

**MINUTES OF THE
SENATE COMMITTEE ON REVENUE AND ECONOMIC DEVELOPMENT**

**Eighty-second Session
March 7, 2023**

The Senate Committee on Revenue and Economic Development was called to order by Chair Dina Neal at 1:05 p.m. on Tuesday, March 7, 2023, in Room 2149 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Dina Neal, Chair
Senator Fabian Doñate, Vice Chair
Senator Pat Spearman
Senator Heidi Seevers Gansert
Senator Carrie A. Buck

GUEST LEGISLATORS PRESENT:

Senator Roberta Lange, Senatorial District No. 7

STAFF MEMBERS PRESENT:

Michael Nakamoto, Chief Principal Deputy Fiscal Analyst
Christian Thauer, Deputy Fiscal Analyst
Connie Summers, Committee Secretary

OTHERS PRESENT:

Sarah Adler, Founder, National Alliance on Mental Illness Western Nevada
Char Frost, Chair, Clark Regional Behavioral Health Policy Board
Robin V. Reedy, Executive Director, National Alliance on Mental Illness Nevada
Abbey Bernhardt, National Alliance on Mental Illness
John D. Soloman
Trinh Dang, Executive Director, National Alliance on Mental Illness Southern Nevada
Dan Rumelt

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Kathie Klass

Sara Mahler

Sandy Stamates, Member, Washoe Regional Behavioral Health Policy Board;
Volunteer, National Alliance on Mental Illness

Scot Rutledge, Board Chair, Hopelink of Southern Nevada

Serena Evans, Nevada Coalition to End Domestic and Sexual Violence

Katherine Bakst, Founding Board Member, National Alliance on Mental Illness
Western Nevada

Angela Tollison

Ashley Floyd, Program Director, National Alliance on Mental Illness Southern
Nevada

Regis Whaley, Director of Advocacy and Research, Three Square Food Bank

Roxanne DeCarlo, Executive Director, The Empowerment Center

Joan Hall, President, Nevada Rural Hospital Partners

Jimmy Lau, Dignity Health-St. Rose Dominican

Elyse Monroy-Marsala, Nevada Psychiatric Association; Nevada Primary Care
Association

Barry Cole

Hope Tingle

Valerie Haskin, Coordinator, Rural Regional Behavioral Health Policy Board

Marco Rauda

Laura Yanez, Executive Director, National Alliance on Mental Illness Western
Nevada

Heidi McKendree, Deputy Executive Director, Reno Housing Authority

Sean O'Donnell, Executive Director, Foundation for Recovery

Ben Iness, Coalition Coordinator, Nevada Housing Justice Alliance

Janine Hansen, State President, Nevada Families for Freedom

Richard Schock

Dylan Keith, Vegas Chamber

Wiselet Rouzard, Deputy State Director, Americans for Prosperity

Vinson Guthreau, Executive Director, Nevada Association of Counties

Richard Nagel

Keith Lynam, Nevada Realtors

Azim Jessa, Nevada Realtors

Thomas Blanchard, State President, Nevada Realtors Association

Ronald Najarro, State Director, Americans for Prosperity

Susan Proffitt, First Vice President, Nevada Republican Club

Al Rojas

Marcos Lopez, Nevada Policy Research Institute

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Amy Meedel

Cyrus Hojjaty

Jim DeGraffenreid, Nevada Republican Party

Aerna Cardeas

Amanda Morgan, Executive Director, Educate Nevada Now; The Rogers
Foundation

Matthew Morris, Holland & Hart

Nick Schneider, Vegas Chamber

Craig Madole, CEO, Nevada Chapter, Associated General Contractors

Ashley Cruz, Las Vegas Global Economic Alliance

Andrew MacKay, Executive Director, Nevada Franchised Auto Dealers
Association

Gil Lopez, Charter School Association of Nevada

Kevin Weiske

Glen Leavitt, Nevada Contractors Association

Eddie Diaz, Strategic Director, LIBRE Initiative

Mary Pierczynski, Nevada Association of School Superintendents

Philip Mannelly, Board Member, Academy of Career Education, Charter High
School

Mari Nakashima Nielsen, Washoe School Principals Association

Jennifer Loescher, Educator, Southern Nevada Regional Professional
Development Program; Senior Policy Fellow, Teach Plus Nevada

Dora Martinez, Disability Action Coalition

Karen Shea

Alexander Marks, Nevada State Education Association

CHAIR NEAL:

We call Ms. Adler to the table to present Senate Bill (S.B.) 68.

SENATE BILL 68: Establishes programs to provide certain assistance relating to
housing. (BDR 25-303)

SARAH ADLER (Founder, National Alliance on Mental Illness Western Nevada):

I will start by asking my colleague, Char Frost, to make introductions in our joint
presentation ([Exhibit C](#) contains copyrighted material. Original is available upon
request of the Research Library.).

CHAR FROST (Chair, Clark Regional Behavioral Health Policy Board):

In 2018, I was a first-time home buyer in Las Vegas. In 2020, I was suddenly working from home with a view onto the street in front of my house. I saw numerous, obviously unhoused individuals traversing up and down the street. Many of the individuals appeared to be quite young, and some appeared to be suffering from mental illness or substance abuse. I called a fellow board member, Arianna Saunders, and asked if there was anything we could do to assist these individuals. We developed a plan and took it to our Board for consideration. After voting to address this issue in a bill, Ms. Adler, on behalf of National Alliance on Mental Illness (NAMI) Western Nevada, approached us and asked if the Alliance could infuse its ideas into our proposed amendment ([Exhibit D](#)).

MS. ADLER:

An affordable housing role would be added to the Real Property Transfer Tax (RPTT) if S.B. 68 becomes law, and RPTT funds would be directed to a Critical Needs Fund (CNF). Of every \$500 of sales value, \$.10 is directed through the RPTT to the Account for Affordable Housing. This amount was established in 1989 and has not increased. The funds are used as the State match to federal home dollars which is the way we deeply subsidize some of the units in our Low-Income Housing Tax Credit properties. Funds are also used as manufactured home lot rental subsidies for extremely low-income individuals living in manufactured homes.

Section 22 of S.B. 68 increases the RPTT by \$.20 per \$500 of sales value with the increased amount going to CNF resulting in an additional \$160 on a \$400,000 home purchase transaction. This is a small but significant amount on a large lifetime transaction.

Safe, supportive housing for homeless individuals or individuals recovering from addiction is needed, but S.B. 68 is a Statewide bill; in rural Nevada, we have not developed supportive housing capacity even though housing stability is needed.

Twenty-five percent of the CNF would go toward housing stability, 25 percent would go toward supportive housing and services, and 50 percent would go to the Regional Behavioral Health Policy Boards.

A Nevada-generated CNF would allow us to leverage and match philanthropic, federal and local government funding for at-risk Nevadans prevented from receiving such funds because of eligibility criteria. Nevada-based CNFs will catalyze effective and sustainable Statewide supportive housing and targeted housing stability.

Clark and Washoe Counties reported 336 homeless Nevadans died last year. The Annual Point in Time Count across the State took place on February 24, 2023. At that time, 7,618 people were identified as homeless. Harm is being done by lack of supportive housing requiring the need for housing stability, housing affordability and eviction prevention dollars, Slide 4.

Today, there are 26,100 individuals on our Public Housing Authority waiting list. Nevada Rural Housing Authority's waiting list was opened one week and added 5,000 people to the list. After six days, Southern Nevada Regional Housing Authority's waiting list had 17,000 people. This demonstrates the enormous need for more housing affordability.

A gap report from the National Low Income Housing Coalition shows there is a need for 101,000 additional affordable units for people at 50 percent of area median income (AMI) and 80,000 units for people at 30 percent of AMI. Severe rent burden means individuals are paying more than 50 percent of their household income for rent. At the lowest income level, Nevadans have 30 percent of AMI and below, and 81 out of 100 of our lowest income Nevadans are paying more than 50 percent of their household income for their housing, Slide 5.

A 2016 study reported 20 percent of the individuals who were homeless drove 60 percent of service costs in health care, corrections and homeless services. Governor Joe Lombardo is recommending a portion of the Las Vegas Detention Center be converted into a forensic hospital; a pod be built at Rawson-Neal Psychiatric Hospital for forensic services; and a forensic hospital be built, Slide 6.

Nevada has three regional housing authorities. The housing authority serving the behavioral health region will receive at least 25 percent of the critical needs dollars to be used for rental and eviction prevention assistance. Because we are here to serve rural Nevada, funds for home repair are important. There is a federal weatherization program, but funds cannot be applied to a home lacking

adequate accessibility and stability. To receive housing stability dollars, individuals must be at 50 percent AMI or below, but the bill establishes priority for extremely low-income Nevadans at 30 percent AMI and below, Slide 5. Regarding supportive housing and services funds, I had conversations with Catholic Charities, north and south, that are already engaged in forms of supportive housing. On an annual basis, each of our five behavioral health regions will have reported an amount of money for their region.

The Nevada Housing Division (NHD) will operate an annual grants round with experienced support services, housing development and property management individuals. Some organizations like The Empowerment Center and Catholic Charities individually manage these functions. Other organizations will create partnerships. Joint applications for housing and services will come to the annual competition round. The use of funds can be as needed for rental assistance, subsidies to disabled persons or filling gaps in services. The grants round will be awarded, administered and performance-reviewed by the NHD through a qualified allocation plan process. A member of the Regional Behavioral Health Board and a representative of a county within that region will sit on the grant review committee, Slide 8.

We are adding to the bill by amendment the ability to do acquisition and rehabilitation. The Safari Motel project in Clark County is an example where funds were used to purchase a motel and convert it into transitional supportive housing. It is not intended to be permanent housing but is an example of the win-win for community redevelopment and creating supportive housing at the same time.

The Empowerment Center took a disused motel on South Virginia Street in Reno and converted it into a residential addiction treatment and recovery center for women. Using Low-Income Housing Tax Credits, it proceeded to build a recovery housing structure on Marvel Way in Reno with on-site Narcotics Anonymous, Alcoholics Anonymous, a work force developer and group therapy. There are similar examples in Clark County. Catholic Charities, for example, already has permanent supportive housing, Slide 9.

Stakeholders have streamlined section 17 of the amendment with a consolidated application process adding acquisition and rehab up to \$15,000 per unit and the County voice in funding decisions, Slide 10. Tenancy means

there is a lease agreement, typically 12 months. We are contemplating removing our requirement for a minimum 24 months of tenancy or requiring no time limitation at all. However, we cannot raise the capital funding to create an apartment building without those apartment builders having in their pro forma 15 years of commitment of the rental assistance and support of services dollars needed, resulting in 3-year grants with up to 4-year renewals. Another amendment is any unallocated funds become carryover, Slide 11.

I want to make a point about leveraging in section 18 of the amendment. Individuals who are recipients of housing stability funds must apply for other assistance for which they are eligible. For example, they must get on the waiting list to eventually move to a Housing and Urban Development (HUD)-funded voucher, opening up a critical-needs, State-funded voucher for someone else, Slide 12.

We made a change to definitions in section 6 of the amendment by adding post-traumatic stress disorder (PTSD) or other debilitating trauma. We want to make it clear that veterans or victims of violence in our communities who are suffering PTSD are eligible to receive supportive housing and services, Slide 13.

Our "supportive housing" definition in section 11 of the amendment is different from the original bill. Homeless people are central to this definition that also allows serving the intellectually and developmentally disabled communities, Slide 14.

We are hopeful that together we can find answers other than incarceration for addiction and mental illness. We suggest the answer is in supportive housing and housing stability.

SENATOR SPEARMAN:

To clarify, did you say \$160 on a \$400,000 home purchase transaction was the increased amount going to CNF?

Ms. ADLER:

That is correct. The critical needs fee would be \$160. In the first month's mortgage payment, \$279 would be paid in principle resulting in equity more than the fee that would have been paid to help contribute to housing needs across our State.

SENATOR SPEARMAN:

Does this include veterans?

Ms. ADLER:

Yes.

SENATOR SEEVERS GANSERT:

I was looking at the \$15,000 to rehab a property. Is that for a property or for each unit of a property?

Ms. ADLER:

That applies for each unit of a property. The Safari Motel project accomplished acquisition rehab for less than \$15,000 a unit. The idea here is to encourage local governments or the State to contribute Community Development Block Grant (CDBG) funds to fill the program's gap for critical needs funds.

SENATOR SEEVERS GANSERT:

Thinking about those dollars, for the \$500 million Home Means Nevada program, a set of criteria basically prioritized projects that were oversubscribed because so many people applied for those funds. Have you thought through how you would allocate funds given limited resources? Dollars per unit were never added to the Home Means Nevada funds. Some projects could be spending \$300,000 per unit, and some could be spending \$100,000 per unit. Considering the return on investment, would you establish those dollars through statutes, regulations or the Boards themselves?

Ms. ADLER:

I do not have deep knowledge on the Home Means Nevada funding decisions, but I have had communications with recipients of building dollars who are eager for the opportunity to have the rental subsidies and services dollars from this bill so low-income people could afford to live in their developments.

SENATOR SEEVERS GANSERT:

How would you prioritize the possibility of more applications than resources available?

Ms. ADLER:

The bill allows for regulation to be developed. When the NHD develops its qualified allocation plan each year, it reaches out to stakeholders to get input to

then create a priority point system. That is what I anticipate would happen with this bill.

SENATOR DOÑATE:

I want to mention to both Ms. Adler and Ms. Frost how courageous it is to discuss this issue before us today. Many of us who work in the public health space recognize the urgency, specifically for those in my district who are suffering. When we talk about addressing the social determinants of health, this is the actual delivery of how we can look at what folks go through in their homes leading to health outcomes. For me, the most important question when speaking on this issue is: Have you had the conversation on closing the loophole for RPTT? Has that been discussed or of interest?

MS. ADLER:

If you are referring to the statutory opportunity casinos have, for example, to transfer property and not engage with the RPTT, to my knowledge, we have not engaged in those conversations pertaining to S.B. 68.

MS. FROST:

I have had some behind-the-scenes conversations on the RPTT loophole. This is not addressed in S.B. 68, but the result would be more money funneled into the CNF. It is something I would support. It is my understanding another entity is preparing to move a bill forward on this issue.

CHAIR NEAL:

Regarding the acquisition piece added to the amendment, roughly \$18 million to \$20 million per year would be generated from the proposed language in this bill. Considering a project such as the one you demonstrated, how much would it cost to acquire and rehab a unit?

MS. ADLER:

The NHD estimated a cost of approximately \$19 million in the second year of the biennium based upon a five-year history. The Division takes 10 percent for administrative costs, and there are sufficient administrative funds to support the public housing authority's work. Allocation of funds to the five behavioral health regions are noted. We estimate every critical needs dollar can be leveraged three times with other federal sources, including HUD housing choice vouchers, Slide 16.

But to your question, Slide 17 shows how funds might flow through the CNF in Clark County. In Year One, there is a Peach Rehab Project where the CNF contributes \$15,000 per unit. If needed, additional funds would come from CDBG home and county funds.

We could go a long way with \$15,000 a unit in rural Nevada, and that might be how we get to supportive housing. In urban Nevada, there are other funds CNF could incent for acquisition and rehab. The chart on Slide 17 shows how funds might flow with three-year renewals. At the end of six years, we might have created 1,300 additional supportive housing units.

ROBIN V. REEDY (Executive Director, National Alliance on Mental Illness Nevada):
I have been telling my story for five years. When I started in this position, the first calls to our helpline were for supportive housing. It rings true with me because I am the daughter of someone who was diagnosed with schizoaffective disorder. My mother at varying times in her life was homeless. The only time she was stable was when an Ohio county bought an old hotel, made it into studio apartments and fenced it so the people in the hotel would be safe, not the other way around. She stayed on her medication and was stable until the time of her death. We have so many buildings here that can be rehabbed for people who need a place to stay. When you are providing someone with a needed place to stay, you are saving tax dollars in the long run because of a reduction of emergency room visits, for instance. Imagine families not having to go through what I experienced with my homeless mother.

ABBIE BERNHARDT (National Alliance on Mental Illness):
I will read my testimony in support ([Exhibit E](#)). At three years of age, I was diagnosed with bipolar disorder. I experienced rapid cycling with manic episodes. I had so much anxiety, sadness and anger at once. My favorite cartoon character is Taz because I felt I could spin just like him. By middle school, the mania turned to depression. I was bullied by other students which led to binge eating. I went to multiple schools promising resources and support that never materialized. At one school, the principal called me in to tell me I was hopeless and helpless and would never amount to anything. If you are emotionally abused every day, you start to believe what you hear is true. I attempted suicide at ten years old. At the same time, I was going through a major medication adjustment coming off ten medications. The process took years, and there was no support. Every day I was expected to attend school as if my body and mind were not in crisis. It was hard to stabilize my condition,

and I was hospitalized 13 times in 1 year. I needed more support than an outpatient program or inpatient short-term hospitalization. I needed a supportive living program to manage my symptoms and provide encouragement.

JOHN D. SOLOMAN:

I recently sold three houses in Fallon and bought one house in Reno. The proposed taxes would not have affected any of those small transactions. As a rural landlord, my biggest expense is transitioning from one tenant to another. What this bill would do is give someone who has lost income a means to rebound so as to not become homeless. As a member of Faith in Action in Reno, I work with my temple to feed homeless people once a week. I have been involved with homeless issues, and what we are doing right now in Reno is not providing any kind of solution to the problem. We are just offering temporary aid. You need capital to build homes. This bill gives us an opportunity to build capital so we can get people into homes.

TRINH DANG (Executive Director, National Alliance on Mental Illness Southern Nevada):

Our NAMI Southern Nevada is a peer-led mental health organization. I am also the daughter and granddaughter of family members with mental health challenges. My grandmother, who heard voices, was often kicked out of her home. At the age of 16, I would drive from place to place to find suitable living space for her. She was not able to afford to live on her own, and she was not able to live with my mother, her only child. They would trigger each other, leaving my mother hospitalized at times, and it often made it hard for me to be at home. There were many sleepless nights because my grandmother, awakened by her own demons and voices in her mind, would be up yelling in the middle of the night. I loved her dearly and did what I could to help her with the resources and knowledge I had, NAMI being a huge support, but it did not stop my suicidal ideations that started as a teenager. Life often became overwhelming.

I have three younger siblings I had to care for. When a family member is sick, it impacts the entire family unit, not just the individual who has a mental health condition. My grandmother was also our caretaker when my parents worked. At times, she was so loving and sweet, but she was not getting the help she needed, and we saw the other side of her. My grandmother passed in October 2022. There have been periods in my life where I hold this guilt of having to remove her from my home because I had to choose between her

and my own mental health. She was on a waiting list for years and finally got into income-based housing for seniors, requiring her to move out of state. I was grateful she was able to have at least a safe home and a place to live. Unfortunately, many family members who come to our support groups and dozens of families who I have taught in our education classes do not always have these options. Families do end up having to remove children and family members from their homes and it is heartbreaking.

Every homeless individual is somebody's child who has a family that at some point says we cannot do this anymore. Someone once said to me, "our budgets reflect our values." This investment in supportive housing not only helps the individual experiencing mental health challenges but also the entire family unit and our communities at large. This is something our community desperately needs as we hear from the hundreds of phone calls to our helpline and the hundreds of families and peers coming to us asking for more than what we offer. This will truly make a difference for our communities.

DAN RUMELT:

I live in southwest Las Vegas. Homelessness is a problem we see every day whether looking out the windows of our homes, walking or driving down the street. It is hard to miss desperate people who need help. Some ask for money, some ask for food, some are scary admittedly, but most are not. We also encounter homeless people in supermarket parking lots looking for help.

I had a recent experience especially apropos for this hearing. I saw a man standing by his car who had a sign almost the size of his car spelling out how he was about to be homeless, he could not afford to feed his family or pay his rent. He was not asking for money. I do not know if it was an expression of his frustration or if he could not find any other way to tell the world about his problems. I did wonder if one day I would see him on the street or living in his car unable to pay rent and support his family. If there is a case that shows the need for S.B. 68, this is it.

There is a lot of talk about the increase in taxes because of this bill. It is a drop in the bucket. Using the \$400,000 figure, a \$160 tax would be added to a home purchase. I do not think we can get a house in our neighborhood or a property for less than \$500,000, but that would bring the fee up to \$200—yet another drop in the bucket and barely noticeable on the long list of items on the closing statements.

KATHIE KLASS:

I have been investing in Las Vegas real estate since 1995. The majority of citizens and tourists in Nevada are concerned about the growing homeless population. This bill provides a reasonable, affordable opportunity for financial resources and creative housing solutions for the homeless population. The \$160 transfer tax used in the example will have little impact on future homebuyers and provide important financial resources to begin addressing homelessness. This will allow many homeless individuals to return to a better life.

Many homeless people would like to work. With housing, they can explore training opportunities. I worked on the 1996 welfare reform bill and know that if we got people houses, they would look for work. Nevada suffers from a massive labor shortage, which can be filled with people eager to work. Senate Bill 68 would provide assistance needed for people who have suffered a setback and will also help homeless individuals who have issues preventing them from functioning in a traditional environment. This bill is a creative way to provide much-needed funds to curb homelessness which impacts every resident and tourist in Nevada. It is a small onetime fee which will have little notice by many home purchasers. I want to express my strong support for this bill.

SARA MAHLER:

I am a 25-year resident of Spanish Springs. I raised my family in Nevada. I am the mom of a person with developmental disabilities. Through no fault of her own, my daughter struggles with being able to work more than 15 hours a week while taking one online class at Truckee Meadows Community College. At the age of 26, her heart's desire is to live independently in a safe, affordable and comfortable place. That will not happen without financial support and appropriate services to help her with money management and day-to-day activities of independent living. My daughter wants to feel successful with supports in place so she can be happy, live a full life and feel good about herself. For so long, my daughter has felt less than her classmates and others in her age group. Senate Bill 68 will help individuals like my daughter who have a developmental disability, who want a safe place they can call home and where they can have independence and support. Nevadans with developmental disabilities deserve to have housing assistance. I urge you to vote in favor of S.B. 68 to help this grossly underserved population.

SANDY STAMATES (Member, Washoe Regional Behavioral Health Policy Board; Volunteer, National Alliance on Mental Illness):

We are happy to support S.B. 68. We know the need is great. Supportive housing will make a big difference in Nevada. We are grateful to the Clark Regional Behavioral Health Policy Board for bringing this bill forward, and we strongly support it.

SCOT RUTLEDGE (Board Chair, Hopelink of Southern Nevada):

We have been serving southern Nevada for 31 years. There is no simple solution to the prevention of homelessness or to house folks who are experiencing homelessness. Senate Bill 68 goes a long way in addressing some of the individuals who do fall through the cracks. One of the things we do with our organization is to not only get people into housing, but we also help them through our career link programs and other wraparound services. Not everyone we house will have the capacity to earn an income to stabilize themselves. This bill goes a long way to help solve part of the issue.

SERENA EVANS (Nevada Coalition to End Domestic and Sexual Violence):

According to the National Network to End Domestic Violence, access to safe and affordable housing is often reported as the most significant barrier to leaving an abusive relationship. And while safe housing can provide pathways to freedom, many roadblocks make safe housing unattainable. Because of co-occurring financial abuse, many victim survivors of power-based violence have little to no savings, poor credit and live on the margins or in extreme poverty.

This bill has the opportunity to change lives and create supportive services lacking or nonexistent in the State. We especially appreciate section 12 of the bill which includes those recovering from trauma and the definition of who would qualify for supportive housing services. Victim survivors of domestic violence, sexual assault and trafficking are recovering from ongoing and pervasive trauma, which increases the risk for PTSD, substance abuse and other mental illnesses such as depression and anxiety. Additionally, of homeless women, 57 percent cite domestic violence as the immediate cause of their homelessness. We have heard throughout the testimony today that resources are lacking in this State. Senate Bill 68 seems like a commonsense measure, and we urge it is passage.

KATHERINE BAKST (Founding Board Member, National Alliance on Mental Illness Western Nevada):

I have lived and worked in Carson City for 46 years and raised four sons here. I am a retired elementary school teacher, and I am presently a caregiver and guardian for my son, Jamie, who is 40 years old. He is suffering from severe mental illness. He used to work as a tattoo artist in Carson City where he owned his own business for ten years. However, he now suffers from schizophrenia and co-occurring addictions, and he cannot work. He is medication compliant, participates in the Assertive Community Treatment program in Carson City and attends peer support groups. He lives on \$970 a month from social security disability insurance. Unfortunately, Jamie cannot take care of himself due to his illness; he would be living on the streets or dead if I had not taken guardianship of him in 2013. He cannot parent his two daughters. His illness is not curable with medications or therapy. Schizophrenia is a permanent brain disorder. The solution for my son and many others like him is permanent supportive housing where support systems and job training can help build people up and make them a more productive part of Nevada's community. I am taking care of him now. I am 73 years old. I cannot do it forever.

ANGELA TOLLISON:

I am a retired school psychologist and family member of a loved one with schizophrenia, my oldest son, Andrew. We have been on a journey for the last ten or so years after he was diagnosed. He was a 4.0 student completing his last semester and last class in a nursing program in California before he became ill. Until that time, he had been typically developing and was on his way to a career. After that time, my family and I needed to begin to love, accept and understand the new person in our lives because as we know, schizophrenia is a brain disorder causing many personality changes including the inability to understand the illness. This impacts compliance for medications. This is where I lead to S.B. 68.

In one of my son's episodes with noncompliance for medication, he became unusually aggressive and agitated and had to be hospitalized. He was only there for a couple of days before I was asked to come get him. Still reeling from the trauma and the experience, I was unsure about having him come home because I feared for my safety. However, there was no alternative between the hospital and the streets. There was no stepdown program to help get him on his feet.

With S.B. 68, he would have support where he could get medical management toward independence. I support S.B. 68.

ASHLEY FLOYD (Program Director, National Alliance on Mental Illness Southern Nevada):

In my role, I am both a peer as someone with four mental health conditions and a family member with six family members diagnosed. I come today to share some of the experiences of the participants who attend our support groups, call our helpline, participate in our classes and share a commonality of themselves or a loved one not able to have housing and get wraparound services needed to maintain and sustain living. Our support groups average 20 people a meeting, and 50 percent of the families in those groups have individuals who are concerned for the ability of their loved ones to have housing.

A common occurrence with families and peers as they live together is the peers end up having episodes that interfere with the ability of family members to feel safe and secure in their homes. One of our family members had to choose to move out of the home because the loved one would not leave it. Even if a family member tried to get the person removed, laws prohibit that. To ensure they and their loved one were safe, they moved out of their home and rented an apartment. We had a family member whose son had issues and would bounce from living on the street and home. They were excited when he was in jail because they knew he was safe and not a harm to them. The challenge is that jail is not the best place for someone who needs help.

One valuable thing about S.B. 68 is that it addresses supported housing needs of individuals who have mental health challenges that do not allow them to sustain themselves without support. People can have a home but not know how to maintain living in that home. People who have greater access to services where they are more likely to use them can benefit from them. I am a big supporter for S.B. 68 for our peers who attend our programs, the families who attend and for my own family. It is a commonsense measure.

REGIS WHALEY (Director of Advocacy and Research, Three Square Food Bank):

I want to share data from the U.S. Census Bureau's Household Pulse Survey and speak specifically about Nevada households and how the lack of access to critical needs such as housing and food might contribute negatively to mental health and, consequently, how providing access to critical needs can improve this situation.

The survey data looked at how aspects of American life have changed over the course of the pandemic. To specifically address the food and housing insecurity and mental health data, there are two measures of mental health in this survey—anxiety and depression. When you look at how those two measures of mental health compare with housing insecurity, households were asked about their likelihood of being evicted from their homes if they are behind on their rent or mortgage. Households reporting very likely to be evicted also reported nearly double the rate of screening positively for generalized anxiety disorder and nearly three times the rate for major depressive disorder. We see a similar pattern with respect to food insecurity. Households reporting the highest level of food insecurity are four times more likely to screen positively for anxiety and five times more likely to screen for depression. We see the same pattern with the critical needs of housing and food—as households go higher on the spectrum of experiencing more food or housing insecurity, they are more likely to experience poor mental health.

As a food bank, we support S.B. 68 because we know access to those critical needs that all come together under supportive housing are what would help to create healthier and stronger Nevada communities and bring them under one roof to support what we need to see in our communities. For these reasons, Three Square stands behind S.B. 68.

ROXANNE DECARLO (Executive Director, The Empowerment Center):

The Empowerment Center is a drug and alcohol treatment program for women located in south Reno. At the end of 2022, we opened our first supportive housing apartment complex. This is the first affordable housing complex to provide support systems for people in early recovery from a substance use disorder. It is the first of its kind in Nevada, and we are proud to bring it to our community. Although we were pleased to have received affordable housing funding, mostly from Washoe County, to build the structure, I found the funds needed to supply the support systems in place lacking. I looked for other funding opportunities from local foundations, the Substance Abuse Prevention and Treatment Agency and the Bureau of Behavioral Health, to provide those services and successfully found funds for this year but will be required to look for funding year after year. Senate Bill 68 would allow us to have ongoing funding on a regular basis to secure those support systems. One of the things we did at The Empowerment Center is build a solar system to relieve the cost of electricity and reallocate those funds to

other services. These are prime examples of how funding through S.B. 68 would be a support for our community.

JOAN HALL (President, Nevada Rural Hospital Partners):

I am here today in support of S.B. 68. Rural hospitals have challenges with readmissions of patients with chronic conditions. Through a community paramedicine grant we received, we discovered many of these patients had housing needs the providers were totally unaware of such as electrical issues, no hookups to water or sewer or even unsafe access to their own homes. This bill allows for renovation and weatherization of these homes, and this is funding that would be most helpful to these rural Nevadans.

JIMMY LAU (Dignity Health-St. Rose Dominican):

St. Rose is the largest not-for-profit healthcare system in southern Nevada operating seven acute care hospitals throughout the Las Vegas Valley. One of the prongs of St. Rose's advocacy is addressing social determinants of health care, which is why we are here today in support of S.B. 68.

ELYSE MONROY-MARSALA (Nevada Psychiatric Association; Nevada Primary Care Association):

Stable housing is a major social determinant of health to ensuring positive health outcomes for people. Being able to access and sustain supportive stable housing is important. We support this bill and urge the Committee's support.

BARRY COLE:

I am the former inpatient chief of staff of Northern Nevada Adult Mental Health Services. Homelessness does not cause mental illness, but mental illness is sadly associated with homelessness. One of Matthew O'Brien's books addressed people living in storm drains under the streets of Las Vegas. Here in northern Nevada, I found 30 to 50 people living under the Glendale Bridge over the Truckee River between Nevada Mental Health Institute and the Grand Sierra Resort. This often delayed discharge because I could not find a stable way to discharge people into unstable environments. In terms of cost, hospitalization costs are more than the amount of the transfer tax discussed here today. More importantly, I had to change how I prescribed medication. I cannot give somebody a 30-day discharge amount of medication if he or she has no permanent address. I have to reduce the prescription to say a seven-day prescription, which means it has to be repeatedly refilled. Schizophrenia is a 1 percent probability in your lifetime, major depression is 25 percent

and substance abuse disorder is 8 percent. I was shocked recently while working in northern Arizona on a job site to find many of my patients lacked running water, electricity, indoor toileting or heating, relying on chopped wood for heat. It is the same in Nevada for many of our rural residents. I support S.B. 68, and I hope the Committee will support it. We can make a big difference in Nevada with stable housing and would not turn Nevada into a welfare state.

HOPE TINGLE:

Our church is one of the partners for the Carson City Night Off the Streets shelter. The northern Nevada winter this year has created a real challenge for those on the street with nowhere to go. Supportive housing that can help with mental health care and enabling services such as the Friends in Service Helping (FISH) development on North Carson Street needs consideration because I see the number of homeless on the streets every day. Senate Bill 68 is an important bill. The cost benefit analysis proves it would have a serious impact on the State, and it deserves the Committee's consideration.

VALERIE HASKIN (Coordinator, Rural Regional Behavioral Health Policy Board):
We are in support of S.B. 68 with the proposed amendments.

MARCO RAUDA:

I was a member of the Southern Nevada Regional Housing Authority from 2011 to 2015, and we discussed all of these issues then. When Veterans Village opened in southern Nevada, it was probably the proudest moment of my tenure at the Housing Authority. The federal government only occasionally helps with housing initiatives. We need to secure a revenue source to mitigate housing issues here in the State. Senate Bill 68 can help with that.

LAURA YANEZ (Executive Director, National Alliance on Mental Illness Western Nevada):

We run the Statewide Nevada Warmline which is a peer-support line for individuals experiencing mental illness and life stressors. Many of our calls are from people who are resource-challenged, and many of the calls have to do with housing instability. We know housing plays a critical factor in people's ability to recover and their ability to move forward. We especially see a shortage of housing and the importance of supported housing in rural Nevada. I am also a family member of an individual with schizophrenia who is living on the streets. What happens is his lack of housing leads him to live on the streets where instead of taking his medication, he starts to self-medicate. He then ends up

incarcerated, which is the only time our family knows where he is. My brother would directly benefit from supported housing to have the support he needs to stay in recovery and to be a productive member of our community.

HEIDI MCKENDREE (Deputy Executive Director, Reno Housing Authority):

I will read from my letter in support ([Exhibit F](#)). As the public housing authority serving Washoe County, the Reno Housing Authority (RHA) and its Board of Commissioners support S.B. 68 which will create a Critical Needs Fund to support housing stability, supportive housing and supportive services to low-income Nevadans. The global pandemic demonstrated how fragile stable housing is to those with the lowest income. The federal government acted quickly to address the eviction crisis and assist households struggling to pay rent during the pandemic. With the pandemic behind us, we now see how close to homelessness many of our community members are, especially those with the lowest and most unstable income. Senate Bill 68 provides an avenue for housing stability and supportive housing and services to Nevadans for the long run.

Affordable housing has become a national crisis. Supportive housing is the most-needed housing type in the spectrum of affordable housing. Existing funding opportunities rarely fund direct supportive services, leaving nonprofits and government agencies trying to find funding for services wherever they can. Additionally, now that housing stability has been demonstrated to be a serious issue for low-income households, the need for funding to support alternatives to the more limited traditional rental subsidy programs is critical. Housing authorities have demonstrated during the pandemic that we are the ideal mechanism to distribute this funding by ensuring fast and effective distribution and reporting on the funds. The RHA alone distributed \$28 million in emergency rental assistance funding. The RHA is ready to effectively deploy the much-needed housing stability assistance that S.B. 68 will provide.

CHAIR NEAL:

We have heard compelling testimony today from NAMI members in support of S.B. 68. If there are callers representing NAMI, I will allow you to say ditto. You may submit your written comments, and we will upload them into the record. Your members have appeared today in great numbers, and I respect that.

SEAN O'DONNELL (Executive Director, Foundation for Recovery):

We are a Nevada Statewide organization governed, organized and run by people and families recovering from substance use disorder. Our organization is here today in support of S.B. 68. Tackling the chronicity of addiction requires a community effort; employment and health services opportunities for social connection; and, most importantly, a place to call home. The primary barrier to sustaining recovery for the participants in our program is sustainable housing support. Of the hundreds of individuals we see annually, only about 20 percent are stably housed. These are mostly individuals who are already engaged in treatment, who have recently completed treatment or who have been released from incarceration. How can we expect people to sustain their recovery or benefit from treatment programs if they do not have a place to live and continue with recovery support services. Our support workers continually express frustration with locating safe and supportive housing for our program participants. The primary barriers are federal constraints and complex eligibility criteria with existing housing programs in Nevada.

I can tell you that during my own recovery journey, I have personally experienced this gap. Following residential treatment, I worked part-time at a retail store and lived in my car in the parking lot of my employer. I was 19 years old at the time, and the lack of supportive housing meant returning to drug use, continually utilizing costly services like emergency departments and going through the revolving door for treatment services. Thankfully, at that time, we were not experiencing the overdose crisis or a fentanyl-contaminated drug supply like we are today; otherwise, I would likely be dead.

The modest increase in the Real Property Transfer Tax to support the CNF will keep people from falling back into their addiction by preventing them from returning to an unsupportive and dangerous living environment or going back to the streets. They will incentivize new housing options, increased community collaboration and help close the gap in our existing housing infrastructure. Please support S.B. 68.

BEN INESS (Coalition Coordinator, Nevada Housing Justice Alliance):

I will read from our letter ([Exhibit G](#)) in support of S.B. 68 to create a revenue stream for supportive housing and housing stability. The Nevada Housing Justice Alliance is a coalition of grassroots organizers and community advocates, including the American Civil Liberties Union of Nevada, Faith in Action Nevada, For Our Future Nevada, Las Vegas Democratic Socialists of

America, Northern Nevada Democratic Socialists of America, Nevada Homeless Alliance, Progressive Leadership Alliance of Nevada and others. We work directly with Nevada tenants to develop solutions and advocate for community investments to resolve the root causes of housing insecurity. Our work is based on the belief that housing is a human right, and a home serves a higher purpose than just shelter.

I will echo all the points raised today. The cost of living is incredibly high, State continuum of care is lacking, too many families are on the precipice of crisis and becoming unsheltered, and those who are unsheltered do not have the resources they need.

Prioritizing the housing strategies found in the bill is an effective and evidence-based solution to protecting housing stability in our communities. By creating a sustainable revenue stream for supportive housing, S.B. 68 will build on and better support the meager resources we have to fill the gaps to prevent at-risk individuals from further slipping through the cracks. Nevada desperately needs to create stable and sustainable housing that is both supportive and affordable, and S.B. 68 will work toward that.

CHAIR NEAL:

For callers in support of S.B. 68, I understand the compelling testimony, but we have given almost an hour to support testimony and 20 minutes for the presentation. I strongly encourage callers to send their written testimony to the Committee Secretary, and we will make sure your testimony is uploaded for the record. I am closing testimony in support of S.B. 68 and moving to opposition testimony.

JANINE HANSEN (State President, Nevada Families for Freedom):

I will read my letter in opposition ([Exhibit H](#)). Taxation is destroying the middle class. We oppose all tax increases including S.B. 68. This bill increases the RPTT from \$1.95 per \$500 valuation or a fraction thereof by \$.20 per \$500. The average cost of a home in Nevada according to an online marketplace in January 2023 was \$409,000. That means the transfer tax goes up from \$1,595 plus the \$.20 increase of \$163 to \$1,758 on the average home. According to the Institute for Policy Innovation, in the United States, the total U.S. tax burden, including federal, state, local and hidden taxes, is equal to 56 percent of a person's annual consumption spending. That is more than a person spends on housing, food, health care, transportation, education

and recreation. How can people possibly take care of themselves and their families when the government takes 56 percent of our income. Government taxation is a major cause of family financial distress; no wonder more people are slipping into poverty. In addition, consider inflation which, according to John Williams at *Shadow Government Statistics*, is running at 16.5 percent as of April 22, 2022, if you use the methodology the government used before 1980 to configure the consumer price index. Families are struggling to buy food because of federal government-caused inflation. The RPTT in S.B. 68 will make it more expensive for families to buy a home. We oppose this tax increase. Help families—no more taxes.

RICHARD SCHOCK:

As a real estate broker, development planner and trustee for the Guernsey Trust, I have been in business for 40 years, managed affordable housing projects and worked with the housing authority in California. Does the Committee have a pro forma projection of how much money is needed to solve all these problems?

CHAIR NEAL:

That is a question for the bill presenter.

MR. SCHOCK:

It is an important issue because another source would result in a win-win for Nevada to get affordable housing built. It is fortunate for the State that Tesla has decided to do another project putting \$3.6 billion into this economy and creating 9,000 jobs. My understanding is our Governor has only given them a 33 percent tax advantage over about a \$1 billion overall tax Tesla will produce in this State over the next 20 years. If we gave away \$330 million out of \$1 billion, \$770 million in taxes are still due. They just lowered the tax rate for Tesla from 7.7 percent to 5.25 percent.

CHAIR NEAL:

I appreciate the philosophical discussion on how much money is still in the queue after what has been abated, but we are at the two-minute time limit, and I need to move to the next testifier.

MR. SCHOCK:

To conclude, if you took the 32 percent tax increase you are asking for and apply it to the \$770 million on which Tesla will pay taxes, that results in a

contribution in the amount of \$245,120,000 over a 20-year period or \$12,256,000 a year that can be used for affordable housing. Taxes on home sales would not be required.

CHAIR NEAL:

I am giving the bill a hearing and am trying to be fair with the presentation of ideas on S.B. 68. That does not mean I am in support or opposition, but the Legislature is about hearing ideas, not about penalizing the idea being presented.

DYLAN KEITH (Vegas Chamber):

We are in opposition of the bill today not only because of its increase of RPTT but also for its handling of funds. Funds of this nature should not be handled by an appointed regional board but by elected officials to make sure the funds are accountable and used correctly.

WISELET ROUZARD (Deputy State Director, Americans for Prosperity):

Most people like myself oppose this bill because of the means and how we go about solving the problems. The solution proposed here creates more problems. When you talk about individuals looking to purchase homes, to rob them of that ability to contribute to these causes by telling them they have to pay this increase deprives individuals of the ability to contribute. I will open up with the Preamble of our Constitution because it is our North Star. It says, "We the people of the United States, in Order to form a more perfect Union, establish Justice"

CHAIR NEAL:

Because the preamble is more than two minutes, please state the key point of your opposition.

MR. ROUZARD:

The preamble is the key point, Madam Chair. It says, "to form a more perfect Union, establish Justice, Insure domestic Tranquility, provide for the common defence, promote the general Welfare" That word "promote" is what I want to emphasize. Promote means when a society is doing well, government should encourage people to fill those gaps to solve those problems in the charitable way.

This bill robs individuals from having that experience and robs them of ownership. If our goal is to help low-income families, we suggest that we can

unlock the economy and help families by doing three things mentioned in our letter of opposition ([Exhibit I](#)): rein in and reform burdensome housing, land use and zoning regulations; eliminate cronyism and tax subsidies for billionaires and corporations; and remove barriers like S.B. 68 that stand in the way of people pursuing economic opportunities. When you talk about people purchasing a home only to impose this tax burden on them, that is taking away that that opportunity for them.

Lastly, an incident took place in Las Vegas where a gentleman, through his own private endeavor, looked to build tiny homes to address the homeless problem. The City of Las Vegas shut the effort down. When we are talking about zoning reform, this is what we are talking about. There are more sound solutions that build long-term solutions rather than using this platform to tell people that they do not have a say and must pay a fee to solve a societal problem. I urge you to oppose S.B. 68.

VINSON GUTHREAU (Executive Director, Nevada Association of Counties):

Our members are all 17 of Nevada's counties. They understand the need for a more permanent supportive housing solution and do not have a position on the raising of the RPTT. Our concern and opposition pertains to public dollars awarded, distributed and overseen by a policy board and not a fiscal board. We believe responsibility lays with the local elected governing bodies. We appreciate the engagement from the sponsor of this bill, but we are still not able to support this legislation as a lack of oversight along with shifting tax policy and accountability remain as does our opposition.

RICHARD NAGEL:

Franklin Roosevelt said the government should not do anything the people can do because, usually, the people can do a better job. We have FISH social services for rural northern Nevada, Ron Wood Family Resource Center and several other charities that deal with homeless people and people who are in need of help. We are building up an industrial homeless complex by feeding this even more, and people should take care of this with personal donations. My wife and I give quite generously to a lot of these charities every year. The government needs to stick to its main job and let the people take care of the people. You cannot take that right to help other people away from us.

KEITH LYNAM (Nevada Realtors):

We certainly are in favor of more affordable housing universally. We have been working for decades with local and State policymakers on increasing affordable housing in Nevada. We have discovered one of the most efficient ways of obtaining additional housing is increasing the inventory. Had we been asked how to increase affordable housing and how to resolve the other problematic components of our society that have been outlined today, we would have said why it would make sense to add to the seller's cost to bring those homes to market. The RPTT is not only one of the most historically unbalanced, unproven and unreliable taxes that we have, but it is also a sales tax, one of the most regressive taxes we have that hits hardest those who we are trying to help—senior citizens, first-time homebuyers and the mentally challenged. All those people are harmed by this tax. We should be sending out a lifeline to them, not a cinderblock. We are at the table working toward affordable housing, and we are ready to help provide real solutions.

AZIM JESSA (Nevada Realtors):

It looks like this bill would provide a 4.1 percent projected increase in the RPTT between 2022 and 2024. This is such a volatile base. We are down 51.5 percent in real estate transactions this year. To project a 4.1 percent increase is out of line with reality. Taxing a single industry, business or home sellers is not a good solution for funding this bill. We understand the issues, and my heart grieves for the folks who told their stories. We need a broader, more stable tax base to provide the things our community needs. The RPTT is a terrible way to do that.

THOMAS BLANCHARD (State President, Nevada Realtors Association):

Having seen the blight of homelessness on our streets, I can tell you that as a 15-year paramedic, it has been a problem for 20 to 30 years. We have a broad-based problem out to get fixed based on one pinpoint of a transaction. We need to find a vehicle where we can afford affordable housing, and the RPTT is not it. We can start by getting some of the affordable land to market so affordable homes can be built. Affordable land availability equates to affordable housing.

RONALD NAJARRO (State Director, Americans for Prosperity):

I am a resident of Senate District 1 and also a member of the National Association of Realtors. We stand in opposition to S.B. 68 for reasons stated by my colleagues today. One of my missions is to make sure we advance

policies that allow folks to climb the economic ladder. The second is to allow our community members access to the most powerful generation of wealth-building the world has ever known which is the purchase of their own property. It is also why it is the American dream. Unfortunately, raising the property tax as planned in this bill would do the opposite. It would discourage and hurt families who are first-time homebuyers to make a way and build that generation of wealth for their family. As a Hispanic member in the community, homeownership has made some gains in the Latino community, but we still lag behind. This bill would only add more distance to the achievement of the American dream. There is a saying, "as the housing market goes, so does our economy." We are already in a period where the market and the economy has slowed. This will only discourage economic opportunity for those trying to sell or buy homes. This is just a tax, but taxes tend to be regressive and harm those we are trying to help the most. I encourage you to please consider opposing S.B. 68 for these reasons.

SUSAN PROFFITT (First Vice President, Nevada Republican Club):

Thank you for addressing a serious medical need and trying to find a solution we all agree is needed. I oppose the bill as written due to the tax increase attached to it because Nevada has a \$3 billion surplus already, and we can find some money there for us. I remember the day when my schizophrenic uncle and thousands more were asked to leave a mental facility when new civil rights-related laws were passed in 1975 and 1976. Until then, I did not know I had an uncle. These patients had no place to go when their families were not able to care for them, and some families did not want them if they were ill. We need to resolve these issues humanely, but raising taxes will not fix bad laws.

Historically, Nevada has passed bills to provide money for schools and the homeless, yet no one has addressed the larger issue of the transparency needed to ensure the money can only be used for its intended purpose. I respectfully request that the Committee remove the tax portion of the bill so conservatives like myself and others who see the need can get behind your efforts and support this bill. Please find the time to address laws passed long ago that tied family hands when seeking help to care for their loved ones. Please address the waste and the all too familiar "we-must-spend-it-all-this-year" mentality in government. The money is already there. It is not being spent appropriately.

AL ROJAS:

I am a retired electronics engineer with two patents and also a real estate owner from a real estate family. Homelessness will decrease the value of your property and controlling the homeless, especially in my area, is not only necessary, but I am an advocate of it. As an engineer, the first thing you learn is if you cannot measure something, you cannot control it. I have not seen any firm numbers that would indicate how many people we would get off the streets, which should be our goal. Some of these people have mental problems. People in law enforcement with whom I am engaged have mentioned that a lot of these people go to jail, they are stabilized, go back on the street and it becomes a problem. I need to see numbers on how many people we have as homeless and how the numbers will be reduced. For example, I heard that San Antonio, Texas, reduced homelessness by 57 percent. I had an idea for solar homeless shelters with ties to Tesla. I talked to people who handle homelessness, and they told me it would reduce the problem by 15 percent. What we want to see is people getting off the streets and people with mental disorders getting help. I am against this bill as it now stands. I ask that more thought go into it and firm numbers provided. Since they are making record profits, we should ask the casinos to contribute instead of putting the burden on homeowners.

MARCOS LOPEZ (Nevada Policy Research Institute):

The two parts of S.B. 68, the mental illness portion and the affordable housing portion, are both important to me. I am familiar with mental illness because my grandfather suffers from PTSD and bipolar disorder and also has dementia. He has been a tremendous influence in my life and watching him deteriorate has been a sad experience. When we are looking at these objectives, which are laudable goals, it is a disservice to the mentally ill when we try to attach a tax increase. We are making this into a tax fight when it should be an issue and discussion about mental illness. Ninety percent of the opposition today could be eliminated if we drop the tax increase in the bill. Furthermore, when it comes to affordable housing, we are too often applying demand-side remedies to our housing crisis. We need to apply more supply-side remedies to the crisis.

I will be entering into the record a study published earlier this year by the Nevada Policy Research Institute titled "The Construction of a Crisis." It is the first of a three-part series on how we can address the housing crisis we experience in our State. Our first-level recommendation deals with zoning preemptions on local governments and getting more land back from the

federal government so we have more land supply to construct new housing. All of this will have a positive effect when it comes to our housing crisis. As we build more houses, regardless of what form of housing we are creating, rents and housing costs will be reduced. Our State has an extreme shortage of properties.

AMY MEEDEL:

I am a realtor and private business owner and have been a resident of Las Vegas for 45 years. I have worked for various government agencies and have always been an advocate for women, children and seniors. Now I would add to that list first-time homebuyers. This regressive tax feels disingenuous when everyone keeps banding about an amount of \$160. The RPTT on a median home price in Clark County would be increased to a full \$2,338 per median home. That is not a small sum when I spend a huge amount of my time helping first-time homebuyers, people who have been renting and have seen their rent increased by astronomical amounts. An individual at my last open house told me the rent had been increased \$800. I have heard of increases of \$800 to \$1,200 over the past year. We do not want these communities to be held hostage and unable to purchase their own homes. You are lowering the purchasing power of these people who are barely able to get into their own homes and get away from renting. This would be discouraging for homebuyers in Clark County. In addition, I would like to see existing programs related to housing be administered much better. I have seen too many people get housing vouchers and yet the programs that are supposed to help do nothing to get these people into homes. We have to do more on the supply side.

CYRUS HOJJATY:

While I support affordable housing and many of the related programs, there are tools that can help. I am not supportive of the tax portion of the bill. If you want to raise taxes, we could lower other taxes. Our sales tax in Clark County was raised to help homelessness. This tax is regressive just like many other taxes. Furthermore, it does not address many other homeless problems such as needed rehab not to mention why housing is expensive with high permit cost, codes, zoning and lack of construction due to the fact that companies and builders control much of the construction, Wall Street buys up properties once foreclosed, the Federal Reserve has low interest rates, and an eviction moratorium exists. We should also look into expanding technologies such as 3D printing. The Bureau of Land Management has significant control of land that has an impact. We should also look at why median rents in other

metro areas are significantly less than ours. Lastly, if you claim that housing is a right, how much are we entitled to?

JIM DEGRAFFENREID (Nevada Republican Party):

We are here to testify in neutral on this bill because we support the policy portions of the bill but oppose the tax increase. Our platform says the residents of Nevada are not undertaxed and State government is not underfunded. Our budget crisis is the result of years of overspending and mismanagement. As stated before, we are running a surplus due to significant federal transfer dollars because of the COVID emergency. We should use those dollars rather than increasing taxes. If the tax part of the bill was removed, we would be in support of the policy portions of the bill.

AERNA CARDEAS:

I am from Senate District 8. Republicans, remember why we voted for you. Stop taxing hardworking citizens. I oppose S.B. 68.

CHAIR NEAL:

I have six letters in support ([Exhibit J](#)) of S.B. 68 and one letter in opposition ([Exhibit K](#)). We close the hearing on S.B. 68 and open the hearing for S.B. 144.

SENATE BILL 144: Establishes a credit against certain taxes for a taxpayer who donates money to a career and technical program tax credit organization that makes grants to programs of career and technical education.
(BDR 34-866)

SENATOR ROBERTA LANGE (Senatorial District No. 7):

Skills mismatch, talent shortage and lack of labor are trends we hear repeatedly when we discuss workforce development and economic development. While the nature and scope of these terms may be open to debate, it is evidence that strengthening connections between employers and institutions of learning must be a priority.

Career and technical education (CTE) programs provide a foundation of skills that prepare employees for long-lasting and high-paying careers. It is a win-win when Nevada businesses can build a relationship with CTE programs. The companies can make a huge difference in shaping the experience that today's students will have and inspire them toward future careers.

An employer must pay an excise tax more commonly known as a Modified Business Tax (MBT) on the wages paid to their employees each quarter. In addition, an insurer must pay tax to the Nevada Department of Taxation (DOT) upon net direct premiums and direct considerations at the rate of 3.5 percent. This is the general tax on insurance premiums. Senate Bill 144 authorizes a taxpayer to receive a credit against their MBT or general tax on insurance premiums equal to an amount approved by DOT. The amount may not exceed the donation made by a taxpayer to a CTE program tax credit organization selected by DOT.

This bill provides an application approval process by the Department and the specifics about the program. Matt Morris, an associate with Holland & Hart, and Amanda Morgan from the Roger's Foundation are here to provide specific details about the bill.

AMANDA MORGAN (Executive Director, Educate Nevada Now, The Rogers Foundation):

Senate Bill 144 is about preparing Nevada students for the workforce. Educate Nevada Now powered by The Rogers Foundation is a nonpartisan education policy organization that focuses on fair, equitable and adequate resources for our Nevada students so they can succeed no matter where they are from or what their background is.

Career and technical education combines academic and technical skills with knowledge and training needed to succeed in today's labor market. It prepares students for the careers of the future, introduces them to workplace competencies in the real world and applied context. It put students on a path to earn industry certificates, associate degrees, bachelor's degrees or higher. These programs are found in middle schools, high schools, colleges and some universities. Comprehensive CTE programs are contained within a general population school. Career and technical education is also CTE-designated schools and magnet schools. Career and technical education is also found in traditional public schools and charter schools.

There are 16 program clusters. Some of the most popular in Nevada are the Arts, A/V tech and communications program cluster that is No. 1 for CTE followed by information technology, health sciences and hospitality and tourism.

We took on CTE as a focus this Session through Educate Nevada Now, giving presentations to business leaders and community members. While there is both agreement and disagreement when it comes to public education, one thing that always came up in the positive is CTE. It was a common ground among the different groups. We found something there we could do to increase access: everyone understands its value, and it was important for us to find ways for students to get into those programs.

The CTE concentrators are students in secondary school who have taken two or more CTE courses in the same program. They are more likely to graduate high school, attain postsecondary education, earn more and be more likely to maintain employment and learn employment and life skills before graduating high school. The benefit for employers is growing a skilled workforce, fostering a pipeline from high school to the workplace, bringing in students through work-based learning opportunities and closing the skills gap for pre-bachelor's degree jobs. That is 40 percent of science, technology, engineering and mathematics jobs. These middle-skill careers do not necessarily require a four-year degree but do require some employment skills.

The graduation rate for CTE concentrators is between 8 percent to 10 percent higher in the past few years. Recent research looks at low-income households and special education students and how CTE impacts them. One recent study said that CTE can reduce the engagement gap between low-income and higher-income students, meaning those students are more engaged in school, finding relevance in their coursework and seeing themselves using this in real life. The program improves their attendance. For students with disabilities, CTE helps to reduce the gap in graduation rates, academic performance in college and career and life skills readiness.

Today, about 76,000 Nevada students take at least one course in a CTE program. The demographic data is proportional with the general population data, but there are areas for improvement, particularly with students with individualized education programs and English learners. The biggest challenges states have with creating equity in CTE programs are with resources and funding.

The Government Accountability Office (GAO) report to the congressional committees addresses challenges with CTE and delivering quality programs, funding and resource capabilities to include finding staff,

professional development, transportation and removing those barriers for students.

Of the 16 CTE program clusters and the types of courses Nevada students are taking, I want to highlight education and training. One of the Governor's priorities this Session is to utilize CTE in addressing the teacher pipeline issue.

MATTHEW MORRIS (Holland & Hart):

I want to broadly present the idea behind S.B. 144. Nevada businesses can directly donate to private schools via a tax credit scholarship. There is not a similar mechanism for public education. Senate Bill 144 is based on models from other states and successful tax incentive programs that have worked in Nevada. Such programs allow a private entity to donate directly to a CTE program; in return for that donation, the entity receives a tax credit against the MBT, payroll tax or Insurance Premium Tax.

One of the models we looked at has been in effect in Arizona since 2003. It is a nonrefundable public school tax credit for contributions directly to public school programs for educational purposes, including extracurricular activities, character education and CTE assessments. It generates approximately \$50 million to \$55 million annually and is a credit against the Arizona personal income tax. A similar program in Georgia known as the PEACH Education Tax Credit is capped at \$5 million per year and creates an innovation fund. Donations to the fund are redistributed as grants to public school education programs, and that generates \$5 million per year in Georgia.

The GAO report surveyed other states that have been successful with these types of programs. One successful case study was in Delaware where a for-profit corporation donated \$400,000 to a CTE program in health care and construction trades, and it served over 200 students in those career pathways. There are similar CTE scholarship programs in Washington allowing a private company to make a donation to a CTE program and receive some form of a tax credit.

What S.B. 144 does is draw on those models. It draws on similar tax incentive programs in place in Nevada since at least 2013 that offer tax credits against the payroll tax or the Insurance Premium Tax to support economic development and affordable housing. A bill that passed in 2019

allows a credit against the MBT and Insurance Premium Tax for certain affordable housing programs.

Senate Bill 144 would allow a business to apply for the tax credit through an Internal Revenue Code 501(c)(3) CTE tax credit organization that the DOT selects. The business would apply through that entity to DOT for a tax credit and articulate the intention to make a donation to a CTE program for which the tax credit organization would compile a list. The DOT would approve or deny that application. Then the CTE tax credit organization would make recommendations to the State Board of Education (SBE) that would decide which eligible-approved CTE programs would receive a grant award based on the donations made to that 501(c)(3) organization.

The bill generally establishes a CTE tax credit program administered by this 501(c)(3) organization which must be incorporated in Nevada and have experience administering these types of education grants. This is similar to the Georgia model and other models in place in Nevada. It requires the CTE program to be approved and compliant to be eligible for a CTE grant award. An existing CTE program would apply to the tax credit organization and express interest in applying for grant funds. The CTE tax credit organization would take that application and make a recommendation to the SBE. The SBE would approve or deny the application. If approved, funds would go directly to that CTE program.

Funds could be used for CTE operational expenses that include supplies, technology, curriculum or professional development; CTE-specific facilities to finance or lease; or for other Nevada Department of Education (DOE)-approved program expenses.

Every year, the DOE puts out a Request for Applications (RFA) announcing grant awards using federal Perkins Fund dollars. The Department has already articulated a list of approved uses for CTE dollars. The idea would be that those types of expenses DOE has already approved would be eligible for this grant donation program.

The Nevada DOT may approve up to \$10 million in tax credits per fiscal year. The credit is applied against the MBT, payroll tax or the Insurance Premium Tax. One of the key features of this bill is that the taxpayer can identify a preferred CTE program. The tax credit organization can take that recommendation or preference and make a recommendation to the SBE which has the authority on

whether to donate the funds to that particular program. The SBE determines which CTE programs are awarded and the amount of the grant award. Senate Bill 144, section 1, subsection 12, prohibits any of these donations from supplanting or replacing federal state matching funds that are required under The Perkins Fund program.

SENATOR SEEVERS GANSERT:

Is the two-course standard used in Arizona and other states? That seems like a low threshold.

MR. MORRIS:

The sequential two courses are a minimum requirement. Under current regulation, to obtain a CTE endorsement on a high school diploma, there must be two sequential courses—an introductory course and a course to show that course content has been mastered.

SENATOR SEEVERS GANSERT:

You may want to consider tying that to the current statute for CTE versus putting it in the bill. On directing the funds, the SBE will be the ultimate decision maker. My concern is with making sure that designated preferences, all funds would not go to a few organizations or eligible entities and lack diversification money disbursement as designated, recognizing that there is discretion at SBE.

MR. MORRIS:

The bill is structured so the SBE does have the sole discretion to determine how much is awarded and to which program. This way, SBE can see the whole landscape, including where CTE program dollars are most needed. Part of that is to make sure the funds do not go to one zip code or one type of CTE program but instead to where CTE resources are most needed. Many times, that is in emerging technology and for the type of cutting-edge equipment you need for innovative industry sectors. The reason why the SBE has discretion is to ensure those dollars go where they are needed most.

SENATOR SEEVERS GANSERT:

I support CTE as it is an extremely effective program. What happens if the DOE does not agree with the preferred organization designated by a contributor?

MR. MORRIS:

The SBE would deny that application. The CTE intermediate organization makes recommendations so it can return the application. The DOT approves the credit amount. The credit amount would not be subject to the SBE, it would be a question as to where those dollars are going.

SENATOR SEEVERS GANSERT:

The DOT establishes the credit amount and then the eligible organizations are a function of the DOT. If eligible, you have to make sure the referred organization is one of the eligible organizations. I am not quite sure if the language ties the two together.

MR. MORRIS:

The CTE tax credit organization reviews eligible CTE programs and makes sure those programs are compliant with the bill, meet the minimum standards to be eligible and are approved. Then it creates a list of eligible CTE programs, and the taxpayer may identify a preferred program from that list. Assuming SBE approves the program and the award, those funds would go to that program.

CHAIR NEAL:

In section 1, subsection 9 of the bill, what does financing a school facility look like in terms of this tax credit? How would that play out for an entity that would choose to do that? Typically, we have capital financing or bonding associated with schools. Why was this an anticipated idea, and how would it work with an outsider coming in?

MR. MORRIS:

Part of this is included because the DOE publishes an RFA every year that announces Perkins federal CTE grant funding. As part of that RFA, the DOE tells programs what qualifies for that federal money. The list covers equipment, instructional materials, classroom supplies and facilities, including retrofitting or updating an outdated facility or building a new one. Those are the types of uses approved by the Department, and we want to ensure parity with this program.

CHAIR NEAL:

What is the structure of the credit for a donor when bonding is involved? What is the overlap with the local school district? When you look at the availability of Perkins Fund dollars, local and State funds appear to be already in play.

MR. MORRIS:

I could not speculate on the different ways this could be done. It would require a significant donation amount, and it would potentially trigger bonding and capital construction rules. The DOT would have the first shot at reviewing the application. Then the intent of the taxpayer applies at how much to donate, what the donation goes toward and if the application makes sense. Assuming the Department approves the credit amount, the taxpayer has to make the donation within 30 days. The SBE has final approval.

There are multiple levels of review to make sure the donation is used as intended and that it makes sense on a lot of different levels, including the financing of the project that can be complicated as your question implies. I could not get into all the various steps, but this is a \$10 million tax credit program because if somebody has the ambition to donate to construct a new facility, this bill intends to allow those types of donations and support.

SENATOR BUCK:

If you had a donor who wanted to give money to buy a building, could they do a CTE charter school?

MR. MORRIS:

Charters are included in this bill and equally eligible. If a donor wanted to build or donate a new facility for a charter school, assuming it was approved initially at the DOT level then by the SBE, a project like that would be eligible.

SENATOR BUCK:

If the donor wants to give to a particular school, then that is permissible?

MR. MORRIS:

The donor can identify a preference. The tax credit organization would make recommendations and would be required to account for that preference. That preference and recommendation goes to the SBE which would look at and give weight to that preference because the intent is a closer alignment between workforce and particular programs. If a donor says that program makes sense for my employees for what I am trying to do in Nevada, then there is supposed to be some weight to that in this process. It would not be the donor's final decision but rather the SBE's final decision through the review process.

SENATOR BUCK:

Would it be calculated on a per pupil basis? Since underfunding is usually an issue, would a big award of funds be made public so the general population is made aware the funds are going into public education?

MS. MORGAN:

Perkins dollars are not accounted for in our typical per pupil funding when legislation is enacted for State education. This would be outside the Pupil-Centered Funding Plan (PCFP). Different per pupil figures are developed, including capital funding, federal dollars and State spending. When we get compared to other states, they are looking at expenditure data, which often includes these types of programs. For the purpose of identifying it in the PCFP, it would not be considered part of that.

NICK SCHNEIDER (Vegas Chamber):

The Vegas Chamber is in support of S.B. 144, which is a product of the Southern Nevada Forum, Economic Development and Workforce Committee. The purpose of the Committee is to determine nonpartisan issues that impact the southern Nevada region. As Nevada strives to diversify our workforce and attract new industries, CTE has proven to be a successful tool in Clark County as it provides students with alternative education options that are essential components of preparing our students to participate in an increasingly competitive global economy. This bill helps put student achievement first by supporting a model that works. Graduating students who are prepared for careers in innovative sectors are a critical component of our ever-growing economy. The Chamber believes using a tax credit model that incentivizes private sector dollars to be directly invested in public education CTE programs will promote a closer alignment between private sector employers and our public education system.

CRAIG MADOLE (CEO, Nevada Chapter, Associated General Contractors):

We strongly support S.B. 144. This is a great opportunity to allow businesses to make the investment in their future workforce. This tax credit model will work, and we strongly encourage your support.

ASHLEY CRUZ (Las Vegas Global Economic Alliance):

We are in support of S.B. 144 as written. Workforce and talent challenges are among the top three priorities for industries seeking to expand and help

diversify. We would like to see conversations supporting career and technical education continue.

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

To keep pace with retirements and an expanding industry, we need 76,000 technicians nationwide every single year. These are high-paying jobs in Nevada, and it is arguably our hardest area for recruitment. The average technician in Nevada makes approximately \$70,000 a year. Experienced technicians make over \$100,000 a year. This is a sector in which our members invest heavily, and we encourage support of S.B. 144.

GIL LOPEZ (Charter School Association of Nevada):

We support S.B. 144 and have a letter of support ([Exhibit L](#)). We are particularly grateful to have public charter schools included in this legislation. This will allow different institutions to continue to innovate in the field of CTE. We urge the Committee's support of S.B. 144 to help ensure that that all Nevada students can access the best education and career training.

MR. ROUZARD:

We did have some concerns with the bill, but this is a great step in the right direction in ensuring that every student has access to educational opportunities that foster unique needs whether it be public, private, charter or home schooling. We advocate for policies that increase educational freedom, and S.B. 144 helps to accomplish that. We encourage the Committee's support of the bill.

KEVIN WEISKE:

Ditto prior testimony.

GLEN LEAVITT (Nevada Contractors Association):

We represent over 450 contractors, subcontractors and affiliated industry professionals primarily in southern Nevada. Ditto prior testimony.

EDDIE DIAZ (Strategic Director, LIBRE Initiative):

We are a solutions-based grassroots organization and strongly support educational opportunities for all Nevada families, especially Latino families. Ditto Mr. Rouzard's testimony.

MARY PIERCZYNSKI (Nevada Association of School Superintendents):

The Nevada Association of School Superintendents is a body composed of all 17 superintendents. Career and technical education (CTE) programs are important to us and to our schools. Our graduation rate among CTE students is good, and we support this bill.

PHILIP MANNELLY (Board Member, Academy of Career Education, Charter High School):

Known as ACE, our Academy is a CTE high school with programs such as diesel mechanics, CAD drawing and building trades. It is a highly successful charter school, and we strongly support this bill. Ditto previous testimony, but I also want to add that capital funding for facilities at our school in particular is difficult. This bill would go a long way to continue the support of our school and to ensure the livelihood of our school moving forward.

MARI NAKASHIMA NIELSEN (Washoe School Principals Association):

We have many successful CTE programs, and we would appreciate the dedicated funding source.

JENNIFER LOESCHER (Educator, Southern Nevada Regional Professional Development Program; Senior Policy Fellow, Teach Plus Nevada):

I offer the perspective of an educator who has worked within the Clark County School District for 23 years. As a Teach Plus Senior Policy Fellow, I support S.B. 144. I would like to humanize the benefits of the CTE programs. One of my student colleagues was hired as a certified nursing assistant upon graduation from a CTE school because of the student's experience with the CTE programming, most specifically because of the clinical experience gained as part of the CTE program. As a result of the programming, the student will obtain a bachelor's degree in two and a half years rather than the typical four to five years it takes to graduate with an undergraduate degree. As we continue to make decisions that will improve our education system, we have the opportunity to increase the number of students who are invited to access this level of equitable and excellent education. Senate Bill 144 is a step in the right direction to find additional sustainable funding sources for CTE programming and increase the partnerships we can cultivate between our community and our schools. For these reasons, I support S.B. 144.

DORA MARTINEZ (Disability Action Coalition):

We wholeheartedly support S.B. 144.

MR. LOPEZ:

Nevada Policy Research Institute is in support of S.B. 144. This is a great move to make sure we get the funds needed for career and technical education. We have an aging population in terms of skilled trade and labor. Anything we can do to drive that number down to get more people into the workforce would be a positive boost for our economy. Occupational licensing regime should also be addressed in the bill to avoid situations where we have students learning their skills in certain trades but are unable to make it into the workforce to get that license because they do not have the licensing application funds.

KAREN SHEA:

I am thrilled to see the bipartisan legislative support for S.B. 144, and I wish to add my parent and constituent support of the bill.

ALEXANDER MARKS (Nevada State Education Association):

Nevada State Education Association (NSEA) is a proponent of career and technical education. However, we oppose the tax mechanism proposed in S.B. 144 on principle. Instead, NSEA would recommend up to a \$10 million appropriation for CTE from projected General Fund revenues, including the MBT. While CTE is worthy of additional funding, the mechanism is the wrong way to approach this. The Legislature should support this through prioritizing programs within the regular budget.

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March 7, 2023
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CHAIR NEAL:

I will close the hearing on S.B. 144. We will adjourn at 3:39 p.m.

RESPECTFULLY SUBMITTED:

Connie Summers,
Committee Secretary

APPROVED BY:

Senator Dina Neal, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit Letter	Introduced on Minute Report Page No.	Witness / Entity	Description
	A	1		Agenda
	B	1		Attendance Roster
S.B. 68	C	3	Char Frost and Sarah Adler / Clark Regional Behavioral Health Policy Board and National Alliance on Mental Health Western Nevada	Presentation
S.B. 68	D	4	Clark Regional Behavioral Health Policy Board	Proposed Amendment
S.B. 68	E	10	Abbey Bernhardt / National Alliance on Mental Health	Testimony in Support
S.B. 68	F	20	Heidi McKendree / Reno Housing Authority	Letter in Support
S.B. 68	G	21	Ben Iness / Nevada Housing Justice Alliance	Letter in Support
S.B. 68	H	22	Janine Hansen / Nevada Families for Freedom	Letter in Opposition
S.B. 68	I	25	Wiselet Rouzard and Ronald Najarro / Americans for Prosperity	Letter in Opposition
S.B. 68	J	30	Senator Dina Neal	Letters in Support
S.B. 68	K	30	Senator Dina Neal	Letter in Opposition

Bill	Exhibit Letter	Introduced on Minute Report Page No.	Witness / Entity	Description
S.B. 144	L	39	Gil Lopez / Charter School Association of Nevada	Letter in Support