

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

**Eighty-Second Session
February 20, 2023**

The Committee on Ways and Means was called to order by Chair Daniele Monroe-Moreno at 11:14 a.m. on Monday, February 20, 2023, Room 3137 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4412E of the Grant Sawyer State Office Building, 555 East Washington Avenue, 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/82nd2023.

COMMITTEE MEMBERS PRESENT:

Assemblywoman Daniele Monroe-Moreno, Chair
Assemblywoman Shea Backus, Vice Chair
Assemblywoman Natha C. Anderson
Assemblywoman Tracy Brown-May
Assemblywoman Jill Dickman
Assemblywoman Michelle Gorelow
Assemblyman Gregory T. Hafen II
Assemblywoman Sandra Jauregui
Assemblywoman Heidi Kasama
Assemblyman Cameron (C.H.) Miller
Assemblyman P.K. O'Neill
Assemblywoman Sarah Peters
Assemblyman Howard Watts
Assemblyman Steve Yeager

COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

None



STAFF MEMBERS PRESENT:

Sarah Coffman, Assembly Fiscal Analyst
Brody Leiser, Assembly Chief Principal Deputy Fiscal Analyst
Cynthia Ihejirika, Committee Secretary
Janet Osalvo, Committee Assistant

OTHERS PRESENT:

None

Chair Monroe-Moreno:

[Roll was taken, and Committee rules and protocol were discussed.] We are here today for a work session on Assembly Bill 152 and Senate Bill 124 (1st Reprint). Sarah Coffman, Assembly Fiscal Analyst, will present A.B. 152.

Assembly Bill 152: Makes an appropriation to restore the balance in the Reserve for Statutory Contingency Account. (BDR S-909)

Sarah Coffman, Assembly Fiscal Analyst:

Assembly Bill 152 was heard on February 17, 2023. This bill makes an appropriation to restore the balance in the reserve for the Statutory Contingency Account in the amount of \$42,139,109. That amount includes \$9,489,109 to restore the balance of the account, \$30 million to fund a settlement with the Department of Corrections, and \$2,650,000 to fund a settlement with the Nevada Wellness Center. Amy Stephenson, Director, Office of Finance, Office of the Governor presented the bill. There were no individuals who testified in support of, in opposition to, or neutral on A.B. 152, and there are no amendments to this bill.

Chair Monroe-Moreno:

Are there any questions from Committee members? [There were none.] I will entertain a motion for this bill.

ASSEMBLYWOMAN BACKUS MADE A MOTION TO DO PASS
ASSEMBLY BILL 152.

ASSEMBLYWOMAN JAUREGUI SECONDED THE MOTION.

Is there any discussion on this bill? [There was none.]

THE MOTION PASSED UNANIMOUSLY.

I will take the floor statement for this bill. We will close the work session on A.B. 152. We will now move to the work session for Senate Bill 124 (1st Reprint) and Sarah Coffman will present this bill.

Senate Bill 124 (1st Reprint): Revises provisions relating to the tax upon the net proceeds of minerals and royalties of mining operations. (BDR 32-908)

Sarah Coffman, Assembly Fiscal Analyst:

Senate Bill 124 (1st Reprint) was heard on February 17, 2023. The bill, as amended by the Senate, revises and clarifies existing provisions pertaining to money received by county school districts from the tax on net proceeds of minerals and royalties of mining operations and the requirement to transfer such money to the State Education Fund. The bill moves the expiration date for the requirement for entities to make advanced payments for the portion of the tax on net proceeds of minerals and royalties for mining operations to the State General Fund based on estimates for that current calendar year. The date change is from June 30, 2023, to June 30, 2022.

Michael Nakamoto, Chief Principal Deputy Fiscal Analyst, Fiscal Analysis Division, presented on this bill, as well as Bryan J. Fernley, Legislative Counsel, and Asher A. Killian, Chief Deputy Legislative Counsel. There was one individual, Chris Daly, Deputy Executive Director, Government Relations, Nevada State Education Association, who testified in support of this bill, and one individual, Nikki Bailey-Lundahl, Director of Government Affairs, Nevada Mining Association, who testified in neutral on this bill.

Please note that there is a proposed amendment, "Proposed Amendment 3521 to Senate Bill No. 124 First Reprint," dated February 19, 2023, [[Exhibit C](#)] for this bill. The proposed amendment was requested by Chair Monroe-Moreno and changes wording in section 2, subsection 3 from "budgeted" to "actual" for the purposes of calculating the ending fund balance.

Chair Monroe-Moreno

Are there any questions from Committee members?

Assemblyman Hafen:

I have two questions. First, what will the fiscal impact of the proposed amendment be when switching from budgeted to actual?

Sarah Coffman:

We have not calculated the fiscal impact. It was brought to our attention by the Department of Education that when the bill was submitted to the Senate, there was a provision that identified the actual ending fund balance, and it conflicted with the budgeted calculation in section 2, subsection 3. To make sure we were meeting the provisions that required "actual," the "budgeted" word was changed to make the wording conform to the bill.

Assemblyman Hafen:

My second question concerns the reserve amounts being held by four county school districts. What were the additional funds the four counties were holding? Did we get a response from those individual school districts yet?

Sarah Coffman:

I believe you are referring to the net proceeds of minerals that were being clawed back. Is that correct?

Assemblyman Hafen:

Correct, the reserves in excess of the 16.6 percent after fiscal year (FY) 2020.

Sarah Coffman:

That is a different net proceeds of minerals issue. However, there was one county, Eureka County, that was outstanding in its payment to the school district. I cannot recall the actual outstanding amount, but I will follow up with you.

Assemblyman Hafen:

I was referring to Esmeralda, Lander, White Pine, and Storey counties. They are the counties that will be affected by the 16.6 percent change in this bill. The question was why do the counties have those funds and what is the intended use of those funds? Did we hear from the school districts about that excess?

Sarah Coffman:

We have not received a response from the school districts regarding that matter.

Assemblyman O'Neill:

I want to make sure I understand the impact to the State General Fund this year and next year if the bill passes.

Sarah Coffman:

If this bill passes, it will change the prepayment date to FY 2024. This means there will be a hole in the State Education Fund because mining companies are going to prepay FY 2024 in March 2023. The State General Fund would receive that funding; however, with this change, there would be a reduction to the State General Fund of \$70.3 million in FY 2023. That payment would then be made to the State Education Fund in FY 2024. As it stands right now, the State Education Fund would not be receiving \$70.3 million in FY 2024. With this piece of legislation, the State General Fund would be incurring the impact, and there would be a \$70.3 million reduction to what was forecasted by the Economic Forum for net proceeds of minerals.

Assemblywoman Jauregui:

I want to make sure I am hearing this correctly. If this bill is not passed, there will be a hole in the State Education Fund of \$70.3 million for FY 2024. Is that correct?

Sarah Coffman:

Yes, that is correct. The State General Fund would maintain the \$70.3 million in FY 2023. The prepayment would take place in FY 2023 which means the FY 2024 payment for the State Education Fund would not occur in 2024. Ultimately there would be a reduction for the State Education Fund.

Chair Monroe-Moreno:

Are there any other questions from Committee members? [There were none.] I will entertain a motion to amend and do pass as amended S.B. 124 (R1).

ASSEMBLYWOMAN BACKUS MADE A MOTION TO AMEND AND DO PASS AS AMENDED SENATE BILL 124 (1ST REPRINT).

ASSEMBLYWOMAN JAUREGUI SECONDED THE MOTION.

Is there any discussion on this bill? [There was none.]

THE MOTION PASSED. (ASSEMBLYMAN HAFEN VOTED NO.)

I will take the floor statement for this bill. We will close the work session on S.B. 124 (R1). I will now open the meeting for public comment. [There was no public comment.]

This meeting is adjourned [at 11:26 a.m.].

RESPECTFULLY SUBMITTED:

Cynthia Ihejirika
Recording Secretary

Carmen Neveau
Transcribing Secretary

APPROVED BY:

Assemblywoman Daniele Monroe-Moreno, Chair

DATE: _____

EXHIBITS

[Exhibit A](#) is the Agenda.

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

[Exhibit C](#) is Proposed Amendment 3521 to Senate Bill 124 (1st Reprint), dated February 19, 2023, submitted and presented by Sarah Coffman, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau.