

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

**Eighty-second Session
April 11, 2023**

The Senate Committee on Revenue and Economic Development was called to order by Chair Dina Neal at 1:14 p.m. on Tuesday, April 11, 2023, in Room 1214 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 Edgar Flores, Senatorial District No. 2

STAFF MEMBERS PRESENT:

Michael Nakamoto, Chief Principal Deputy Fiscal Analyst
Christian Thauer, Deputy Fiscal Analyst
Janet Stokes, Committee Secretary

OTHERS PRESENT:

Kelly Maxwell, Baby's Bounty
Lisa Cano Burkhead
Kristina Kleist, Latin Chamber of Commerce, Nevada
Bryan Wachter, Retail Association of Nevada
Marlene Lockard, Service Employees International Union 1107
Jim DeGraffenreid, Nevada Republican Party
Brian Harris, Battle Born Progress
Lisa Partee

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Chris Daly, Nevada State Education Association
Betsy Strausburg
Richard Nagel
Lynn Chapman, Nevada Families for Freedom
Mariann Humphrey
Vinson Guthreau, Nevada Association of Counties
Pauline Lee, Keystone Corporation
Susan Proffitt
Katrin Ivanoff
Michael Ryan
Sarah Adler, National Alliance on Mental Illness, Nevada Chapter

CHAIR NEAL:

We will start with the work session on Senate Bill (S.B.) 140.

SENATE BILL 140: Revises provisions relating to the distribution of the excise tax on live entertainment. (BDR 32-166)

CHRISTIAN THAUER (Deputy Fiscal Analyst):

I will read the summary of S.B. 140 from the work session document (Exhibit C). There is one amendment to the bill.

SENATOR SEEVERS GANSERT:

I have never seen legislation where an agency must divert tax funds to a county or anywhere else. I do not know if passage of S.B. 140 would be precedent-setting, but I cannot support this bill. I have never seen a bill like this before.

CHAIR NEAL:

Pershing County recognizes incidental and direct financial impact on the County from hosting Burning Man. Bill proponents could not include a specific amount they were requesting without proof of expenditures. Pershing County was in the middle of contract negotiations with the Burning Man organization, and we did not want the bill to affect those negotiations.

The goal of S.B. 140 is to ensure Pershing County could still negotiate its direct and indirect costs by approaching the Nevada Tax Commission via the Nevada Department of Taxation and presenting estimates of County costs after

the event. Pershing County could then receive what it needs in relation to the effect on Pershing County. The amendment is the best way to accomplish that.

SENATOR SPEARMAN:

At the introduction hearing on S.B. 140, there was some discrepancy on what was submitted, and we could not come to a consensus. The amendment was the compromise. If Pershing County can provide documentation of the money it spent with receipts, that should be considered when we vote on the bill. If there is no documentation of what Pershing County spent, there should not be an increase in the money it receives.

CHAIR NEAL:

I will entertain a motion to amend and do pass S.B. 140.

SENATOR SPEARMAN MOVED TO AMEND AND DO PASS AS AMENDED S.B. 140.

SENATOR DOÑATE SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR SEEVERS GANSERT VOTED NO.)

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CHAIR NEAL:

Next on the work session is S.B. 369.

SENATE BILL 369: Revises provisions relating to health care. (BDR 32-528)

MR. THAUER:

I will read the summary of S.B. 369 from the work session document ([Exhibit D](#)). There are no amendments.

CHAIR NEAL:

As there is no discussion on S.B. 369, I will entertain a motion to do pass.

SENATOR BUCK MOVED TO DO PASS S.B. 369.

SENATOR SEEVERS GANSERT SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR NEAL:

We will close the work session and hear S.B. 428.

SENATE BILL 428: Proposes to exempt sales of diapers from sales and use taxes and analogous taxes upon approval by the voters. (BDR 32-1033)

SENATOR EDGAR FLORES (Senatorial District No. 2):

Accompanying me is Kelly Maxwell, Executive Director of the Baby's Bounty diaper program, and former Lieutenant Governor Lisa Cano Burkhead. During the Interim, Legislators engage in conversations with constituents and stakeholders, and I established a working relationship with Ms. Maxwell and Ms. Burkhead who help families in Nevada.

Many of the families they work with use diapers, and their organization provides them, no questions asked. As a Legislative Body, we have a responsibility to acknowledge stakeholders in the community who are doing phenomenal work like Baby's Bounty. The work they do often goes unrecognized.

Nevada has a responsibility to collectively engage to help families in need, and that is what S.B. 428 does. The bill removes the sales and use tax that applies to the sale of diapers. By removing the tax, we ensure that families can keep that tax money to pay for other essentials such as transportation, food, housing and other essentials. The money young families save by eliminating the tax on diapers will help the State because families will be able to utilize the tax money for other needs.

KELLY MAXWELL (Baby's Bounty):

I submitted fact sheets ([Exhibit E](#)) explaining the need for S.B. 428 and 11 letters in support ([Exhibit F](#)) from State and local elected officials. Baby's Bounty is a nonprofit organization established over 15 years ago. The organization is dedicated to improving health outcomes for families living in poverty. We operate the only diaper bank resource in the State, with diaper banks in Las Vegas, North Las Vegas, Henderson and the Reno-Sparks area. Our organization has distributed over 2.6 million diapers and over 5 million wipes to 36,000 of Nevada's tiniest residents.

We understand the struggles faced by Nevada families in procuring an adequate supply of diapers for their children. Data reflects that one in three Nevada families struggle with diaper need, which can affect the health, education and economic stability of the family unit. National diaper need is similar to that of Nevada. It is important to understand that diapers and related healthcare items are not a luxury. They are fundamental needs for the health and development of a child.

Babies are at risk for many health conditions and illnesses, including skin infections, rashes, urinary tract infections and viral meningitis. Newborns require eight to ten diapers a day. Families may spend over \$1,200 per year on diapering supplies. Diapers play a critical role in our economy, impacting opportunities available to parents without an adequate supply of diapers. Without an adequate supply of diapers, parents are unable to send their children to daycare, preventing their own attendance at work or school. Fifty-seven percent of parents missed an average of four days of school or work in the past month due to a lack of diapers. We need to ensure that essential items, including diapers, are not so costly that our families must forgo their jobs or education.

I strongly support S.B. 428 which seeks to remove the sales and use tax on diapers in Nevada. This bill will provide relief to families by balancing the inflationary increases that continue to burden our community. Nevada needs to join 16 other states and the District of Columbia which have passed similar legislation. Nevada should reduce the cost of necessary preventative healthcare supplies. Although S.B. 428 does not entirely solve diaper need, it ensures these necessities are more affordable for our families, prioritizes the needs of our most vulnerable citizens and celebrates the dignity of every child.

LISA CANO BURKHEAD:

While involved in the Baby's Bounty diaper bank program, I witnessed firsthand the overwhelming need Nevada families have for diapers. Filling the diaper gap will provide our families with the relief they need to provide their children with supplies essential to the health and well-being of Nevada's children. Removing the diaper sales tax will help remove barriers to access for Nevada families.

Diapers and baby wipes are items that directly impact the child's health. Similar bills have been implemented and tested in other states and will provide immediate relief to Nevada families. I am dedicated to education and understand

that having access to basic needs is essential for our children to succeed. I ask the Committee to support S.B. 428.

SENATOR SPEARMAN:

Some of our lower enlisted military personnel do not make a lot of money. Would military members or veterans have access to the benefits of this bill?

Ms. MAXWELL:

Yes. Removing the sales tax on diapers would apply to anyone who purchases them. The Baby Bounty diaper banks are available to anyone who needs them.

SENATOR BUCK:

What is the financial impact of S.B. 428?

SENATOR FLORES:

Michael Nakamoto calculated the tax loss if S.B. 428 were enacted and can better explain how he developed the estimate. I want to be transparent because determining an anticipated tax loss is not an exact science.

MICHAEL NAKAMOTO (Chief Principal Deputy Fiscal Analyst):

Senator Flores asked the Fiscal Analysis Division to research the potential impact of S.B. 428. The data is accurate if the bill is approved by voters at the next election and necessary for the bill to become effective.

The calculations are a combination of market statistics on the sale of adult and child diapers in the U.S., and plus financial analyses from other states that have considered or implemented similar legislation. We also gathered information on the average consumption of diapers in fiscal year (FY) 2022-2023. Our office calculated a total loss of sales tax revenue of approximately \$9.3 million; the State General Fund would experience a \$2.32 million reduction, and the Local School Support Tax set forth in *Nevada Revised Statutes* (NRS) 374 would experience a \$2.9 million reduction. The remaining tax loss would affect local governments through Consolidated Tax Distribution, including several additional local option sales taxes.

These estimates are based on the population, demographic growth and potential price increases of the products addressed in the bill. By the time S.B. 428 would become effective, January 1, 2025, the tax loss could be slightly higher.

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KRISTINA KLEIST (Latin Chamber of Commerce, Nevada):

Our organization supports S.B. 428 as the bill would help Nevada families obtain essential items they need for the health of their families.

BRYAN WACHTER (Retail Association of Nevada):

The Association supports sending S.B. 428 to voters, so they can make the final decision on eliminating the sales and use tax on diapers. The Association recently polled voters to garner feedback on purchases and taxes. We asked if the sales tax impacted their purchasing decisions, and 65 percent of Nevadans reported that it does. Although providing tax relief is important, we may need to consider how we can counter long-term exemptions by broadening the tax base in other ways. Another bill we are hearing today, Senate Bill 396, addresses a similar issue, and these two bills would work well together.

SENATE BILL 396: Imposes a tax on the retail sale of certain digital products.
(BDR 32-6)

If the Legislature plans to narrow the tax base, the State must also recognize the accompanying tax erosion, estimated at about \$9 million per year. We urge the Committee to support S.B. 428.

MARLENE LOCKARD (Service Employees International Union 1107):

We strongly support S.B. 428, eliminating the sales tax for diapers. Diapers are a necessity, not a luxury. The bill promotes the health, well-being and financial security of Nevada families.

JIM DEGRAFFENREID (Nevada Republican Party):

The Republican Party supports S.B. 428. Our platform is that Nevadans are overtaxed, and the government is not underfunded. Although we would prefer to see an across-the-board reduction of sales tax, we support S.B. 428 for the tax relief it provides Nevada families. Diapers are an essential need for a growing family, and the bill reduces the burden our government places on these families. Every exemption to the sales tax benefits Nevada, and we ask the Committee to support S.B. 428.

BRIAN HARRIS (Battle Born Progress):

Diapers are necessary for families with infants or young children and should be tax-exempt. As the father of a toddler, I know how expensive diapers are for just one child and can only imagine the burden on families who are buying

diapers for two or more children. Diapers are not a luxury item; they are a necessity for health, hygiene and medically compromised children. We support S.B. 428 and urge the Committee to support it also.

LISA PARTEE:

I oppose S.B. 428. The sales tax charged on diapers is minimal, and people who pay tax on those products have been doing so forever. I feel the same about adult diapers. Please stop coming after property owners for all the taxes you want to raise and expensive programs you want to implement this Session. People who struggle financially still require diapers, and the sales tax removed and paid for by me will not make or break diaper security. People should revisit using cloth diapers which would also benefit climate-minded people. If people cannot afford basics for their children, they should use birth control, something taxpayers are also paying for.

Taxes are a huge burden on the middle class, especially with the highest rates of inflation seen in our lifetime. I have always worked full time, was below the poverty level for many years and never once took advantage of any government programs. I have always lived within my means and paid my own way. Stop asking taxpayers to pay for everyone's sexual behaviors and the inconvenient results of those behaviors this Session.

SENATOR FLORES:

I want to remind Nevadans that many essential items are already exempt from sales tax in Nevada, and other states have exempted diapers. We are not increasing taxes for anyone. We want families, particularly young families, to spend the tax savings on other needs, be it food, gasoline or adding money to their bank accounts. The State has a responsibility to support the amazing nonprofit agencies that are working to financially improve the lives of every young family. We should collectively agree as a State that although we cannot fix everything, we can do small things that make a difference.

CHAIR NEAL:

I will close the hearing on S.B. 428.

VICE CHAIR DOÑATE:

I will open the hearing on S.B. 394.

SENATE BILL 394: Revises provisions governing property taxes levied for the support of public schools. (BDR 34-603)

SENATOR DINA NEAL (Senatorial District No. 4):

Senate Bill 394 is one of three controversial bills I have presented this Session. During the Interim, the Commission on School Funding discussed different funding sources including property tax and sales tax. When I first heard of an idea to raise between \$222 million to \$339 million per year for our public education to meet the national funding and adequacy status for school sufficiency, I conducted some research.

I was initially against the idea, but the more I thought about it, I believed there was a way to bring a workable bill before the Committee. Many Nevadans are opposed to applying more money to education. Other Nevadans believe education receives enough money but needs to be more accountable and transparent. I agree with these sentiments.

This bill addresses property tax—a narrative used to describe S.B. 394. When we first examined the relationship between property taxes and school funding, we considered freezing tax abatements. We subsequently realized that when the Seventy-third Session enacted abatements, the purpose was to prevent property taxes from increasing. By freezing abatements and allowing property tax revenue to filter back to the respective counties, property taxes would increase in contradiction to legislative intent.

We also considered what would happen if we slowed down depreciation. A slowdown would result in newer properties slated for property taxation remaining at the base rate longer than 50 years. Although the slowdown concept was part of S.B. 394, it was not included in the draft.

The proposed amendment freezes the Governor's Office of Economic Development (GOED) tax abatements to ensure they will not exceed \$500,000. The same concept was initially included in another bill proposed by a different Senator. The GOED abatement contemplated in the bill would focus on smaller businesses instead of giving tens of millions of dollars away.

The proposed amendment returns the authority to the Legislature to alter any GOED abatements in effect. Senate Bill 394 allocates 10 cents outside the tax cap to raise revenue for education. The bill does not provide local government

additional dollars as it was important that taxes collected from the bill only be used for local education. The bill also needed to meet criteria maintained by the Commission on School Funding.

I realize S.B. 394 is controversial. Last week, our Senate Finance Committee discussed needs of the 15 Nevada school districts in Nevada, and we learned that not all school districts are the same in terms of needs and ability to sustain a property tax increase. Financially compromised districts do not have enough money to sustain this type of a bill. We are having this hearing today because I wanted to put the proposed tax assessment formula on the record so future Legislators will have a model to consider.

We are looking at a chart ([Exhibit G](#)), that estimates how \$.01, \$.05, \$.10 or \$.15 outside the rate per \$100 of assessed value outside the \$3.64 cap could generate a revenue stream to fund education. I went to the \$.10, section 2, subsection 1, because that would generate \$161 million every year.

I agreed to take on this bill knowing many Nevadans in the Committee room would say they hate the bill and hate me too. This conversation is a hard one. Education is one of the most passionate topics we discuss in this building and whether the funding is transparent. I will not always be a Legislator and am aware that if this tax proposal does not go on the record, the model contemplated in S.B. 394 would not be accessible in the future. The purpose of this hearing is to show that work has been done on this tax model. If another Legislator decides to take on slowing depreciation, the economic modeling is part of the legislative record for the Eighty-second Session.

There may be more of a political appetite in the Eighty-fourth Session to fund public education to achieve the adequacy level. The proposed tax mechanism would allow the State to generate additional revenue for public education, no matter which base calculation is utilized. Each Nevada county can impose the base calculation it believes will most benefit the community.

Our Committee has received many emails that urge "no more dollars, no more taxes." The Legislature has been urged to focus on accountability—I believe we have. My goal today is to discuss methods the Commission on School Funding has suggested to fund our school districts through property tax to improve our national adequacy status for school sufficiency. Although this proposal has not garnered much political interest this Session. I was excited to discover that the

State might be able to raise tax revenue for school districts outside of the tax cap.

CHRIS DALY (Nevada State Education Association):

I am submitting a statement ([Exhibit H](#)) in support of S.B. 394. Our Association has been the voice of Nevada educators for over 120 years. For decades, Nevada has been ranked near the bottom of all states for education and funding quality in the Quality Counts report in *Education Week*. The 2022 report found that Nevada had dropped to a overall forty-ninth ranking in school financing and was tied in forty-ninth place in the overall Chance-for-Success Index. Nevada maintains the largest class sizes in the Country, a direct result of chronic underfunding.

The Eightieth Session created the Commission on School Funding that was tasked with determining how Nevada could reach optimal funding in ten years. Accounting for historic increases to K-12 funding this Session, the State would still need to raise an additional \$2.6 billion per year to reach optimal funding by FY 2032-2033. The Commission was also tasked with making recommendations to the Legislature on how Nevada could raise these funds.

The Commission's November 2022 report noted only two sources of tax revenue with the capacity to achieve the identified levels of annual funding increases over time: property tax and sales tax. The study concluded that while other tax sources could complement or supplement the overall funding strategy, revenue demands to achieve the targeted levels of funding in the coming decade could not be achieved without significant contributions from the tax capacity existing within the property and sales tax structures. Senate Bill 394 would be a significant step forward in implementing the recommendations of the Funding Commission. I personally thank Senator Dina Neal for paying attention to the educational funding needed in Nevada.

MR. HARRIS:

Battle Born Progress believes education is a fundamental right and providing access to quality education is crucial for the development of successful individuals and society. We support S.B. 394.

BEPSY STRASBURG:

I have been attending school board meetings for over two years. Many of us have recommended a continuous improvement program which has not

happened, and every session a school funding bill is proposed. What is the adequacy level in Nevada for this year? The pupil-centric formula in Carson City is approximately \$12,000 per student per year, while Bishop Manogue's tuition rate is \$12,000 per year. San Francisco's pupil-centric level is \$13,000 per year, even though the cost of living in San Francisco is much higher than Carson City. Money for education is there, but accountability is absent. We cannot continue to spend money on methods and programs that do not work.

Yesterday, the U.S. Postal Service submitted a proposal to raise the cost of a stamp to 66 cents. The U.S. Postal Service continues to propose increases with no accountability, and the same thing applies to Carson City and all other Nevada schools. We remain at the bottom for increased funding, but we need to know where the funding goes first. Too much funding is going to school administrators and not to teachers. That does not help improve the academic proficiency in English, math and science for our students. We should not dump more money down the drain by putting the burden on property tax owners.

I am part of the senior crowd in Carson City, without any students in the school district. I cannot afford more property tax, although that seems to be the go-to option for all revenue sources. The State reduces sales tax on one end and raises property taxes at the same time. This practice is not fair for Nevadans.

RICHARD NAGEL:

There is no accountability for school funding; we need to connect funding to accountability by implementing a continuous quality improvement program. I have testified before school boards to get a continuous quality improvement program implemented and job descriptions, so a superintendent evaluation is based on specific skills and criteria related to progress in the school district.

With no accountability, we are throwing money into a fire and nothing will ever improve. The State needs momentum toward a positive outcome for children in Nevada—it is just not happening. We all love the status quo, and nobody wants to rock the boat. As a result, there is no improvement process in our school districts and no studies to determine what school employees are doing and if their job positions are necessary.

For example, Carson City High School employs three assistant principals. Are they even needed? Who knows? No cost analyses have been conducted to determine how we can streamline educational processes. Our goal is to benefit

the kids, but if there is no negative outcome for not meeting standards, there will never be accountability. You cannot just throw money at something that may or may not work.

LYNN CHAPMAN (Nevada Families for Freedom):

Many older and retired homeowners are worried about losing their homes because the Legislature is considering raising property taxes. Nevada must not overtax people. When a steady stream of money was needed for schools, Nevadans approved bond measures, and voters knew exactly what the bond measure would benefit. The steady stream of revenue contemplated if this bill were passed would result in no accountability for the funding. Every session, a bill proponent promises a bill as a panacea for funding problems, followed by other bill proponents who submit bills promising the same. How much is enough? The answer is always the same. There will never be enough.

Just prior to the Great Recession, property values were rising so rapidly that the corresponding increase in property taxes forced homeowners to sell their homes. To prevent this, a property tax cap was implemented in the Seventieth Session to protect the homeowner. Property taxes should not skyrocket and force us out of our homes. This is the wrong time to even consider raising taxes on families and raising property taxes. There must be a better solution.

MARIANN HUMPHREY:

I oppose S.B. 394. In his State of the State Address, Governor Joe Lombardo said he would not raise taxes but set aside extra money to benefit K-12 education. We do not need to increase property taxes which we already struggle to pay. I have attended several legislative hearings, and all I hear is "tax tax tax." If Nevadans are paying over 56 percent in hidden taxes which do not include food, gas and electric bills, where will the tax money come from? We will end up so overtaxed that we will have no more money or are forced from our homes. I am a senior citizen with limited income, and I am tired of funding all these things. Our schools need to be accountable for what they spend on administration and teachers. If we have been ranked forty-ninth in funding for so many years, why are schools not required to be more accountable for education?

The State is already lagging on science and math scores compared to people in foreign countries, and we continue to fall behind. We need to focus on essential

subjects like the arts, math, history and science, eliminating the garbage addressed like critical race theory and transgender ideology. These issues are not educational subjects. We need to focus on phonics, reading and basic skills. I have been to several school board meetings, and our educational system keeps getting worse. We need to do something to better the education of Nevada's children. Raising taxes will not improve our education. We need more accountability.

VINSON GUTHREAU (Nevada Association of Counties):

I have discussed S.B. 394 with the sponsor: as written, the legislation mandates that boards of county commissioners raise taxes. Our Association believes this bill will be impossible to implement, and we oppose it. Even so, we appreciate Chair Neal's courage in taking on this public policy issue.

Our board has previously had multiple conversations about property tax reform. Although this bill would only raise property taxes for education, we appreciate the sponsor's willingness to bring forward public policy discussion, and we look forward to future discussion.

PAULINE LEE (Keystone Corporation):

The Keystone Corporation is a nonpartisan probusiness organization promoting low taxation, responsible regulation and private sector job creation. The Keystone Corporation opposes S.B. 394. The bill adds what appears to be an innocuous \$.10 tax on every \$100 of assessed valuation. However, this tax would impose a significant tax burden on businesses and residents. Inflation is in double digits, and Nevada businesses and families cannot afford a new tax. A rising percentage of Nevadans are experiencing food insecurity. The Nevada housing market has screeched to a halt because of the surge in interest rates.

Businesses are facing a labor shortage because COVID-19 shut down our State, and Nevada families are in distress because of the high cost of living. Giving our school districts more money will not improve education. On the other hand, school choice will allow parents to match their children's needs with the school that best fits them. This choice is a positive for Nevada families.

A property tax increase will negatively affect all Nevadans. Apartment owners will pass the increased property tax to renters who are already experiencing rising rent costs. Nevada is experiencing a budget surplus this year, and Governor Joe Lombardo set aside much of the surplus for education.

SUSAN PROFFITT:

I oppose S.B. 394. Our education system in Nevada is not lacking; we just have a poorly managed education system. Governor Lombardo set aside much of the budget surplus for education, and education will receive \$10 million from the EPA program, converting existing diesel buses to electric—not the best use of our money. When marijuana was legalized, I thought some of that money would be for education. Even though a lot of marijuana is sold in Nevada, we still have the worst education system in the Country. Until we fix our education system, we cannot attract doctors and jobs to Nevada. The health of our economy begins with our families and the education that we provide them.

Although we need to improve education in the State, S.B. 394 will not accomplish that goal. Another problem is no controls in place if the bill is passed. What happened to the \$47 million from the teacher's medical fund diverted to the teacher's union during COVID-19? That transfer was not appropriate; any surplus should have gone to our teachers because we cannot hire enough teachers and provide decent medical coverage. We continue to create our own problems.

Ms. PARTEE:

I oppose S.B. 394 because no additional money should go to our failing public school system. We need to change curriculum and accountability for teachers, principals and superintendents. Although I appreciate Senator Neal's honesty as to why she brought this bill forward, we have already seen too many tax increase bills this Session. There would be a mass exodus of property owners and businesses if the proposed tax increases were approved. We cannot carry the costs of education and related programs on the back of property owners.

There is too much mismanagement within Nevada schools. Teachers buy school supplies with their own money, and the majority of money thrown at education benefits administrations, not teachers. This is why Nevada is experiencing a shortage of teachers.

We need to see accountability on where the millions provided to education are going. In the *Nevada Appeal* last week, Speaker Steve Yeager said the Nevada Senate is struggling to determine how public money can follow students who attend public schools. Our schools do more harm than good and cannot justify receiving billions of dollars to provide a poor education to Nevada children.

We must stop throwing good money after bad. Nevadans should be able to move their children from public to private schools to avoid the horrible education they are receiving.

MR. DEGRAFFENREID:

The Nevada Republican Party opposes S.B. 394. As noted on our platform, Nevadans are not undertaxed, and our government is not underfunded. Nevada does not have a revenue problem; it has a spending problem. This bill targets Nevada families struggling with a heavy tax burden. Property taxes already pay for a variety of things in our respective counties, including inflated employee salaries and four-day work weeks, administrator pay often above \$300,000 plus Peloton bikes on the taxpayer dime.

Clark County government offices are closed on Friday, a luxury service industries in Nevada cannot afford to implement, despite making up 40 percent of the jobs in Clark County. When recession hits, local governments should do what we do and spend within a budget. Our school funding has increased regularly and substantially over the decades with no visible improvement. Money must be better allocated.

Nevada schools do not suffer from lack of funding. Utah spends \$1,000 less per child annually but produces far better results than Nevada—Utah ranks in the top ten for reading achievement. The only discussions we should be having are reducing property taxes and returning money to taxpayers. We have a budget surplus, so why should taxes be raised? This bill would increase the burden on Nevada families for no good reason.

The State should reduce the inflated salaries of administrators who oversee one of the worst-performing education systems in the Country before targeting Nevadans for a tax shakedown. Senate Bill 394 targets senior citizens who survive on a fixed income. Illinois restructured property taxes resulting in uncapped assessments that are often more than a mortgage payment. Stop targeting Nevada families for additional taxes that do not improve education. We urge you to just say no to S.B. 394.

KATRIN IVANOFF:

I oppose S.B. 394. This bill is absolutely ridiculous. We just got off two years of house arrest with COVID-19. With inflation, most people have a hard time choosing between medication, food or gasoline.

The next time the State puts Nevadans on house arrest, the State needs to have money in reserve. How can you, in clear conscience, spend your time and our hard-earned money representing us in a way we do not want to be represented. It is mind-boggling, especially with the budget surplus we have. Governor Lombardo has already allotted much of the budget surplus to education, and you still want more money. The Legislature has been using education as an excuse to get more and more money. All we have heard in the last 20 to 30 years is education, education, education.

You need to find a better excuse because you have not properly spent the money taxpayers have given you. You have not been good stewards of our money, so you should not get any more of it. You act like you are the king of Nevada, not representatives of your constituents. For the record, I live in Assembly District 42. Please vote no on this terrible bill.

MICHAEL RYAN:

I am a long-term resident of Nevada. Please vote no on S.B. 394. This is a horrible proposal to increase property taxes for our schools. I do not want any more money going to Nevada's failed public schools. Nevada schools need to implement fundamental changes in curriculum and increased accountability for superintendents, principals and teachers. With inflation so high, we cannot afford more taxes. "No more money for failing government schools."

SENATOR NEAL:

I apologize to the Committee on Revenue and Taxation and those who oppose S.B. 394. We need more transparency, accountability and to fire a couple of superintendents. I brought S.B. 394 before the Committee to ensure the proposed tax mechanism would be on the record for future Legislators. I realize this bill will not move out of Committee, but in the 2027 Legislative Session, a new Legislator may be interested in creating new policy.

Nevada was ranked forty-ninth in funding, not the quality of education. We have problems with our education system that we need to fix. We need to better manage our education system and ensure our dollars are performing for our students. I want to make that clear.

When I first considered the concept of using property taxes for education, I had the same internal arguments and wanted to determine if it was even possible to increase the property tax rate for education. This bill presents methodology if

someone chooses to pursue the concept in the future. Senate Bill 394 identifies a taxing mechanism that complies with the Commission on School Funding parameters, the same as the tax on digital goods.

Even though Nevada now has a budget surplus, the amount set aside for education was not implemented by Governor Lombardo; it was there when he was elected. The surplus will be spent on schools and other needs of the State. I wanted the methodology chart included in the bill to be a matter of record. Future Legislators could then access the meeting of April 11, 2023, Senate Committee on Revenue and Economic Development of the Eighty-second Legislature and improve on this legislation going forward. They would then have a starting point to work from. I appreciate the comments expressed today.

VICE CHAIR DOÑATE:

The Committee has received three letters ([Exhibit I](#)) in opposition to S.B. 394 and one letter ([Exhibit J](#)) in support to S.B. 394. We will close the hearing on S.B. 394.

CHAIR NEAL:

We will return to the work session, starting with S.B. 68.

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

MR. THAUER:

I will read the summary of S.B. 68 from the work session document ([Exhibit K](#)). There is one amendment to the bill.

CHAIR NEAL:

Clark Regional Behavioral Health Policy Board and Sarah Adler submitted an amendment included in the work session document [Exhibit K](#), and I would like Ms. Adler to explain the amendment to the Committee.

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

I apologize to stakeholders for not connecting with them earlier as I thought we would be discussing the amendment after the meeting today. One change involves the Real Property Transfer Tax (RPPT). As introduced, the bill sought to increase the RPPT by \$.20 per \$500 sales value. The proposed amendment changes the calculation method to \$.15 per \$500 sales value of the existing

RPPT. The rationale is that if we create supportive housing requiring a revenue stream that needs to be stood up and sustained, State and local governments will save more money. The second change allows each Nevada region to deposit the money collected from the RPPT to one budget account or split it into two.

SENATOR SEEVERS GANSERT:

The amendment contains new language about eviction prevention. Does that apply to Nevadans who are disabled or on the verge of homelessness?

Ms. ADLER:

The housing authorities I worked with indicate many people within their population need eviction prevention funding. Low-income renters are being housed by housing authorities. Eviction prevention for Nevadans will be for them as well as for those not currently in publicly supported housing. Speaking with housing authorities, rental assistance is important; once people have an eviction on their record, it becomes challenging to rehouse them.

SENATOR BUCK:

I want to confirm that this bill does not implement a tax increase. It only diverts a percent of taxes already in effect. Is that accurate?

Ms. ADLER:

Yes.

SENATOR SPEARMAN:

I just received a phone call from a female veteran in Las Vegas searching for housing for herself and her two kids. There was no supportive housing available, and I realized then how timely S.B. 68 is. I want to clarify that the funding will come from the General Fund.

Ms. ADLER:

Real Property Transfer Tax is codified in NRS 375.020 and includes specifics of the interaction between the General Fund affordable housing, while NRS 375.023 addresses the General Fund and local government tax distribution accounts. I am eager to speak with stakeholders about the appropriate distribution of the \$.15 per \$500.

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CHAIR NEAL:

I want to confirm that the 20-cent tax is deleted from the bill in the amendment and replaced with 15-cent tax.

MS. ADLER:

That is a correct statement. Removing the requirement that 25 percent of the funds collected must be deposited in two separate accounts allows each region to decide how to spend the money.

CHAIR NEAL:

The amendment gives regions the authority to determine the best use of the money collected. My understanding is that the General Fund reached \$13.8 million in FY 2023-2024 and should hit \$14 million in FY 2024-2025.

MS. ADLER:

If all of the funds came from NRS 375.020, that would be the case.

SENATOR NEAL:

I want to make the record clear on how the funding will work. I will accept a motion to amend S.B. 68 and re-refer to the Senate Finance Committee.

SENATOR DOÑATE:

The Legislature is considering proposals that open similar loopholes in the tax structure. These proposals are moving through the Legislature at the same time S.B. 68 moves to the Senate Finance Committee. I hope we consider other proposals and inclusion along with S.B. 68. As this bill will be re-referred to the Senate Finance Committee, I will vote in support today.

SENATOR SEEVERS GANSERT:

To clarify, we are not voting today on whether we support S.B. 68 as written or as amended. However, S.B. 68 will be referred to the Senate Committee on Finance where they will search for available funds for this purpose. The purpose of this bill is important.

CHAIR NEAL:

That is the plan. I will entertain a motion.

SENATOR DOÑATE MOVED TO AMEND WITHOUT RECOMMENDATION
AND RE-REFER S.B. 68 TO THE SENATE COMMITTEE ON FINANCE.

SENATOR SPEARMAN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

CHAIR NEAL:

We will end the work session with S.B. 396.

MR. THAUER:

I will read the summary of S.B. 396 from the work session document ([Exhibit L](#)). There are no amendments to the bill.

SENATOR SEEVERS GANSERT:

I will not be supporting the motion at this time.

SENATOR BUCK:

I will not be supporting the motion at this time.

CHAIR NEAL:

I will entertain a motion on S.B. 396.

SENATOR SPEARMAN MOVED TO DO PASS S.B. 396.

SENATOR DOÑATE SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS BUCK AND SEEVERS GANSERT VOTED NO.)

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SENATOR NEAL:

The work session is closed, and the Senate Committee on Revenue and Economic Development is adjourned at 2:41 p.m.

RESPECTFULLY SUBMITTED:

Cherie Dittler
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. 140	C	2	Christian Thauer	Work Session Document
S.B. 369	D	3	Christian Thauer	Work Session Document
S.B. 428	E	4	Kelly Maxwell	Fact Sheets
S.B. 428	F	4	Kelly Maxwell	11 Letters in Support
S.B. 394	G	10	Senator Neal	Estimate Tax Chart
S.B. 394	H	11	Nevada State Education Association	Letter of Support
S.B. 394	I	18	Senator Fabian Doñate	Three Letters in Opposition
S.B. 394	J	18	Senator Fabian Doñate	One Letter in Support
S.B. 68	K	18	Christian Thauer	Work Session Document
S.B. 396	L	21	Christian Thauer	Work Session Document