

EXECUTIVE AGENCY
FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: February 21, 2025

Agency Submitting: Department of Tourism and Cultural Affairs

Items of Revenue or Expense, or Both	Fiscal Year 2024-25	Fiscal Year 2025-26	Fiscal Year 2026-27	Effect on Future Biennia
Total	0	0	0	0

Explanation

(Use Additional Sheets of Attachments, if required)

The Department of Tourism and Cultural Affairs has reviewed BDR 24-101 (AB92) and concluded that the potential fiscal impact cannot be determined. The provisions of section 1 which require state-owned facilities to be provided to major political parties (in some cases without charge, in other cases with standard charges) have potential impact to the Division of Museums and History in particular, as such utilization would require museum staff involvement which may result in overtime or comp time in addition to the normal costs associated with hosting such events. However, we have no records of such utilization of state facilities from the prior SB 292 of the 2021 legislative session and do not have a valid way to project or anticipate utilization rates. Therefore, while we do anticipate the potential for a fiscal impact if A92 is passed, the Department is unable to determine a precise dollar amount at this time. A full analysis is included in Attachment A.

Name Stewart Terry
Title Operations & Finance Manager

GOVERNOR'S OFFICE OF FINANCE COMMENTS

Date Wednesday, February 19, 2025

The agency's response appears reasonable.

Name Tiffany Greenameyer
Title Director

Division of Museums and History

AB 92 Fiscal Note

There is a presumed cost to AB 92, but it is currently incalculable, primarily due to unknowns about the rate of utilization of Museum space under its “without charge” provisions. In addition, likely impacts include an increase in State of Nevada liability exposure due to “without charge for any purpose” provisions, the potential crowding out of other paid facility rentals due to “without charge” provisions, and the potential for lost public admittance fees due to “shall grant” provisions.

Most facilities use rentals to date at, for example, Nevada State Museum in Carson City, take place after hours on weekdays or on weekends. For these after-hours events, there is always an associated labor cost—often at overtime rates—for security and janitorial staff, in addition to potential costs for exhibits staff, depending on both the event size and the associated number of security personnel which may be reasonably required, as well as on which spaces are used and which artifacts may be regularly housed therein which may need to be temporarily relocated during the event. In addition, even during events occurring within regular weekday operating hours, additional museum staff may be assigned as needed at the discretion of the museum director to uphold the Museum’s stewardship responsibilities around potentially irreplaceable historical artifacts, thus taking away from regularly assigned duties and adding potential overtime labor costs. Because these presumed costs are dependent on both the unforeseeable size and number of such “without charge” events, the fiscal impact of AB 92 is incalculable at this time.

In addition, facility use agreements such as that used by the Nevada State Museum require proof of \$1,000,000 insurance coverage of “personal injury, contractual, and broad form property damage,” require users to be “responsible for any and all loss, accidents, injury, or damage to persons or property, which result from this facility use,” and “hold harmless and indemnify the State of Nevada and Nevada State Museum in every way from claims, suits, and actions at law for damage or injury to persons or property.” A strict reading of the AB 92 provision “without charge *for any purpose*” (emphasis added) would subject the State of Nevada to financial liability exposure in the event that facility users allowed by AB 92 are NOT held to the same insurance, liability, and indemnification requirements as any other facility rental user—since these requirements come at both an actual and potential cost to the users themselves. The scale, scope, and frequency of such potential liability and associated costs is unforeseeable at this time, and therefore likewise incalculable.

Further, it is unforeseeable whether the size and frequency of “without cost” Museum facility use might crowd out rental use by paying users, which may result in a loss of the rental revenue used to defray Museum operating costs.

Finally, AB 92 includes a “shall grant” provision regarding any “room or space available in a building that is open to the general public and occupied by the government of this State...or an agency thereof,” which may create a conflict between the exclusivity needs of event hosts and the access needs of public attendees. For example, public access to certain spaces available for rent after regular operating hours, such as the Dema Guinn Concourse connecting the two wings of the Nevada State Museum in Carson City, cannot be restricted during regular operating hours without constraining public access to exhibit space, due to the absence of public access to either wing from outside the concourse. Because it is unforeseeable to what degree such potential access constraints might negatively impact public attendance by paid attendees, the resultant potential loss of associated admittance revenue used to defray Museum operating costs is also incalculable.