funds. But this particular provision in the second reprint gives 0.25 percent of the 9 percent Live Entertainment Tax (LET) rate to the regional transportation commission, which represents $10,588,000 and some change. Then the rest of the difference on the delta of the tickets amounts to $38,954,000 to the State General Fund.

A lot of questions have been asked on whether this is double taxation. The answer is no. The way this bill is written, it is on the delta. I use the example of a Taylor Swift concert. If you go and buy a ticket at a primary site for a Taylor Swift concert for $1,000 and then you go to a secondary site and they are posting it for $11,000, then the LET will be on the delta, meaning the $10,000 that was not actually taxed. With that, I will be open for questions.

Chair Monroe-Moreno:
Thank you so much. Members are there any questions?

Assemblymember Torres-Fossett:
I just wanted to know if you experienced this when you were looking for tickets for the Taylor Swift concert, or if you just heard about it from a good friend?

Senator Neal:
I never went to the Taylor Swift concert. I just read about the high price tickets and the secondary market manipulating the tickets. And that is my answer.

Assemblymember Torres-Fossett:
Thank you for that Senator. Next time that Miss Taylor Swift is here, I am sure that we can work on this together, and we will make sure that they are properly taxed so that we can get that money in there. Thank you.

Assemblymember Backus:
Thank you so much for bringing this bill, and thank your house as well for getting it over to our side. But with respect to the new allocation, I want to look at what kind of revenue this is going to be for our state with respect to the changes implemented in S.B. 431 (R2). Do you have an idea what we are looking at potentially that could be added to our General Fund and then what that looks like as well for what would be going to the Nevada Arts Council and regional transportation commissions? I am looking to see whether you have some kind of figures that you have looked at for the next biennium.

Senator Neal:
The Nevada Arts Council each fiscal year receives a standard $150,000. I do not know if you received this table. I will break down the current economic forecast for LET for the gaming portion for the 2025-2027 biennium. The fiscal year (FY) 2026 economic forecast was $112,746,000; LET gaming for FY 2027 was $113,869,000. The additional revenue from the resale on the gaming front is $5,784,000 and some change in FY 2026, and FY 2027 on the gaming portion is $11,482,000. The distribution to regional transportation commissions (RTC) just on the LET gaming piece is $1,726,847 for FY 2026. The distribution to RTC in FY 2027 would be $3,481,000 and some change. The LET nongaming forecast is $106,549,000 in FY 2026, and $108,106,000 in FY 2027. The additional revenue from the resale on tickets for FY 2026 would be $10,655,000. The forecast is $21,621,000 for additional revenue in FY 2027. The distribution to RTC of Southern Nevada would be $1.775 million for FY 2026 and then $3.6 million in FY 2027. But the total in FY 2026 for additional revenue from the resale of tickets is $16,439,000 and some change. Additional

revenue from resale of tickets for FY 2027 is $33,103,000. The breakdown would be the subtotal of that total amount and would be $49,542,500. The breakdown based on these percentages of the 0.25 percent is $10,588,016 to RTC. The net change for the General Fund would be $38,954,333 for the 2025-2027 biennium.

Assemblymember Anderson:
Thank you for bringing forward this language. I really like it. I do have a question regarding section 13.5, subsection 4 on page 14. I noticed that it is going to the RTC for the counties with 700,000 or more. I am not asking for a change at this time, but I would like to be able to work with you about possibly helping the rest of the areas as well because I know that there are some other counties that would love to have this. But I understand where it is coming from. I also understand the lateness of our legislative session. I would just like to put on the record that I would like to work with you in the interim to try to expand it as we look at some of the other current studies that are happening for other areas of the state.

Assemblymember Watts:
This is a great idea, and I want to respond to my colleague and the Chair of the Senate Committee on Revenue. That was a different measure that adjusted the amount that goes to the Nevada Arts Council. But if members of the Committee and the sponsor are open, I know where we could get some language to adjust that figure if there is additional revenue coming in.

Senator Neal:
I thought your bill moved. It did not. Let us talk.

Chair Monroe-Moreno:
It is late in the session to have those conversations. We have a lot of work to do. Members, are there any other questions?

Assemblymember Hafen:
Senator Neal, I know you and I have talked offline a bit about this. I did want to ask if you would consider lowering the 9 percent LET. It is excessive. I did not know if you had any figures from Fiscal on what might be revenue neutral based on your proposal.

Senator Neal:
Thank you for the question. I do not currently have those documents. As you know, last session in 2023, I tried the revenue neutral strategy on LET, and there was no support for it. There is support for this.

Chair Monroe-Moreno:
The Department of Taxation did have a fiscal note on the bill. Was that addressed in the Senate Committee on Finance before coming here? If they are in the room and would like to speak to it, that would be great.

Shellie Hughes, Executive Director, Department of Taxation:
We did have a fiscal note on this bill. We did remove the fiscal note because with the second reprint, an appropriation was put into the bill to cover our costs of operation and our personnel costs.

Chair Monroe-Moreno:
Thank you so much. I only had the first reprint and just a fiscal note on the first reprint and not on the second reprint. Thank you for getting that on the record. Are there any other questions? [There were none.] I will ask you to step back, and we will invite to the table anyone who would like to testify in support of Senate Bill 431 (2nd Reprint).

Jackie Spicer, Coalition Coordinator, Nevada Environmental Justice Coalition:
I represent the Nevada Environmental Justice Coalition. On behalf of our Coalition, we are in strong support of this bill and want to thank Senator Neal for bringing it forward. Public transit is essential for our communities to connect residents to jobs, education, health care, and other critical services. We hosted listening sessions last year and partnered with the University of Nevada, Las Vegas Public Communications Initiative to survey over 1,000 Nevadans on their experiences using public transportation. People said they felt it was unreliable, unsafe, and inconvenient. Frontline communities need public transit to be improved and expanded. This is an opportunity to do that, especially when the RTC of Southern Nevada is on the brink of cutting services with their lack of funding. This bill offers a smart, equitable solution that does not raise a regressive sales tax or cost of living for working people. We urge you to please vote yes on S.B. 431 (R2).

Olivia Tanager, Director, Toiyabe Chapter, Sierra Club:
I am here in strong support of Senate Bill 431 (2nd Reprint) and appreciate Senator Neal's hard work on this. We know that the real cost of housing is the cost of housing plus the cost of transportation. The more money we can get into RTC, the more we are bringing people's cost of living down, which I know is something that you all are hearing from your constituents and something that we are working hard on. I urge your support. It would be really lovely if we could get Miss Taylor Swift to pay for Transit to Trails—two of my favorite things. With that, we urge your support and thank Senator Neal again for bringing this forward.

Tara Webster, Policy Manager, Progressive Leadership Alliance of Nevada:
We ditto all previous testimony and ask you to support Senate Bill 431 (2nd Reprint) [Exhibit D].

Peter Guzman, President, Latin Chamber of Commerce:
We ditto the previous testimony and put on record that the Latin Chamber of Commerce is in full support of this bill.

Chair Monroe-Moreno:
Is there anyone else who would like to testify in support of the bill. [There was no one.] Is there anyone who would like to testify in opposition to the bill? [There was no one.] Is there anyone who would like to testify in the neutral position on the bill? [There was no one.] We will ask the presenter if there are any closing remarks? [Closing remarks were waived.] Then we will close the hearing on this bill and open the hearing on Senate Bill 193 (2nd Reprint).

Senate Bill 193 (2nd Reprint): Establishes a pilot program to reduce interest rates on mortgage loans to certain eligible borrowers. (BDR 25-42)

Senator Fabian Doñate, Senate District No. 10:
I do not have a controversial bill this time in front of you. Senate Bill 193 (2nd Reprint) creates a pilot program to buy down interest rates on 30-year fixed rate mortgages for first-time homebuyers. The bill appropriates $10 million to the Housing Division, Department of Business and Industry to reduce the monthly mortgage payments for eligible borrowers. Individuals who would qualify for this program would be able to buy down the interest rate from their mortgage when they are in the process of purchasing their first home. By doing so, it gives first-time homebuyers a fair shot by lowering borrowing costs, reducing their month-to-month mortgage cost and stretching their home buying power.

Over the last several years, many of us have heard from our constituents that homeownership has become unattainable for way too many Nevadans, not because they are not ready, but because high interest rates make monthly payments unimaginable. In many cases, families are spending over 33 percent of their income just to keep a roof over their heads. Senate Bill 193 (2nd Reprint) seeks to establish a program that is targeted at those earning up to 160 percent of the area median income, what we have referred to as the missing middle, with some flexibility for special cases. This investment helps families stay in Nevada, build long-term financial stability, and invest in the community that they call home. It is a strategic onetime cost with lasting benefits for housing access and economic mobility.

Madam Chair, just as a final comment, the bill sets forth an allocation of $10 million as I mentioned earlier. A quick simple math, if we allocate around $10,000 per family, we expect to help around 1,000 families throughout this pilot program. The $10 million allocation is flexible and is variable. It is a number that we put in the bill as a placeholder, but it changes depending on the family and what their situation is. Some may need less than $10,000; some may need a bit more. But we anticipate around 1,000 families would benefit from this program. With that, we are happy to answer any questions.

Chair Monroe-Moreno:
Thank you. I noticed the appropriation was not in the first reprint, but it did make it into the second reprint. I had a question for the Housing Division, Department of Business and Industry on whether they could afford it, but you put the appropriation in the second reprint. The money is there. Members are there any questions?

Assemblymember O'Neill:
I understand, and I actually like the idea, but as a pilot program, usually there is a start date and an end date to see how it works out. I see the effective date, but I do not see any sunset on it.

Senator Doñate:
Thank you. Excellent question. The program will end when the money ends. We wanted to help as many Nevadans as we can with the housing crisis that we have. That is why there is no end date. Because the interest rates are high right now, speaking with the Housing Division, we can roll out the program as fast as we can so that Nevadans can take effect once we can roll out the program.

Assemblymember O'Neill:
It truly is a one-shot request. Okay. Thank you, Senator. I appreciate it.

Chair Monroe-Moreno:
If the Housing Division, Department of Business and Industry could join you at the table, I just have a quick question for them. This is going to add to your workload. Do you have any concerns with administrating this pilot program given the existing resources within your Division?

Steve Aichroth, Administrator, Housing Division, Department of Business and Industry:
The quick and simple answer is no because we already have the program set up to facilitate the use of these dollars should it be passed.

Chair Monroe-Moreno:
Perfect. Thank you so much. Members are there any questions? [There were none.] Thank you for the presentation. I will ask you to take a step back, and I will invite to the table anyone who would like to testify in support of the bill.

Trevor Parrish, Manager, Government Affairs, Vegas Chamber:
The Vegas Chamber is in support of the fiscal provisions of the bill.

Mendy Elliott, representing Nevada Housing Coalition; Nevada Rural Housing Authority; and Southern Nevada Regional Housing Authority:
We would like to thank Senator Doñate for sponsoring this legislation. For your reference, Nevada Rural Housing Authority's proven First-Time Homebuyer Program has helped thousands of Nevadans—in fact, 11,000 buyers and $4 billion in mortgages—with down payment assistance. By creating the state-level pilot program, it helps to expand affordability for working families. It is a smart, targeted investment that complements existing efforts and brings more Nevadans to homeownership. We respectfully urge your support. Your support will change the lives and the future of many Nevadans.

What is nice about the Nevada Rural Housing Authority Program and this program is that they dovetail. We provide the down payment assistance, and this program will assist to buy down the interest rate. We thank you for your time and consideration.

Chair Monroe-Moreno:
Is there anyone else who would like to testify in support of this bill? [There was no one.] Is there anyone who would like to testify in opposition to the bill? [There was no one.] Is there anyone who would like to testify in the neutral position on the bill? [There was no one.] We will ask the presenter if there are any closing remarks? [Closing remarks were waived.] Then we will close the hearing on this bill.

[Assemblymember Backus assumed the Chair.]

Vice Chair Backus:
We will open the hearing on Senate Bill 132 (1st Reprint).

Senate Bill 132 (1st Reprint): Makes an appropriation to the Nevada Clean Energy Fund for securing and implementing grants for qualified clean energy projects. (BDR S-593)

Kirsten Stasio, Chief Executive Officer, Nevada Clean Energy Fund:
I serve as Chief Executive Officer of the Nevada Clean Energy Fund (NCEF). I appreciate the opportunity to speak to you today about Senate Bill 132 (1st Reprint). It is a bill that provides a $500,000 appropriation to NCEF's programs and to Nevada's communities. I also want to thank Senator Rochelle T. Nguyen, Senate District No. 3 for sponsoring this bill. A little bit about NCEF. The NCEF is a nonprofit organization that provides financial and technical resources to implement cost-effective, market-based, clean energy solutions that help Nevadans save money. We were created in 2017 by Senate Bill 407 of the 79th Session. We began operations in 2022, and in 2023 the Legislature appropriated $1 million to NCEF. Since then, we have leveraged the state's investment by over 200:1. We have secured more than $200 million in federal, private, and philanthropic funds. We have started putting the funds to work providing financial and technical assistance to diverse Nevada stakeholders from households and affordable housing developers to local governments, tribes, schools, and small businesses.

An investment in NCEF is a smart one because it is an investment in housing, education, and in Nevada's economy. For example, our Nevada Solar for All Program will reduce household utility bills for 50,000 Nevadans over the next four years and create over 1,000 high-quality jobs with family sustaining wages. As another example, in collaboration with the Office of Energy, Office of the Governor the $3 million Commercial Property Assessed Clean Energy program helps small business owners implement energy efficiency upgrades. Our Clean School Bus program is providing 25 new electric school buses at no cost primarily to rural school districts in Nevada helping them reduce their fuel and maintenance costs and creating healthier air for our children. Programs like these are critical tools that Nevadans need in times of hardship.

An additional investment in NCEF today can ensure we make the most of limited resources available to our communities and strengthen our capacity to bring even more funding into the state to reach more Nevadans. To conclude, I would like to direct the Committee's attention to the four letters of support submitted by NCEF [Exhibit E, Exhibit F, Exhibit G, and Exhibit H]. Our letters have 21 signees who represent affordable housing developers and advocates, clean energy businesses and trade associations, community groups, and tribes. I am happy to answer any questions, and I will hand it over to Senator Nguyen.

Senator Rochelle T. Nguyen, Senate District No. 3:
I know that for the money committees, money is very tight. We see a lot of projects that come in here, and they are wonderful projects, and they all need funding. If there was an unlimited source of resources that we can invest in projects . . . I know that we are put in the terrible situation where we need to balance and figure out where our investment is best served. I cannot think of a better organization that illustrates what you can do and what we should be looking at when we are determining what types of organizations in which we should invest.

Like I said, for every $1 million that we were able to allocate, they were able to unlock $200 million in federal clean energy funding; that is not only lowering energy costs, but it is helping businesses. It is a very holistic thing. It is a smart investment. For every dollar, that means everyone in this room and every one of your constituents and everyone in this building is receiving a $200 investment and discount on their energy costs in addition to it being clean energy and clean jobs. That is why we are here.

We obviously came in here with a much larger dollar figure and through amendments, it has been reduced to that $500,000. It is up on the Nevada Electronic Legislative Information System (NELIS) for this Committee to look at. You can see what the difference is in those prices that we make in the investment on what kind of projects NCEF would be able to complete if we were to be able to make those further investments. I have asked you to consider those. We have also asked our supporters to again list in letters and submit to the Committee in an abundance of time.

Vice Chair Backus:
I appreciate that. I did notice that we had a stack of letters on our desks. Members, do we have any questions for the bill sponsor or presenter? [There were none.] I just want to note that obviously this appropriation is already included in the amendment, but it was not included in The Executive Budget, correct?

Senator Nguyen:
It was not.

Vice Chair Backus:
Thank you for the presentation. I will ask you to take a step back, and I will invite to the table anyone who would like to testify in support of the bill.

Wendy Colborne, Chief of Staff, Building and Construction Trades Council of Northern Nevada:
As I mentioned earlier, not only do we work to provide a skilled construction workforce, but we also own, operate, and develop union-built affordable housing in the Reno area. We have worked closely with the Nevada Clean Energy Fund to help ensure that projects like ours have access to the resources they need to make their affordable housing projects pencil. We work with below 30 percent area median income at our 100 percent affordable senior preference housing complex. We have seen what a difference a reduced utility bill can make for seniors on fixed incomes. The Nevada Clean Energy Fund is truly an investment in Nevada and its people. We strongly support S.B. 132 (R1) and encourage you to do the same and thank Senator Nguyen for bringing it forward.

Rose McKinney-James, Managing Principal, Energy Works LLC; and McKinney-James and Associates:
I appreciate the opportunity to appear to support S.B. 132 (R1). I am here in my formal capacity as the Chair of the Advisory Board for NCEF. I would like to express my gratitude to Senator Nguyen for bringing this measure forward. I am also here because I strongly believe NCEF is uniquely positioned to continue to advance Nevada's key energy policy goals. I recognize that you have many competing demands, but I believe that NCEF has demonstrated its capacity to become a valued and important asset for the state. It is well worth the investment that has already been described. It is contained within the appropriation request and the parameters that you have established.

I also want to recognize the excellent leadership of Kirsten Stasio as the CEO as well as an experienced professional team under her leadership. They are well equipped to provide the support that is required to advance what I believe is strong oversight, governance, and accountability. I ask for your support to assist in sustaining the work that this body has supported over the 21 sessions in which I have had the pleasure and privilege of participating.

Kanani Espinoza, representing Nevada HAND:
I am here on behalf of Nevada HAND in support of Senate Bill 132 (1st Reprint). The energy cost savings delivered through the program will enhance tenant services and diminish funding gaps, helping developers construct more of the affordable housing units the state needs. We urge the Committee to support S.B. 132 (R1) and thank you for your time.

Christi Cabrera-Georgeson, Deputy Director, Nevada Conservation League:
We are here in strong support of S.B. 132 (R1), which is one of Nevada Conservation League's top funding priorities this legislative session. An appropriation to NCEF would allow the organization to build on their successes in leveraging hundreds of millions of dollars in federal funding and private capital to unlock cost-saving, clean energy opportunities while creating good paying jobs and supporting this fast-growing industry.

I would like to point to a letter we submitted on NELIS with 26 organizations and businesses from all across the state that support this bill [Exhibit I]. Additionally, recent polling shows that 79 percent of Nevadans support continuing state funding for NCEF to help families and businesses alike with energy saving upgrades. We urge the Committee's support and thank you for your time.

Alex Tanchek, representing Pyramid Lake Paiute Tribe; Duck Valley Shoshone-Paiute Tribe; and Vitality Unlimited:
We want to thank Senator Nguyen for bringing this bill forward. The Nevada Clean Energy Fund has been a tremendous partner in helping the tribes build towards achieving energy independence, and the tribes are in strong support of this bill. Also, I am here on behalf of Vitality Unlimited, a provider of residential substance abuse treatment currently receiving technical assistance from NCEF. We value that relationship. The nonprofits also need help with their clean energy programs and would encourage your support.

Mendy Elliott, representing Nevada Housing Coalition; Nevada Rural Housing Authority; and Southern Nevada Rural Housing Authority:
I am here to express our strong support for Senate Bill 132 (1st Reprint). Rural areas often face unique challenges in accessing clean energy resources due to limited infrastructure and funding. The S.B. 132 (R1) provisions can help bridge these gaps, facilitating the development of renewable energy in underserved regions, and reducing energy costs for low-income Nevadans. We commend Senator Nguyen for sponsoring this forward-thinking legislation and urge the Committee to support the funding for S.B. 132 (R1). This bill represents a significant investment in Nevada's clean energy future. We thank you for your time and certainly your consideration.

Henry Rosas, External Affairs Manager, United Way of Southern Nevada:
In the interest of time, I will just ditto everything that has been said. As a proud partner on the Nevada's Solar for All Project, I am thankful to Senator Nguyen for sponsoring this legislation and for you all hearing it today.

Dawson Deal, representing Environmental Defense Fund:
I am here in support of Senate Bill 132 (1st Reprint). I am echoing the comments of the previous speakers.

Tim Farkas, Finance Director, Ameresco:
We are an international energy efficiency and renewable energy company. I have been getting financing for green energy projects here in southern Nevada and all over the country for almost 20 years. I was fortunate to speak on behalf of the bill several sessions ago that created NCEF. I want to reiterate what I said then, which was, there is a real gap in funding the markets that are coming out directly to serve families including low-income residents, low-income multifamilies, tribes, and small commercials. There is a robust financing industry around funding larger projects for larger entities, but there is a significant gap which NCEF is filling well, and they have come out to fill that need and they are doing it. Every

dollar that comes from the Legislature is going to be supporting jobs and saving money in a quantifiable measurable way. I support Senate Bill 132 (1st Reprint) and thank you for your time.

Vice Chair Backus:
Is there anyone one else who would like to testify in support of this bill? [There was no one.] Is there anyone who would like to testify in opposition to the bill? [There was no one.] Is there anyone who would like to testify in the neutral position on the bill? [There was no one.] I know we had guest speakers present the bill. Are we waiving closing remarks? Great. I know Senator Nguyen had to go to the floor. With that, we will go ahead and close the hearing on Senate Bill 132 (1st Reprint), and I will turn it back to our Chair.

[Exhibit J, Exhibit K, Exhibit L, Exhibit M, Exhibit N, and Exhibit O were submitted but not discussed and will become part of the record.]

[Assemblymember Monroe-Moreno reassumed the Chair.]

Chair Monroe-Moreno:
Thank you so much Madam Vice Chair. With that, we will move on to the next bill on our agenda and open the hearing for Senate Bill 262 (2nd Reprint).

Senate Bill 262 (2nd Reprint): Revises provisions relating to graduate medical education. (BDR 18-120)

Senator Julie Pazina, Senate District No. 12:
I am before you today to present a bill that I have been working on since the week that I was elected. Senate Bill 262 (2nd Reprint) means so much to me; it is a carryover from Senate Bill 350 of the 82nd Session. Graduate medical education has definitely been something that I have held close to my heart. I am fortunate to be joined here not only by Paul J. Hauptman, Dean, School of Medicine, University of Nevada, Reno (UNR), but also by a phenomenal medical student as well here in the state of Nevada who I know hopes to stay here.

I am going to give just a tiny bit of background and then discuss the fiscal portion. Nevada ranks last in the nation when it comes to the ratio of physicians to patients with about 218 physicians for 100,000 people. Again, looking at our population for 100,000 people, we only have 218 physicians. Currently, Nevada has about 403 federally funded residency positions based off of a population formula that dates back to 1997. Senator Jacky Rosen, United States Senate, and Senator Catherine Cortez Masto, United States Senate, had made efforts and urged the U.S. Department of Health and Human Services to take necessary steps to award Nevada more residency slots as recently as November of 2024. But in the meantime, we have a challenge, and we need to fix it. That is why we are here presenting S.B. 262 (R2) today.

On the fiscal side, Senate Bill 262 (2nd Reprint) is asking for an appropriation of $4.5 million for fiscal year (FY) 2026 and $4.5 million for FY 2027. Oftentimes the question is, where does that money go? I want to give you an example. I have been speaking with a number in the medical field, both from the medical school side, as well as the hospital side. A traditional obstetrics-gynecology (OB-GYN) residency startup is approximately $2.8 million each year. A traditional cardiology residency startup is approximately $1.875 million each year. I could go over a number of these programs with you. When I am looking at a $9 million price tag, that is so much money, but there is a reason for it. The reason is so we can get some of these specialties as well as some of these doctors, primary care physicians, and more that we need here in the state.

From a fiscal note standpoint, the fiscal note was removed by Department of Health and Human Services (DHHS) and Stacie Weeks, Administrator, Division of Health Care Financing and Policy, DHHS. I would love to hand it over as well to the Dean just to explain a bit more about graduate medical education (GME) and why we are here today.

Paul J. Hauptman, Dean, School of Medicine, University of Nevada, Reno:
This is an initiative that has been discussed and presented on numerous occasions. It addresses a key component of our health care workforce shortage that we have in the state. I will not belabor the statistics. You have heard some from Senator Pazina, but the data really speaks volumes. Nevada continues to rank between 45th and 49th in terms of physician supply based on specialty in the state. We have difficulty retaining our medical students because of the paucity of GME opportunities. The famous 40-60-80 rule still applies. This is data from the Office of Statewide Initiatives at UNR. Only 40 percent of Nevada medical students practice in the state. But the number goes to 60 percent for residents who train here and 80 percent—as one of the country's highest—for those who attended both medical school and residency in Nevada.

You have also heard about the widespread support this legislation has from various constituencies around the state, representing patients, hospitals, policy experts, and our students. Let us move forward together along with student loan repayment programs, which have been successful. Building our GME capacity will help us achieve UNR School of Medicine's vision and our collective vision of a healthy Nevada. I will conclude by expressing my appreciation for Senator Pazina's work in this area and her perseverance, the bipartisan support here in Carson City, and the support of the Governor. I hope that we can cross the finish line in order to start the process of growing new graduate medical education programs to meet the needs of our citizens. I would like to ask Maureen Scott, a third-year medical student at UNR School of Medicine soon to be fourth-year student and currently studying for Step 2 of her boards to address the GME issue.

Maureen Scott, Medical School Student, School of Medicine, University of Nevada, Reno:
I am entering my fourth and final year of medical school at the UNR School of Medicine. I am asking for your support of S.B. 262 (R2) as increasing Nevada's resident physician positions directly impacts my future patients and their access to health care. This next year,

I will be applying to residency programs throughout the nation. I hope to become an OB-GYN to make a difference in reproductive health care access within Nevada. While I would love to do this in my home state of Nevada, my ability to do so is unclear due to our extremely limited positions in residency in our state.

I went to medical school inspired by my own experiences growing up in downtown Reno and being affected by inadequate health care access as a young child. Nevada has not had a major overhaul of available residency positions since 1997 when I was one year old. Our population has doubled in my lifetime. This bill proposes appropriate changes to increase the number of resident physicians in our state. This is the start we need to improve health care access. Resident physicians routinely care for underserved populations as part of their education, which also uplifts their communities. Thank you for your consideration of this bill.

Senator Pazina:
Thank you so much. I cannot say it better than the two whom I am sitting in between. But I will share the reason this bill is so important to me. Knocking on doors, speaking with my neighbors—like so many who I am sure are here on the dais in this room have done and throughout the building—one of the things I heard most frequently was how hard it was to get to the doctor about concerning health conditions, whether they were concerned for themselves, for a partner, for a parent, or for a child. I had more than one of my neighbors crying on their doorstep talking about how challenging it was. I determined at that point that this was going to be an issue for me to figure out how we could keep more doctors in the state. That is how we are sitting here with S.B. 262 (R2) today. Thank you for your time, and we stand open for any questions.

Chair Monroe-Moreno:
Thank you so much and thank you for bringing this bill. Members do you have any questions?

Assemblymember Hibbetts:
Thank you, Senator, for presenting this. Forgive me if I missed this. Are you able to quantify how many GME positions are going to be able to open up for $4.5 million a year?

Senator Pazina:
I should say to give a little history, we brought Senate Bill 350 of the 82nd Session, and that was approved by this body, I believe unanimously throughout both houses. What that did was create an Advisory Council on Graduate Medical Education comprised of the deans of the medical schools throughout the state as well as a number of physicians from around the state. They would be the ones to determine which graduate medical education slots we would create. It depends; there is a huge variance of cost between creating an OB-GYN program, creating a cardiology program, or creating a rheumatology program. Depending on where they find the needs to be the most vast in the state, that would determine which programs are created. I cannot say exactly because I do not know what the committee is going to select.

Chair Monroe-Moreno:
Thank you. Members, are there any other questions? [There were none.] There have been a lot of moving parts in DHHS this session. The money committees approved transferring the GME grant program under Nevada Medicaid and the new Nevada Health Authority. What is the intent of transferring the program to the Department of Health and Human Services?

Senator Pazina:
I actually asked our Legislative Counsel Bureau (LCB) Legal Division—thank you LCB Legal Division because I owe you on so many occasions—but I asked them what the best plan would be and they said that as soon as the Nevada Health Authority comes into statute, it will automatically transport all of this into the Nevada Health Authority. I asked if I should change it to Nevada Health Authority but because the bill had not passed yet, they asked me not to do that and said it would just change in statute. That came from Asher A. Killian, Legislative Counsel, I believe.

Chair Monroe-Moreno:
But that is the intent, and we have that on the record.

Senator Pazina:
That is the intent. Yes. Thank you.

Chair Monroe-Moreno:
Thank you so much. I am not seeing any other questions. Thank you for the presentation. I will ask you to take a step back, and I will invite to the table anyone who would like to testify in support of the bill.

Patricia Charlton, Chancellor, Nevada System of Higher Education:
To be brief, I want to just encourage and urge your support of S.B. 262 (R2). This is such an important part of our health care programming and so vital for Nevadans.

Leonardo Benavides, Director of State Government Affairs and Community Engagement, Office of Government and Community Engagement, University of Nevada, Las Vegas:
I am here in strong support of S.B. 262 (R2). These are much needed GME slots here in Nevada so we can retain our medical students.

Trevor Parrish, Manager, Government Affairs, Vegas Chamber:
The Vegas Chamber is in support of this bill as this funding helps address a severe issue Nevada faces, which is our doctor shortage. We thank the bill sponsor for bringing this forward, and we urge your support of these fiscal provisions.

Jacqueline L. Nguyen, Policy Director, Nevada State Medical Association; and representing Nevada Chapters of the American College of Obstetrics and Gynecology; and Advanced Practice Nurses Association:
I also offer support testimony on behalf of the Nevada Chapters of the American College of Obstetrics and Gynecology (ACOG) and the Nevada Advanced Practice Nurses Association (NAPNA). A longstanding priority for the Nevada State Medical Association (NSMA) and our partners has been the expansion of graduate medical education in Nevada. Expanding GME is not just an ideal; it is a necessary solution to our physician workforce shortages. We are deeply grateful to Senator Pazina for making GME expansion a top priority for NSMA, ACOG, and NAPNA, and are in proud support.

Areli Alarcon, representing Touro University Nevada:
I am here on behalf of Touro University of Nevada, the largest medical school in the state. We are in strong support of S.B. 262 (R2). We would like to thank Senator Pazina for all of her hard work on this bill and her efforts to expand GME in Nevada.

Blayne Osborn, President, Nevada Rural Hospital Partners:
We are here in strong support.

Connor Cain, representing HCA Hospital Corporation of America; Sunrise Hospital and Medical Center; and Sunrise Children's Hospital:
I am here on behalf of HCA Hospital Corporation of America, Sunrise Hospital and Medical Center, and Sunrise Children's Hospital, our state's largest safety net hospital. We are also in full support.

Grace Michaelson, representing Dignity Health-St. Rose Dominican Hospital:
I am with Ferrari Reeder Public Affairs today on behalf of Dignity Health-St. Rose Dominican Hospital and their seven acute care hospitals in southern Nevada. St. Rose proudly participates in graduate medical education to increase our physician workforce, and we are in full support of this bill and would like to thank Senator Pazina for her longstanding commitment to the issue.

Damon Schilling, representing Intermountain Health:
We are in full support, and I would like to ditto everybody else who has made comments. Vote yes on S.B. 262 (R2).

Samantha Barnes, representing Roseman University of Health Sciences:
On behalf of Roseman University of Health Sciences, we would like to thank Senator Pazina for bringing this piece of legislation forward as we are excited to admit our first class of 60 medical students this summer. We are here today in full support.

Chair Monroe-Moreno:
Is there anyone else who would like to testify in support of this bill? [There was no one.] Is there anyone who would like to testify in opposition to the bill? [There was no one.] Is there anyone who would like to testify in the neutral position on the bill? [There was no one.] We will ask the presenter if there are any closing remarks? [Closing remarks were waived.] Then we will close the hearing on this bill and open the hearing on Senate Bill 104 (1st Reprint).

Senate Bill 104 (1st Reprint): Makes an appropriation to the Other State Education Programs Account for the creation and maintenance of school gardens. (BDR S-539)

Senator Julie Pazina, Senate District No. 12:
My name remains Julie Pazina. I still represent Senate District No. 12 in Clark County. I am thrilled to be back here today, this time to present Senate Bill 104 (1st Reprint), which makes an appropriation for the creation and maintenance of school gardens. With me today, we have former Senator Mo Denis, as well as Woody Worthington, Senior Director of Government Affairs and Community Engagement, Green Our Planet National Partnerships, and a special guest appearance by Hydroponics [Exhibit P]. The impetus for Senate Bill 104 (1st Reprint) stems from a growing body of research and community advocacy highlighting the positive impacts of school gardens on student learning, health, and community involvement. School gardens have been shown to improve academic outcomes particularly in science and mathematics by providing real-world contexts for learning. Such programs can promote healthy eating habits, environmental stewardship, and vocational skills. I hope you were all able to visit the farmers' market outside the building a few weeks ago.

In Nevada, with our unique desert environment, there is a need for curricula and garden models tailored to local conditions, making this legislation particularly timely and relevant. By leveraging the expertise of nonprofit organizations with proven experience, this bill seeks to ensure school garden programs are both effective and sustainable. For this particular bill, I will say this program does affect 250,000 students in the state and over 400 schools. It does have quite a large impact, and it is asking for an appropriation of $200,000 for fiscal year (FY) 2026 and $200,000 for FY 2027. This has not already been budgeted. I know that this is a big ask, but we feel that this is such an important program that touches so many students. We wanted to be here to support this program. I will hand it over in case any of my wonderful colleagues would like to share information about the hydroponics or otherwise. Then we are open for questions.

Mo Denis, representing Green Our Planet:
I wanted to point out one additional thing. The lesson plans that Green Our Planet creates to teach the Science, Technology, Engineering, and Mathematics (STEM) lessons are available to all teachers in the state of Nevada regardless of whether there is a garden in their school or not. Also, the financial literacy lesson plans are available that they have prepared. In addition to the gardening, you are also getting the lesson plans for the teachers.

Woody Worthington, Senior Director of Government Affairs and Community Engagement, Green Our Planet:
I just want to say one thing. We are in Nevada, and we are the largest school garden provider in the nation, thanks to you. Thank you so much.

Chair Monroe-Moreno:
Could you share with us what is the prop—the other speaker at the table that cannot speak for itself [Exhibit P]?

Woody Worthington:
Yes, absolutely. Thank you, Madam Chair. We brought in school gardens, not just dirt. People who live in northern Nevada have a growing season of about 60 days. This will enable the students to do year-round school gardens that are super amazing and super interactive. The kids absolutely love it. We are in 416 programs currently right now and in 16 of the 17 counties. We are working on the last county there. Like I said, there is nothing like project-based learning. Hopefully, you will vote for it.

Chair Monroe-Moreno:
Thank you so much to all three of you. The Department of Education had a fiscal note on the bill. Is anyone here from the Department to speak to the fiscal note?

Senator Pazina:
The Department did testify at the Senate Committee on Finance presentation that they will definitely reduce the fiscal note quite a bit because we were initially making a $4 million ask and moved it to $400,000. We did follow up with them to get an updated fiscal note. I have not received it or heard back yet, but they might be here. I am not seeing them, but I will continue to ask and follow up.

Chair Monroe-Moreno:
Thank you because we need to have that for the file just to make sure. They cannot answer my other question since they are not here and cannot testify to it. Members, are there any other questions? [There were none.] Thank you for what you are doing. You are in a number of schools in my district. I appreciate that. I will ask you to go ahead and step back and invite to the table anyone who would like to testify in support of S.B. 104 (R1).

Susan Keema, Executive Director, Nevada Association of School Superintendents:
We are in support of Senate Bill 104 (1st Reprint). This bill incorporates funding for school gardens, which promote legislative goals for practical STEM education in an outdoor setting with Nevada-specific curriculum. Please support this bill which provides a positive trifecta for our students.

Sheila Bray, Director of Government and Community Engagement, University of Nevada, Reno:
We too are in full support of this bill. Through extension, we work directly with Green Our Planet to continue school gardens as well as professional development for teachers. Thank you, and we support it.

Sarah Adler, representing Coalition of Independent Public Charter Schools of Northern Nevada:
I am here on behalf of the Coalition of Independent Public Charter Schools of Northern Nevada, three of whom are Title I schools. Green Our Planet has reached out to our charter schools as well here in the state. As someone who worked a long time in rural Nevada, all 15 students from the Imlay Elementary School in Pershing County were here for the farmers' market and were so excited by the learning that they have accomplished through this work. We encourage your support.

Jacqueline L. Nguyen, Private Citizen, Las Vegas, Nevada:
I am here in my personal capacity. Actually, my kids started with a Green Our Planet garden in their school from pre-K, and they just loved it. It was the highlight for all the kids. My twins actually went into middle school and started their own garden club because of that. It is a fantastic program to support.

Marco Rauda, representing United Way of Southern Nevada:
We are in support of Senate Bill 104 (1st Reprint).

Chair Monroe-Moreno:
Is there anyone else who would like to testify in support of, opposition to, or neutral on Senate Bill 104 (1st Reprint)? [There was no one.] Did you want to make any closing remarks?

Mo Denis:
Yes, we did get an email after the presentation from the Department of Education. Amelia Thibault, Management Analyst, Department of Education, said that they resubmitted a fiscal note of zero, and we will be able to get that for you. She wanted us to make sure to put it on the record that the Department of Education had removed their fiscal note.

Chair Monroe-Moreno:
Perfect. If you could forward that email to us, we will add it to the folder. With that we will close the hearing on Senate Bill 104 (1st Reprint). Moving on, we will open the hearing for Senate Bill 435 (2nd Reprint).

Senate Bill 435 (2nd Reprint): Revises provisions relating to nicotine products. (BDR 32-989)

Senator Nicole J. Cannizzaro, Senate District No. 6:
I serve as the Senator from Senate District No. 6 in the northwest portion of the Las Vegas Valley and also as your Senate Majority Leader on the Senate side. I am happy to be here with you today to present to you Senate Bill 435 (2nd Reprint). Senate Bill 435 (2nd Reprint) revises provisions relating to nicotine products. By way of background information, I want to talk a bit about why this bill exists. The use of vapor products, commonly known as e-cigarettes or vapes, has increased significantly in recent years and especially among young people. While marketed as an alternative to smoking, these products have raised public health concerns due to their appeal to minors and unknown long-term health effects. Moreover, regulatory gaps have allowed some e-cigarette manufacturers to sell products that have not gone through proper United States Food and Drug Administration (FDA) approval, or worse, intentionally avoided federal oversight altogether.

To be clear, I want to note that this bill would not alter the current structure of other tobacco products (OTP) taxation or any other tobacco tax under Nevada law. Nevada already maintains a certification process and directory for cigarette manufacturers. However, no equivalent system exists for vapor products. Senate Bill 435 (2nd Reprint) seeks to fill that gap by establishing a framework that mirrors our tobacco oversight process but is tailored specifically to the vapor product industry, ensuring that illicit vapor products are not sold in the state.

Several other states including Louisiana, Oklahoma, and Wisconsin have implemented similar directories. Those directories are also under consideration in several other states, which highlights the need for this type of legislation. Senate Bill 435 (2nd Reprint) requires manufacturers of vapor products sold in Nevada to submit a certification to the Attorney General by August 1, 2026, and each year thereafter, ensuring compliance with federal law. Senate Bill 435 (2nd Reprint) also requires the Department of Taxation to create and maintain a public directory of certified vapor products and their manufacturers. Manufacturers must also list each product's brand name, category, and flavor and pay a $6,300 fee annually. Enforcement will be conducted jointly by the Department of Taxation and the Office of the Attorney General in the form of unannounced compliance checks, seizure of illicit products, and civil penalties.

Since this is the money committee, I did want to address the fiscal impact which we also addressed on the Senate side. There is accompanying this bill, a State General Fund appropriation of just over $550,000 that will be needed to stand up the directory, and then to also allow for the Attorney General's Office to hire the necessary staff for full implementation. Moving forward, those costs would be fully funded by a combination of any civil penalties that might be incurred and also those annual registration fees and would not require further support from the General Fund. In closing, I want to thank the Committee for the opportunity to present to you Senate Bill 435 (2nd Reprint), and I would be happy to answer any questions, Madam Chair, that you or the Committee members may have.

Chair Monroe-Moreno:
Thank you so much. Members do you have any questions?

Assemblymember Hibbetts:
I apologize. I missed it. Can you tell me what the licensing fee was for the retailers?

Senator Cannizzaro:
The registration fee annually will be $6,300.

Assemblymember Hibbetts:
You said annually?

Senator Cannizzaro:
Yes.

Assemblymember Backus:
I had a quick question. I was taking a look at section 4. When we are talking about the timely filed premarket tobacco product application that is utilized in the bill, it limits the products that are marketed between August 8, 2016, and September 9, 2020. I was confused why we are not looking at products after that date or before that date.

Senator Cannizzaro:
There are also places within this bill that define products that are regulated currently by the FDA. But this relates back to those ongoing and is a more technical definition with respect to those particular applications. That is the time frame that exists for the applications that would allow for these products to be considered by the Food and Drug Administration.

Assemblymember Backus:
Okay. The intent of this is not to exclude other products with this new bill. It is only just looking at those. I was a little confused by that.

Senator Cannizzaro:
Yes, this bill would not in the way that it is structured, eliminate additional products from coming on to the marketplace so long as they were either within the course of those applications that are pending for those individuals who have that or for those companies that have that or for anything that is FDA approved. It would require for those processes to be in place, but it would not prohibit new items from coming on the market.

Assemblymember Backus:
I was just looking. I know we had somewhere, and I know we have had multiple reprints, so it is playing catch up. But when I was looking at this bill and some of the other fiscal aspects, I saw that there was going to be a revenue loss to the state. I do not know if that has been corrected with the fee that is being charged. But if you could elaborate on that, that would be helpful too.

Senator Cannizzaro:
Yes, there is still a projected reduction in OTP revenue of approximately $5.25 million over the 2025-2027 biennium. However, because nicotine products are considered inelastic goods, it is expected that any decrease in revenue would be temporary as users migrate to those new FDA products. While there might be initially some loss of revenue, which we believe may be true—and we have been working with our amazing tax staff to work through those numbers—over time I think that we would see that loss would correct itself as those products are approved, come on to the marketplace, and then users buying those products. This bill does not solve the issue of whether or not nor does this bill take a position on whether or not individuals should be using vapor products, right? It is similar to whether or not people should be smoking cigarettes, drinking alcohol, or smoking cigars, or any of these other types of products. This is more a recognition that there should be some sort of regulatory framework. While the regulatory framework might initially result in some revenue loss because that demand may continue to exist, they would just migrate to a different product that is within the directory of the approved products, if that makes sense.

Assemblymember Backus:
I just cannot help it. I will be honest, Majority Leader, I had another bill that was bringing a new product on, and I received a lot of challenges. I see this bill as another means of excluding products in the marketplace. That is where I was getting concerned, and I hope that is not what it is doing.

Chair Monroe-Moreno:
I have a question. Both the Attorney General's Office and the Department of Taxation would be reliant upon the revenue that this would bring in to support their administrative costs. It might be a better question for the agencies and not you. Have they determined that the proposed fees would be enough to support those costs?

Senator Cannizzaro:
It is a great question. I think we do have individuals from both the Department of Taxation and the Attorney General's Office who can better answer that question.

Teresa Benitez-Thompson, Chief of Staff, Office of the Attorney General:
Yes, to your question, Chair Monroe-Moreno. As we worked through the process of the bill from the first issuance of what the fiscal note would be for our Office, what the fee amount would be to cover it, the idea was that this should not be something that should be a cost to the state in the long run. It should be something that is supported by the fees. We subsequently had conversations with our fiscal staff and with the Department of Taxation to figure out how it would work. The amount of fees that you see listed in the bill, which is in section 6, is an initial fee of $6,300 for each type of vapor product and an annual renewal fee of $6,300, estimating about 300 different types of products would seek to be on the registry. That math covers the ongoing biennium expenses for our Office. I will let the Department of Taxation speak to theirs. We consider the aggregate of the two.

Shellie Hughes, Executive Director, Department of Taxation:
Mrs. Benitez-Thompson is correct. Yes, we have determined that the fees would cover our costs.

Chair Monroe-Moreno:
How many products do we currently have on the market? You had mentioned 300. Would that be an increased number? Do we know what the total number is right now of these products?

Teresa Benitez-Thompson:
I will take the first whack at it. As the language is written, the products are in different stages of approval and clearance by the FDA, the products would be around 300. It might be a bit more, but we went a bit more conservative just to make sure that we did not end up shorting ourselves. But there are a lot more on the market presently. I can let the Department of Taxation speak to that.

Shellie Hughes:
Currently we do not track how many products are out there. But according to my investigators, there are more than 300.

Assemblymember Brown-May:
You spoke to it a bit. This is a public health regulatory way to address what is happening with regard to vaping. I had an opportunity to spend a bit of time in some of the national health committees as we talk about vaping and tobacco use. I see that there is a lot of inspection from the Attorney General's Office. I am curious to know; has there been any consideration as part of this measure to address the public health information concern? How are we educating the public? Was there any consideration as you were crafting this piece?

Senator Cannizzaro:
That is a great point. Certainly, there are a number of entities that rightfully are of the opinion that there are health effects that come with the use of vapor products, just like there are health effects that come with other regulated items like cigarettes. We would love to have asked for a bunch of money for public health campaigns to talk about why it is that these sort of products—especially when it comes to young people, especially when it comes to that sort of teenage years where this seems to be something that is becoming a bigger issue—those are the ones that we are trying to deal with. But unfortunately, I think the part that did not make it as part of this particular bill was just the recognition that campaigns would cost money, and we would need folks to try to mount that campaign.

Part of this was how can we make sure that if these products are on the market and if folks are going to be using them, then we are doing something to regulate those types of items so that we do not have a bunch of items that are over marketed to young kids. The marketing that is being used includes cartoon characters and makes it look like it is something that it is not. We are very accustomed to those types of regulatory schemes, and that was really the

intent of this particular bill. I do not think that this exists outside of that conversation. It is just with respect to this particular piece of legislation that sort of fell outside of the realm of what we thought we would be able to do.

Assemblymember Brown-May:
Thank you for the clarification relative to that and for acknowledging that we are marketing to children things that could be potentially harmful. I appreciate the work that you have done relative to this and public health.

Assemblymember Watts:
You mentioned in the presentation that other states are considering or moving towards this. Do you have any additional information on what other states have either adopted or are looking at setting up as a similar framework to this?

Senator Cannizzaro:
Yes, there are some states that have implemented directories, and others that are in the process of it. There definitely has been some litigation that has attempted to take some of these things out of statute. But most of those have been overturned. Other states that do have this, as I mentioned, are Louisiana, Oklahoma, and Wisconsin. There was another one in Kentucky and so there are other states that are starting to implement the same types of directories.

Chair Monroe-Moreno:
Members, are there any other questions? [There were none.] Thank you for the presentation. I will ask you to take a step back, and I will invite to the table anyone who would like to testify in support of the bill.

John Abel, representing Las Vegas Police Protective Association Metro; and Public Safety Alliance of Nevada:
I am representing the Las Vegas Police Protective Association Metro and the Public Safety Alliance of Nevada and am representing the vast majority of law enforcement in Nevada. We thank the Senate Majority Leader for bringing this bill to help us control any of these bad vapor products that are marketed to kids. We are fully in support of the bill.

Thomas Morley, representing Laborers Local 872; Laborers Local 169; Communication Workers of America; and Teamsters Local 631:
We are in support.

Peter Krueger, Private Citizen, Reno, Nevada:
Today I am representing myself but with 20 years' experience in representing tobacco retailers and retailers in general. The Majority Leader and both the Department of Taxation and the Attorney General's Office did a great job outlining the policy part of this bill as well as the fiscal part. But I want to address why this bill is important to retailers. These are the kind of products that are out there that this bill helps to address. They are aimed at young people. I bought these three on the Reno market [Exhibit Q]. These three are all Chinese

products without any kind of oversight or control. I call the Committee's attention to what happened in Douglas County not two or three months ago where vape products were found to be laced with fentanyl. This directory helps retailers gain an even hand in knowing what they can sell and what they cannot sell. Right now, it is a wild, wild west out there. People and distributors come to a retailer, and a retailer has no way of knowing there are only about 34 products that the FDA has ever gotten around to approving. Hopefully, that will change, and it will become clearer.

But right now, this bill is essential for retailers to know what they can sell and what they cannot sell. I think one of the questions that I want to address is that the fee of $6,300 only applies to manufacturers. There is no additional cost in this bill or fee or tax on tobacco retailers. None whatsoever. That is important for the Committee to know. But once again, the important part of this is that these products that are available today would at least have to stand the test and be subject to scrutiny by the FDA and others in order to get in the Nevada directory. This bill is long overdue, and we need it to pass [Exhibit R].

Lesley Pittman, representing JUUL Labs:
Today we are in full support of Senate Bill 435 (2nd Reprint). We appreciate Senator Cannizzaro bringing the bill forward. It is imperative that alternative nicotine products introduced to the American marketplace be scientifically validated, made by manufacturers committed to following the law, and responsibly marketed and sold to adults who use nicotine and not to those under the age of 21. Unfortunately, today illegal vapor products comprise over 60 percent of the United States electronic nicotine delivery system market. Nearly all products come from China where they are largely also illegal. United States based manufacturers have spent billions of dollars investing in high quality, rigorously tested devices and liquids. On the other hand, Chinese manufacturers of illicit products have made billions of dollars by evading FDA regulation while misbranding and mislabeling their products. The problem is real. The problem is huge. You have the opportunity to address it through this legislation. We urge your support.

Adrian Hunt, Detective, Office of Intergovernmental Services, Las Vegas Metropolitan Police Department:
We are in full support of S.B. 435 (R2). This directory will definitely impact the state and our agency. We thank the Senator for building this bill and for bringing this bill forward.

Alfredo Alonso, representing R.J. Reynolds Tobacco Company:
I bring up a couple of things that are really important that I think you have heard out there. First, this does not change the tax structure at all. Whatever new products exist, whether it is large companies or small companies, they all will fall into their categories as they would normally, and that goes for the future. There should not be any concern of a unique taxing structure being created by this bill. It has nothing to do with it.

Second, obviously the illicit market is significant. It is massive in this country, and this does not solve all the problems but starts getting there just like this body did with cigarettes years ago. There is a directory for the cigarette side and for the combustible side. You are not doing anything new here. It is far overdue. Again, new products as they come in will be handled exactly the same with no different tax ramifications for anybody.

Trevor Parrish, Manager, Government Affairs, Vegas Chamber:
The Vegas Chamber is in support of the fiscal provisions of the bill. We thank the bill sponsor for bringing it forward.

Peter Guzman, President, Latin Chamber of Commerce:
I want to echo a lot of the comments that have already been mentioned, but I want to say emphatically how proud I am of the Majority Leader bringing such an important bill forward. That really sets a goal of supporting public safety and public health by giving the ability to enforce and removing illegal vaping products in Nevada, which are unregulated. This is really an important bill. I commend the Majority Leader for bringing it forward. The Latin Chamber of Commerce is in full support.

Scott Cosby, representing Core-Mark:
Chair and members, thank you for the opportunity to speak today. I am here today on behalf of Core-Mark urging you to support Senate Bill 435 (2nd Reprint), the nicotine vapor product directory bill in Nevada. Core-Mark employs over 400 Nevadans. We supply over 800 stores across the state. The warehouse is in Las Vegas, Clark County. Currently many vapor products in the Nevada market are in violation of the FDA rules. It is challenging, if not impossible for reasonable or responsible wholesalers, retailers, and consumers to determine which products are in compliance to be sold and which are not. The adoption of a vapor directory in Nevada will allow responsible distributors and retailers to know which products are fine and which ones are not. In addition to protecting consumers, the trajectory would facilitate an equal playing field for all distributors in the state to protect Nevadans from federal enforcement and selling or distributing noncompliant products.

Right now, we have no clarity and may be enforced against at any point. We need to understand what products are legal for sales and distribution. Fees and violation fines will help support the enforcement efforts needed to ensure that all distributors and retailers are only selling compliant products. We do business as I mentioned earlier in Louisiana as well where a nicotine vapor directory is already in place. We have seen the market change and believe that the directory is working to help ensure that retailers and wholesalers are selling compliant products. In conclusion, we support Senate Bill 435 (2nd Reprint) in Nevada and need a plan for all distributors and retailers. Please provide industry members with the information that they need to distribute and sell only compliant products and fund equitable enforcement of those efforts.

Chair Monroe-Moreno:
Could you restate your name for the record? When you first started speaking, we were not able to capture that.

Scott Cosby:
Scott Cosby. The last name is Cosby, like Bill Cosby.

[Exhibit S and Exhibit T were submitted but not discussed and will become part of the record.]

Chair Monroe-Moreno:
Thank you so much for joining us. Is there anyone else who would like to testify in support? [There was no one.] We will move to opposition. Is there anyone who would like to testify in opposition to S.B. 435 (R2)?

Edward Ableser, representing Philip Morris International:
Senate Bill 435 (2nd Reprint) has been introduced this year in 30 other states with provisions that have been brought forth by the Altria Group with one purpose alone and that is to limit the market on what products are sold in these states. This year, only two states have passed that law. Unlike other states, this bill includes a tax raise on vapor products in section 6, that will be passed along to consumers. Any manufacturer who supports this market grab does so because it benefits their bottom line by removing their competition.

This legislation has already been ruled unconstitutional just weeks ago by U.S. District Court Judge Stephanie Rose in stripping the Iowa Vape Registry. Currently in North Carolina, the exact same language is in court in front of a federal judge. The reason all lies in section 4 of this bill. Rather than only include FDA-approved products to be sold in the registry, this bill allows for products that are on the premarket tobacco product application (PMTA), so an application applies to products only between the dates of 2016 and 2020. That should lead you to ask why. Well, it brings back products like JUUL, even though that product was sued by this state and marketed to children because of their use and tactics towards children.

In limiting the dates to 2016 to 2020, the court has ruled it is unconstitutional because it violates the supremacy clause of the Federal Food, Drug, and Cosmetic Act (FD&C). It prohibits legal products with a PMTA and FDA similar in design from being sold in Nevada that are outside of those dates. Judge Rose stated in her argument that this bill is unconstitutional. States cannot create a scheme that is parasitic on the FD&C by conditioning sales based on FDA authorization status.

Furthermore, section 5 of the bill removes the phrase "or other substance" from the definition of vapor products in *Nevada Revised Statutes* 370.054. That is important because there are products like Sensa, which is created by R.J. Reynolds. It is a vape product without nicotine that can now be sold in Nevada without taxation. My client's concerns on this bill are that it creates double taxation. It moves the product IQOS, which is not sold in Nevada yet, into both the definition of a cigarette and the definition of a vape.

In closing, this bill is not a bill to limit illicit Chinese products which is such a horrible undertone. Moreover, most of JUUL and Altria's cigarettes are actually manufactured in China. Let us be honest. This bill is a creative way to eliminate legal and lawful competition for the benefit of a few big tobacco companies.

Josh Griffin, representing Vapor Technology Association:
First, Vapor Technology Association appreciates the opportunity not only to be here and supports many of the goals of the bill and Senator Cannizzaro's testimony. Of course, we need to have a safe, regulated industry, which ensures products are properly labeled, marketed to adult consumers, and ensures the vapor products stay out of the hands of our youth. But the bill in its current form not only does not do that, but it also inadvertently creates a flavor ban and could create an illicit black market for vapor products, which the state will have no regulatory authority over while having impact on many small businesses.

As was stated in the testimony right before me, S.B. 435 (R2) as written, would ban products that the FDA has not authorized. To date, the FDA has only authorized about 10 to 14 vaping products, all of which just happen to be owned by big tobacco. Thus, the bill will have a devastating impact on the small businesses that do not sell this limited subset of products.

Also, as it relates to some of the impacts that have been happening in these other bans, recent research from Yale University—and I will send it to the Committee, Madam Chair—discovered that in every state or municipality which banned flavored-vaping products, cigarette smoking increased not only among adults but among youth. I am going to quote from that study: "Vaping flavor restrictions lead to an additional 15 cigarettes sold for every 1 vaping pod sold." To put a finer point on it; 71 percent of the increase in cigarette sales associated with the end of flavor restrictions comes from tobacco-flavored cigarettes.

There is no question that the federal regulation the Nevada Legislature is being asked to endorse has faced intense scrutiny in federal courts. There are more than 80 lawsuits currently filed against the FDA for the implementation of the PMTA process, and recent federal appellate court decisions have declared the process illegal. The Fifth Circuit Court of Appeals declared unequivocally that the FDA's process is unlawful and opened its lengthy opinion with one stark statement: Over several years, the U.S. Food and Drug Administration sent manufacturers of flavored e-cigarettes on a wild goose chase.

Just this month, a few weeks ago in the state of Iowa, which had adopted Iowa House File 2677 largely identical to this bill, the court concluded that Iowa House File 2677 impermissibly intrudes upon the federal government's exclusive authority to enforce the FD&C Act. While Iowa will retain broad police powers to regulate the sale of tobacco products within its borders, it may not condition market access on compliance with federal authorization standards in a manner that effectively transfers the FDA's enforcement discretion to state authorities.

Like I said at the beginning, we definitely stand by and are supportive of many of these goals on curbing youth access, marketing, and advertising. We stand ready to help and continue to help in that process. That is the end of my comments Madam Chair.

Chris Finch, Owner, Vapetasia, Las Vegas, Nevada:
I oppose S.B. 435 (R2). I was born in Nevada. I have been here my entire life. The state means a lot to me. To give you an idea of who I am and what I do . . . The people before me have spoken well, and I agree with them. I am the individual party involved in the lawsuit in the Fifth Circuit Court of Appeals where we did beat the Food and Drug Administration, and the case moved on then to the U.S. Supreme Court. We are also named in the Iowa lawsuit as well as North Carolina. These items have been referenced.

This bill limits products to the ones that have PMTA approval. If we look at that list of 30 products, and we narrow it down to products that are actually sold, a lot of those products on that list are things such as batteries and devices that support but are not actual vape products or devices. If we narrow it down to devices that are actually sold, we have products such as [unintelligible] tobacco, NJOY tobacco, NJOY menthol, and a limited number of products. If you look back at the lawsuit that just happened with JUUL and NJOY, you can see that NJOY is a product that is potentially deemed to come off the market. We are left with one singular option that is currently being sold on the market today. This does eliminate and alienate all products.

There is a portion of this where legal products could then be sold that are under legal stay, but those products do not have a proof. The reason why I sued the Food and Drug Administration is simply because millions of applications including mine were denied for lack of behavioral studies, while products such as [unintelligible] tobacco get market approval lacking that same information. That is why we have been able to win; it is because of the mistakes that the Food and Drug Administration has made. This bill limits access to products and will drive people back to combustible cigarettes, which is the leading cause of preventable death in our country.

I started this in 2012. I have been doing this a long time. We reduced the rate of tobacco consumption immensely. I do not want to see it go back the other way. There are many things that were discussed here by the house and by the Majority Leader such as Louisiana. I am also registered in Oklahoma, which has refused to enforce this because they could not figure out how to put this whole thing together. Louisiana is another state that is a mess. They have black market issues and problems with things making it on the registry that are not supposed to be there. Oklahoma has the same issues. Tons of products are making it on the registry that are not supposed to be there, and they are having a hard time figuring it out.

The reality of it is the Food and Drug Administration does not release a list. To discuss some of the points on this bill that are I feel problematic, we discuss about $6,300 a year. So, $6,300 a year is a per stock keeping unit (SKU) fee. They consider it a product fee, right? Big tobacco makes a product with one nicotine strength, and some products are two nicotine strengths. These products are designed where if you adopt them, you have no choice but to

buy these nicotine strengths and that is it, which is typically 5 percent nicotine or 2.5 percent nicotine. I make products in my products that are protected by legal stay anywhere from 5 percent nicotine, 2.5 percent nicotine, and all the way down to 0 percent; six different nicotine strengths in each product, right? So, each flavor . . .

Chair Monroe-Moreno:
Sir, could you wrap up your testimony? Anything else that you have, if you send it to the Committee in writing, the members will get it.

Chris Finch:
Yes. 100 percent. To wrap this up at $6,300 a SKU fee, this would cost me over $600,000 annually as a small business to have 16 of my legal products, which I have more, right, but if I took a sample size of 16 of my products that are available, it would cost me over $600,000 a year to participate in this.

Chair Monroe-Moreno:
Thank you so much. The next person at the table, you can go ahead and get started.

Scott Stevenson, Private Citizen, Las Vegas, Nevada:
I am a Nevada resident. I work in the vapor industry here in Nevada as well for BM Vape and Smoke with locations across the state, employing residents across the state as well. I urge you to reject this bill, S.B. 435 (R2), for three critical reasons. The first is the budget issue. With Nevada's $191 million shortfall including a $160 million hole in education, this bill would trade tens of millions of dollars of vapor excise tax revenue for just a pittance in registration fees. This policy decision is a budget mistake. We cannot afford to give up millions in dependable revenue for pennies on the dollar, especially during this fiscal time.

The second reason is this bill shifts market power away from small Nevada businesses and towards a handful of out-of-state manufacturers. These are the same manufacturers that are better positioned to navigate this registry. Hundreds of Nevada retailers, many of whom depend on vapor products for more than half of their revenue, could be forced to close or downsize dramatically and drastically. This means fewer jobs, fewer paychecks, plus less tax revenue for Nevada.

The third reason is this is not a health bill. Health groups oppose this bill. The American Heart Association has spoken out against it; the Nevada Tobacco and Smoke-Free Coalition has spoken out against it as has the Nevada Chronic Care Collaborative. They have all rejected it. As KRNV reported, the American Heart Association lobbyists said product registry diverts attention from policies that actually work. Users will not migrate to new FDA-approved products. They will go back to cigarettes, and studies have proven this.

The bill's foundation is legally unstable. As mentioned previously, a vape registry of this kind has been struck down as unconstitutional. It relies on the FDA's PMTA process, which is currently being challenged in federal court. If the challenge succeeds, the entire framework collapses, and the state faces costly litigation.

Nevada's financial stability, and I say this as a resident here, and the livelihoods of our local workers are at stake. This bill asks us to trade millions in tax revenue for a policy that disproportionately benefits a few large companies creating a monopoly for big tobacco while hurting small businesses. Please vote no on S.B. 435 (R2) and keep Nevada's priorities where they belong protecting our jobs and our budgets in our communities.

Manny Hilkey, Private Citizen, Henderson, Nevada:
I am born and raised in Las Vegas. I have been in this industry for 12 years. I have probably helped hundreds of thousands if not millions of people quit smoking and reduce nicotine. I oppose S.B. 435 (R2) for several reasons. I am also one of the many small business owners that this would affect. I have four locations across the valley, and I employ 20 to 30 longtime employees. Most of these people have been with us since we started. They also have families as well. This bill will affect hundreds if not thousands of small businesses in Nevada and tens of thousands in Nevada just in employment alone.

This will eliminate a large portion of sales revenue for over 600 stores just in the Las Vegas Valley and many more throughout the state. All of these businesses are locked into leases, and for my partners and I, we are locked into five leases that are anywhere from three-to-five years long. All of these are personally guaranteed. When you come to retail, they usually want small businesses to personally guarantee these leases. This bill will cripple our businesses and force us out of our leases, which cost all of us small businesses up to 600 if not thousands in Nevada. It will also cost thousands of amazing employees their jobs and affect all of their families' lives.

I cannot speak for the other businesses, but our shops have paid Nevada about $150,000 in taxes just this last quarter. This is not including the wholesale tax of 30 percent for OTP products that we paid our distributors. I believe S.B. 435 (R2) is going to cost the state millions of dollars in tax revenue as well as having a major impact on thousands of Nevada small businesses.

There are just simply not enough approved products for people to turn to, and thousands of us are going to go out of business because of this because we cannot sustain by selling one or two products. This is not in my notes, but what I did notice is that people are not going to go back to vaping or using other products for big tobacco. What big tobacco does is they give big box retailers a good price. Then when we try to go direct to them, our price is ridiculously high. Our cost is actually often more than the retail cost of stores and things like that.

If this was an actual public health and epidemic of child use, I have two teenage kids myself and almost ten teenage nieces and nephews with whom I am close. Out of all people, I can understand protecting our kids and how to keep it out of their hands.

Chair Monroe-Moreno:
Thank you so much for your comments. If you would like to submit the remainder of your comments to the Committee in writing, that would be wonderful. We can move on to the next person.

Jamie Reza Homampour, Owner, Blue Diamond Vapors, Las Vegas, Nevada:
I am here today because I want to dispel some of the misinformation about S.B. 435 (R2). This bill is an obfuscation, and one of the things that we heard earlier today was that the FDA does not enforce, or it has a minimal enforcement. But I am a small business owner; I deal with the FDA directly. The FDA sent us a letter in 2023 regarding a product that they wanted removed from the market in its entirety. That journey cost about $20,000 and involved me, the FDA, our counsel, Cox Communications, GoDaddy, InMotion Hosting, Visa/Mastercard, Casio Payments, and several other people.

The FDA was just in my store this April about six weeks ago. I have seen the FDA in my store more times in the last two to five years than I have ever seen a tobacco inspector or somebody looking to see whether or not my employees check identifications. The FDA does enforcement. On May 25, 2025, they sent out 55 new letters that will start around like this when I wanted to switch credit card processors. At the start of this year, I had to provide all of that information once again because you go into a database where credit card processors realize that you may have challenges.

One of the things that is important to understand about the way the FDA enforces is that it has to follow the framework, and it has to understand its litigation. Yes, there is a cigarette registry. There is no doubt about it. But what we are failing to understand is that the Tobacco Control Act passed in 2009; it is finished but the rules that govern the vape space are not done; they are being litigated constantly. We are not prepared to establish a framework to create a registry because we do not know what those rules will look like when the dust settles.

No one wants an unregulated market. Nobody wants children to vape; everybody wants responsible owners. What I am asking of you is to understand that this is not an attempt to create a registry similar to cigarettes because we are not ready there. What I need you to understand is the FDA does enforcement. I am a Nevada small business owner. I am living proof of that enforcement. You can Google my name. You can see the FDA's response and my responses to them. I am still in business. I did not get shut down because I followed the rules, and I complied. At the end of the day, what this bill is going to do is close us and hand our businesses to big tobacco.

Chair Monroe-Moreno:
Do we have anyone else who would like to testify in opposition to S.B. 435 (R2)? [There was no one.] We will move to neutral. Is there anyone who would like to provide neutral testimony on S.B. 435 (R2)?

Teresa Benitez-Thompson, Chief of Staff, Office of Attorney General:
The fiscal note that you are going to see is coming from our Office of the Attorney General. It is specifically regarding section 21.5, which is for the next 2025-2027 biennium, and is the amount of dollars that are going to be needed in order to stand up the program. From there, per section 6, is a licensing fee that will cover the effects on future biennia. This is what the Office would need in terms of resources: a senior deputy attorney general, a deputy attorney general, a legal researcher, a legal secretary, an administrative assistant, 12 part-time aides for section 19 youth enforcement, and 4 criminal investigators for enforcement otherwise. That is how we built the fiscal note. That is what the fiscal note parts are on.

Chair Monroe-Moreno:
Thank you so much for that. Do you believe the fees that would be paid by the vendors would cover the future biennium cost to your Office?

Teresa Benitez-Thompson:
Yes. As we thought about how if the bill became policy and we were able to move forward, we staggered the start dates in the bill for when the registry would be stood up and onboarding the staff to create the registry and then having compliance come a year after. The investigators are coming a year after so that we could have the right kind of runway for this.

Chair Monroe-Moreno:
Is there anyone else who would like to testify in the neutral position on S.B. 435 (R2)?

Gregory Conley, Private Citizen:
I will be speaking in opposition. I am an attorney and a former nonprofit executive who has spent more than a decade working on nicotine and tobacco policy. I am here today to respectfully urge you to reject S.B. 435 (R2). It is a sloppily drafted bill that will benefit Altria, JUUL, and R.J. Reynolds Tobacco Company to the detriment of small businesses and adult consumers. This bill would create a de facto ban on the vast majority of vaping products used by this state's 200,000 adult vapers. These are not fringe items; they represent the core of what adults in your district actually use as an alternative to cigarettes.

Let us be clear. This bill is not about stopping shadowy figures in China. If it were, the sponsors would have embraced a compromise like Tennessee's, which will continue to allow products with American-made liquids manufactured in FDA-registered facilities while targeting foreign-made products that the FDA has a harder time getting their hands around. Instead. S.B. 435 (R2) bans thousands of products that have demand in the market today while clearing a protected path for big tobacco's unpopular cigarette-flavored devices.

Nowhere in this country have proponents for these bills brought forth a state regulator to testify to the success of these laws. There is a reason for that. There are none. As the gentleman from your local small business Vapetasia noted, Louisiana, Alabama, and Oklahoma—their registries are all messes. This is not the kind of sweeping high-cost proposal that should be rushed through in the final days of session when lobbyists are crowding out concerned constituents in Carson City. If this bill reaches the Governor's desk,

I hope he will agree it reeks of something unseemly, and veto it, but it should not come to that. Today, you could decide to let us not criminalize small businesses, limit adult options, and double down on failed regulatory policy at the federal level. If you happen to ban cartoon characters . . .

Chair Monroe-Moreno:
Thank you so much. If you would please submit the remainder of your testimony to the Committee in writing. Thank you for joining us today. We will move the last caller's testimony to opposition. Do we have anyone else who would like to testify in neutral? [There was no one.] We will ask the sponsor of the bill whether there are any closing comments?

Senator Cannizzaro:
I have some brief notes that I wanted to make for the Committee. First, the fee that is provided for in Senate Bill 435 (2nd Reprint) is a fee that is paid by manufacturers, not by the individual retailers. I know there was some testimony about that, and I wanted to clarify who is actually going to be paying that particular fee. When it comes to some of the court cases that have been discussed, a majority of courts have upheld the state's right to regulate the use of vapor products. Primarily, the state of Nevada absolutely does. I think one of the differences with the Iowa court decision is that the state of Nevada does have the absolute authority to allow for regulation when it comes to safety and welfare in the state and to also adopt any other federal recommendations that might be coming. If something is regulated by the FDA, which these products are, that is something that the state of Nevada absolutely could adopt. In Iowa, one of the pieces of that particular case, which is just still in its first iteration in the trial courts and so subject to appeal, is that they found that the state did not have the authority to be able to do that regulation.

The other thing that came up in some of the testimony was the rejection of certain applications with the FDA. The United States Supreme Court just in April issued a decision that was unanimous that said that the FDA actually can implement that process, and that process is valid for the approval of those products through the FDA and was not arbitrary or capricious. That model that exists as a basis of a potential litigation has been answered by the United States Supreme Court.

The other part I wanted to answer is two brief things. First, other states that do have directories have a number of products on the market. To give you an idea of that, in Louisiana it is about 400 products and in North Carolina it is about 500 products. There are a lot of products that end up on the marketplace even with regulation. The important piece we always hear whenever we are trying to regulate something or how we draw those regulations is, are you creating some sort of black market? I would argue that in Nevada over 60 percent of the items that are currently being sold are actually products that are not regulated in any form or fashion. That in and of itself is a black market that we are putting out in actual retail stores and selling to Nevadans.

The whole point of this legislation was to create a mechanism and a scheme for which we can engage in regulation. The state of Nevada absolutely has the authority to do so. The way in which this bill was drafted does not fall afoul of some of the other pieces in litigation that we have seen because I do believe that we have that authority. With that Madam Chair, I appreciate the time, and certainly if any members of the Committee have any questions after this, I would be happy to provide any information or answer any of them. Again, just thank you for the time on this busy day.

Chair Monroe-Moreno:
No problem. Thank you for being here. With that, we will close the hearing on S.B. 435 (R2) and we will open the hearing on Senate Bill 468.

Senate Bill 468: Makes an appropriation to the State Public Charter School Authority for the transportation of pupils enrolled in charter schools. (BDR S-1197)

Melissa Mackedon, Executive Director, State Public Charter School Authority:
I am here to present Senate Bill 468, which appropriates $17 million in State General Funds to the State Public Charter School Authority to fund transportation services for students enrolled in public charter schools both within the State Public Charter School Authority (SPCSA) portfolio as well as in other portfolios. This funding was originally recommended to be included in the Pupil-Centered Funding Plan (PCFP). However, during the PCFP budget closing, this funding was removed to instead be provided as onetime funding to the State Public Charter School Authority.

The SPCSA intends to award the transportation funding in accordance with *Nevada Revised Statutes* 388A.3936 on a competitive basis using a structured application and predetermined scoring rubric to select schools that will receive funds and allocate the amounts eligible for reimbursement. The priority for awards will be first the maintenance of existing services for those schools that implemented transportation over this current biennium. Second is to new transportation programs with preference given to Title I schools. Third is expansion of existing transportation programs. With that, I am happy to answer any questions the Committee may have.

Chair Monroe-Moreno:
Members, are there any questions?

Assemblymember Mosca:
Thank you for the list. That is really helpful. My questions were what was the uptake in this past fiscal year of the transportation from the funds from last session? And how much of those were Title I schools?

Melissa Mackedon:
We allocated $7 million each year of the biennium. This year we actually did not have enough money to allocate to everyone who needed it. We allocated every single bit of it. Over $5 million has been spent today, and we anticipate less than $60,000 will be spent by the end of the fiscal year. This was a good use of the funds. There were 23 different charter holders servicing 27 campuses, and of those, 87 percent are Title I schools.

Assemblymember Backus:
My question is there are the 27 campuses. How many others over and above that do you anticipate would be interested? What I am concerned about is that is the second in priority and it is prioritizing these first 27 campuses above other campuses that wish to secure financing or funding for transportation.

Melissa Mackedon:
Great question. One of the things about prioritizing those campuses is in their initial grants over the last two years there were a lot of capital expenses where they were buying. They have bought over 50 vehicles, buses, vans, et cetera. Those schools that are already operating will not need to buy new vehicles. Maintaining their programs will not be as expensive as that initial ask was. We think it will actually free up more money. We are in the process of collecting that information right now and what their maintenance of those programs will be. But we certainly recognize that we have five new schools that are supposed to be opening all of which should be Title I in the coming school year. Of course, we want this money to be available to them, but we do believe it is going to free up some funds. The maintenance piece will free up some of those dollars to then go toward these other new schools coming on board and buying their vehicles. Then the next year they will not need to buy the vehicles; they just need to maintain them. That will free up money that way.

Chair Monroe-Moreno:
Members are there any other questions. [There were none.] This appropriation of the $17 million for fiscal year 2026 was included in The Executive Budget. Members you will not see a fiscal note associated with this. It is strictly an appropriation. Thank you for the presentation. I will ask you to take a step back, and I will invite to the table anyone who would like to testify in support of the bill.

William Horne, representing Charter School Association of Nevada:
We stand in strong support of this bill.

Sarah Adler, representing Coalition of Independent Public Charter Schools of Northern Nevada:
I want to share with you a couple of things. Of the six schools that are in our Coalition, two of them have used this and both are Title I schools. They are using this as an important means of supporting the families who have chosen their school when they confront something like illness in a single-parent family who is unable to get the child to school. The family may communicate with the school, and then the school can go and pick up the child in the vehicle they bought through this program. Also, other schools in our Coalition have now

learned from their fellows and are seeking to use this funding in the future. This is definitely not enough funding for a charter school to create a comprehensive transportation program so that they now become district-like in their ability to provide transportation, but it reduces chronic absenteeism and provides a lot of family support. We urge your support for the measure.

Chair Monroe-Moreno:
Thank you so much. Is there anyone else who would like to testify in support of this bill? [There was no one.] Is there anyone who would like to testify in opposition to the bill?

Tami Romo, Private Citizen:
Hi there. I am actually calling in support. I hit the button just a little too late. I am voting in support of the transportation getting to the schools. It looks like the monies have already been set aside from the State General Fund. Anything to help support the charter schools is a great start.

Chair Monroe-Moreno:
Thank you so much for joining us and we will move your testimony to support. Is there anyone who would like to testify in opposition to Senate Bill 468. [There was no one.] We will move to neutral. Is there anyone who would like to provide neutral testimony on S.B. 468. [There was no one.] We will ask the presenter if there are any closing remarks? [Closing remarks were waived.] We will close the hearing on Senate Bill 468.

Members, that brings us to the last item on the first agenda for today, and that is public comment. If we have anyone in the room who would like to make public comment, we invite you to the tables in Carson City and Las Vegas or on the phone lines. [There was no one.]

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Members, there may be a second agenda posted so keep an eye out for that. I know there are a few other committees holding hearings right now, and then we are going back to the Assembly floor. If we come back, it would be after floor session, but we will let your attachés know if the second agenda gets posted.

There being no further business before the Committee, this meeting is adjourned [at 2:41 p.m.].

RESPECTFULLY SUBMITTED:

_____
Janice Wright
Committee Secretary

APPROVED BY:

_____
Assemblymember Daniele Monroe-Moreno, Chair

DATE: _____

EXHIBITS

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
S.B. 422 (R2)	C	Emily Persaud-Zamora, Executive Director, Silver State Voices	Registration numbers
S.B.431 (R2)	D	Tara Webster, Policy Manager, Progressive Leadership Alliance of Nevada	Letter in support
S.B. 132 (R1)	E	Kirsten Stasio, Chief Executive Officer, Nevada Clean Energy Fund	Letter in support from Tribal Clean Energy Program partners
S.B. 132 (R1)	F	Kirsten Stasio, Chief Executive Officer, Nevada Clean Energy Fund	Letter in support from community partners
S.B. 132 (R1)	G	Kirsten Stasio, Chief Executive Officer, Nevada Clean Energy Fund	Letter in support from affordable housing developers and advocates
S.B. 132 (R1)	H	Kirsten Stasio, Chief Executive Officer, Nevada Clean Energy Fund	Letter in support from clean energy businesses and trade association partners
S.B. 132 (R1)	I	Christi Cabrera-Georgeson, Deputy Director, Nevada Conservation League	Letter in support from Nevada Conservation League and 26 partners
S.B. 132 (R1)	J	American Lung Association and other health care providers and health care professionals	Letter in support
S.B. 132 (R1)	K	Dr. Mary L. House, Chief Executive Officer, Caring, Helping, and Restoring Lives, Inc.	Letter in support
S.B. 132 (R1)	L	Mary Wagner, Nevada Field Organizer, Moms Clean Air Force	Letter in support
S.B. 132 (R1)	M	Audrey Peral, Program Director, Chispa Nevada	Letter in support
S.B. 132 (R1)	N	Pastor Marlon Anderson, Community Organizer Director, Faith Organizing Alliance/The Organizing Alliance	Letter in support
S.B. 132 (R1)	O	Chéri Smith, President, Chief Executive Officer, Alliance for Tribal Clean Energy	Letter in support
S.B. 104 (R1)	P	Senator Julie Pazina, Senate District No. 12	Photo of hydroponics
S.B. 435 (R2)	Q	Peter Krueger, Private Citizen, Reno, Nevada	Photo of e-cigarette products

S.B. 435 (R2)	R	Peter Krueger, Private Citizen, Reno, Nevada	Testimony in support
S.B. 435 (R2)	S	Jason Woodard, representing Nevada Sheriffs' and Chiefs' Association	Letter in support
S.B. 435 (R2)	T	Aviva Gordon, Chair, Legislative Committee, Henderson Chamber of Commerce and, Emily Osterberg, Director of Government Affairs, Henderson Chamber of Commerce	Letter in support