

NEVADA LEGISLATURE

Thirty-first Special Session, 2020

SENATE DAILY JOURNAL

THE SEVENTH DAY

CARSON CITY (Tuesday), July 14, 2020

Senate called to order at 3:37 p.m.

President Marshall presiding.

Roll called.

All present.

Prayer by Senator Heidi Seevers Gansert.

Today, we face serious challenges in our State. Nevadans are struggling to make ends meet and are also concerned about their health and the health of their families. While we work together to address what we can, we need to keep in mind every Nevadan. We are honored to serve as members of this Body. As we work together to make the best decisions as possible, please bless the members of the Legislature and our staff.

AMEN.

Pledge of Allegiance to the Flag.

By previous order of the Senate, the reading of the Journal is dispensed with, and the President and Secretary are authorized to make the necessary corrections and additions.

MESSAGES FROM ASSEMBLY

ASSEMBLY CHAMBER, Carson City, July 13, 2020

To the Honorable the Senate:

I have the honor to inform your honorable body that the Assembly on this day passed Senate Bills Nos. 1, 2.

CAROL AIELLO-SALA

Assistant Chief Clerk of the Assembly

MOTIONS, RESOLUTIONS AND NOTICES

Senator Cannizzaro moved that the Senate resolve itself into a Committee of the Whole for the purpose of considering Senate Bill No. 4 and other matters relating to the State's budget shortfall, with Senator Cannizzaro as Chair and Senator Ratti as Vice Chair.

Motion carried.

IN COMMITTEE OF THE WHOLE

At 3:48 p.m.

Senator Cannizzaro presiding.

Senate Bill No. 4 and other matters relating to the State's budget shortfall considered.

The Committee of the Whole was addressed by Mark Krmpotic, Principal Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau; Senator Washington; Senator Brooks; Christine Saunders, Policy Director, Progressive Leadership Alliance of Nevada; Chris Daly, Nevada State Education Association, and Selena la Rue.

SENATOR CANNIZZARO:

We will open the hearing on Senate Bill No. 4.

MARK KRMPOTIC (Principal Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

Senate Bill No. 4 revises provisions governing public borrowing. Section 1 of Senate Bill No. 4 authorizes the State Board of Finance to issue general obligation interim debentures for the purpose of paying for the general operations of the State. The aggregate principal amount of such interim debentures, outstanding at any one time, may not exceed \$150 million.

Section 2 of the bill removes the term "bank service charges" and, instead, requires the State Treasurer to make payments for bond administrative expenses, including expenses incurred to administer an interim debenture line of credit, notes or bonds, from the Consolidated Bond Interest and Redemption Fund.

Section 3 authorizes an act or resolution to include such terms if the act or resolution is for the issuance of securities bearing interest at a variable rate of interest or securities with a term of 270 days or less issued as commercial paper under a program for the issuance of commercial paper.

Section 4 authorizes such authority to also be delegated to the agent who is designated to fix interest rates.

Section 5 authorizes interim debentures to be in the form of a line-of-credit agreement, the proceeds of which are used for the general operations of the State or to pay for the costs of a project.

Section 6 requires an interim debenture in the form of a line of credit to mature within three years from the first date on which a draw is made under the line of credit.

Senate Bill No. 4 is effective upon passage and approval.

SENATOR WASHINGTON:

In section 5 the language states "... or pay for the costs of a project." What would you describe as a project under this section? These funds cannot be used for salaries. Is that correct?

MR. KRMPOTIC:

Projects would not include general operations of the State. The "cost of a project" would be something like the capital improvement projects upon which the State embarks each biennium.

SENATOR BROOKS:

Amendment No. 3 to Senate Bill No. 4 accomplishes several things. Section 1 of the bill authorizes the State Board of Finance to issue general obligation interim debentures for the purpose of paying for general operations of the State. The aggregate principal amount of such interim debentures outstanding at any one time may not exceed \$150 million.

The amendment does two things. First, it sunsets the provisions of this bill on June 30, 2021, the end of Fiscal Year 2021. If the provisions are used during Fiscal Year 2020-2021, we can discuss whether we want to keep or modify these tools during the next regular Session. Second, it requires a definition of the trigger for use of these tools. The trigger would be based on a liquidity issue in the State of Nevada. It is not a budget issue but a liquidity issue. This would be triggered

by our reaching a low enough threshold in the cash reserves based on the averages of the months prior to using the tool. Before it could be used, notification would be sent to the Governor, the Governor's Office of Finance and our Fiscal staff. The Interim Finance Committee could then request the Treasurer to explain how and why it was used.

Senator Scheible moved to amend, and do pass as amended Senate Bill No. 4.

Senator Kieckhefer seconded the motion.

Motion carried unanimously.

SENATOR CANNIZZARO:

We will now open the hearing to public comment.

CHRISTINE SAUNDERS (Policy Director, Progressive Leadership Alliance of Nevada):

Our communities, already suffering from underfunded schools, lack of affordable housing and diminishing access to healthcare, will be devastated by additional cuts in the State budget. In this time of crisis, shared sacrifice is essential. That means calling on corporations like the mining industry to pitch in to help. For too long we have allowed corporations that fail to pay their fair share take advantage of Nevada. Nevadans need revenue reform and cannot wait any longer. We need to cut sweetheart tax deductions for the mining industry and prevent cuts to education and other essential State services. In 2019, despite gross proceeds of over \$7 billion, mining only paid \$100 million in State and local taxes. These unprecedented times need unprecedented actions. It means standing up to the mining industry for the first time ever. I urge you to be bold for Nevadans.

CHRIS DALY (Nevada State Education Association):

State educators and allies like the Progressive Leadership Alliance have told you the Legislature can do more to solve the budget crisis in Nevada than to just pass resolutions. The \$156 million cuts will devastate public education. You must act to stop these cuts. The Nevada State Education Association has called for a dollar of new revenue for every dollar cut. Limiting the deductions to the mining industry to increase the mining tax would get us there. Nevada is the sixth largest producer of gold. Gold hit a nine-year high this week. The money is there, and you can do better. Be brave, be bold and do what is best for Nevada.

SELENA LA RUE:

I echo the sentiments of many who have contacted you over the last week. Hundreds of educators turned out last week and thousands have sent letters asking you to stop this tired cycle of cutting funds to education every time we have a crisis. Nevada is nearly last in the Nation in education. Every time we hit a bump in the road, teachers, students and educators are so harmed we have to claw our way back, over the course of the next ten years, to return to "normal." This is not good enough. There are better options. It is time to look at new revenue and ask the mining industry to pay their fair share. Mining is making record profits while the rest of us are suffering. It is absurd to think you are considering endangering student lives by cutting education during a pandemic. Be bold, be brave and raise the revenues we need.

On the motion of Senator Woodhouse, seconded by Senator Parks, the Committee did rise and report back to the Senate.

SENATE IN SESSION

At 5:32 p.m.

President Marshall presiding.

Quorum present.

REPORTS OF COMMITTEE

Madam President:

Your Committee of the Whole, to which was referred Senate Bill No. 4, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

NICOLE J. CANNIZZARO, *Chair*

MESSAGES FROM ASSEMBLY

ASSEMBLY CHAMBER, Carson City, July 14, 2020

To the Honorable the Senate:

I have the honor to inform your honorable body that the Assembly on this day passed Assembly Joint Resolution No. 1.

CAROL AIELLO-SALA
Assistant Chief Clerk of the Assembly

MOTIONS, RESOLUTIONS AND NOTICES

Assembly Joint Resolution No. 1.

Resolution read.

Senator Cannizzaro moved that all necessary rules be suspended, reading so far had considered first reading, and that Assembly Joint Resolution No. 1 be declared an emergency measure under the Constitution and placed on third reading and final passage.

Remarks by Senator Cannizzaro.

Assembly Joint Resolution No. 1, given the nature of our proceedings before us, should be considered an emergency measure so we can give it a swift and speedy consideration.

Motion carried.

GENERAL FILE AND THIRD READING

Senate Bill No. 4.

Bill read third time.

The following amendment was proposed by the Committee of the Whole:

Amendment No. 3.

SUMMARY—~~(Revises)~~ Temporarily revises provisions governing public borrowing. (BDR 30-19)

AN ACT relating to state securities; authorizing the State Board of Finance to issue interim debentures for a temporary period to fund the general operations of the State ~~[]~~ under certain circumstances; temporarily revising provisions governing payments made from the Consolidated Bond Interest and Redemption Fund; temporarily revising provisions governing the fixing of interest rates for certain state securities; temporarily revising provisions governing the issuance of interim debentures; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires the State Treasurer to make payments for the redemption of outstanding bonds, the interest thereon and any bank service charges from the Consolidated Bond Interest and Redemption Fund. (NRS 349.110) Section 2 of this bill temporarily removes the term "bank service charges" and, instead, requires the State Treasurer to make payments for bond administrative expenses, including expenses incurred to administer

an interim debenture line of credit, notes or bonds, from the Consolidated Bond Interest and Redemption Fund.

Existing law provides that an act or resolution authorizing the issuance of state securities or any trust indenture or other instrument appertaining thereto may fix a rate or rates of interest or provide for the determination of the rate or rates from time to time by a designated agent. (NRS 349.227) ~~[Section]~~ Until June 30, 2021, section 3 of this bill authorizes an act or resolution to include such terms if the act or resolution is for the issuance of securities bearing interest at a variable rate of interest or securities with a term of 270 days or less issued as commercial paper under a program for the issuance of commercial paper to be used for certain purposes. Section 3 also temporarily requires such an act or resolution to specify parameters for the interest rate if it is to be fixed by an agent.

Existing law authorizes certain entities, before the sale of bonds, to delegate to the State Treasurer the authority to sign a contract for the purchase of the bonds or to accept a binding bid for the bonds, subject to certain requirements. (NRS 349.303) ~~[Section]~~ Until June 30, 2021, section 4 of this bill authorizes such authority to also be delegated to the agent who is designated to fix interest rates.

Existing law authorizes the State to issue general obligation interim debentures and special obligation interim debentures to evidence certain amounts borrowed by the State. (NRS 349.318) ~~[Section]~~ Until June 30, 2021, section 5 of this bill authorizes such interim debentures to be in the form of a note, bond or line of credit agreement, the proceeds of which are used for the general operations of the State or to pay the costs of a project. Section 5 also temporarily authorizes interim debentures and bond administrative expenses to be secured by the pledge of, security interest in and first lien on certain money and revenues. ~~[Section]~~ Until June 30, 2021, section 1 of this bill : (1) requires the State Treasurer to submit a certification to the State Board of Finance if the State Treasurer determines that the cash balance in the State General Fund has fallen below 25 percent of its lowest average monthly balance for the immediately preceding 36 months or that the cash balance in the State General Fund is insufficient to meet expected future obligations anticipated to be paid within the immediately succeeding 120 days; and (2) requires the State Board of Finance to determine the existence of either of those circumstances and, if so, authorizes the State Board of Finance to issue general obligation interim debentures and special obligation interim debentures for the purpose of paying for the general operations of the State, provided that the aggregate principal amount of any such interim debentures outstanding at one time cannot exceed \$150,000,000.

Existing law requires an interim debenture to mature within 5 years and requires the proceeds of interim debentures to be used to defray the cost of a project. (NRS 349.322) ~~[Section]~~ Until June 30, 2021, section 6 of this bill requires an interim debenture in the form of a line of credit to mature within 3 years from the first date on which a draw is made under the line of credit.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 349 of NRS is hereby amended by adding thereto a new section to read as follows:

~~1. For the purpose of paying for the general operations of the State, at any time or from time to time,~~ 1. If at any time the State Treasurer determines that the cash balance in the State General Fund has fallen below 25 percent of its lowest average monthly balance for the immediately preceding 36 months or that the cash balance in the State General Fund is insufficient to meet expected future obligations anticipated to be paid within the immediately succeeding 120 calendar days, the State Treasurer shall submit a certification of that fact to the State Board of Finance. On the date on which the State Treasurer submits the certification to the State Board of Finance, the State Treasurer shall transmit notice of the certification to the Director of the Legislative Counsel Bureau for transmittal to the Legislature if the Legislature is in session, or to the Interim Finance Committee if the Legislature is not in session.

2. If the State Board of Finance determines that the cash balance in the State General Fund has fallen below 25 percent of its lowest average monthly balance for the immediately preceding 36 months or that the cash balance in the State General Fund is insufficient to meet expected future obligations anticipated to be paid within the immediately succeeding 120 days, the State Board of Finance may issue general obligation interim debentures payable from taxes or special obligation interim debentures, which may be in the form of a line of credit, note or bond as provided by NRS 349.318 ~~+~~, for the purpose of paying for the general operations of the State, at any time or from time to time, in a face amount of not more than \$150,000,000. The aggregate principal amount of such interim debentures outstanding at one time may not exceed \$150,000,000.

3. In making its determination pursuant to subsection 2, the State Board of Finance is entitled to rely on the certification submitted by the State Treasurer pursuant to subsection 1. Any determination made by the State Board of Finance pursuant to subsection 2 is conclusive.

~~2.~~ 4. Proceeds from the sale of interim debentures issued pursuant to this section must be deposited in the State General Fund. The interest and income earned on the proceeds of the interim debentures, including any line of credit, note or bond, after deducting any applicable charges and bond administrative expenses, must be credited to the State General Fund and used for the general operations of the State.

~~3.~~ 5. The provisions of NRS 349.150 to 349.364, inclusive, which are not inconsistent with the provisions of this section apply to the issuance of interim debentures under this section.

~~4.~~ 6. Securities may be issued under this section without regard to the procedure required by any other such law except as otherwise provided in this section or in NRS 349.150 to 349.364, inclusive. Insofar as the provisions of

this section are inconsistent with the provisions of any other law, general or special, the provisions of this section are controlling.

~~5.7~~ 7. *This section being necessary to secure the public health, safety, convenience and welfare, shall be liberally construed to effect its purposes.*

~~6.7~~ 8. *As used in this section, "bond administrative expense" has the meaning ascribed to it in NRS 349.110.*

Sec. 2. NRS 349.110 is hereby amended to read as follows:

349.110 *1.* After March 28, 1939, so long as there shall be any outstanding bonds in the name of the State of Nevada, the State Treasurer shall make payment for redemption of such bonds, the interest thereon and any ~~bank service charges~~ *bond administrative expenses* from the Consolidated Bond Interest and Redemption Fund.

2. *As used in this section, "bond administrative expense" means any expense incurred by the State Treasurer, the State Board of Finance, bond trustees, paying agents, arbitrage compliance agents or any other person or entity to administer an interim debenture line of credit, notes or bonds in the name of the State of Nevada, or as otherwise necessary to ensure compliance with state or federal law.*

Sec. 3. NRS 349.227 is hereby amended to read as follows:

349.227 *1.* ~~The~~ *In the case of securities bearing interest at a variable rate of interest, or in the case of securities with a term of 270 days or less issued as commercial paper under a program for the issuance of commercial paper to fund the costs of a project, to be deposited into the State General Fund and used for the general operations of the State or to refinance any previously issued commercial paper or other securities, the act or resolution authorizing the issuance of any state securities or any trust indenture or other instrument appertaining thereto may fix a rate or rates of interest or provide for the determination of the rate or rates from time to time by a designated agent according to the procedure specified in that resolution or other instrument. The rate so determined must approximate the rates then being paid for other securities which contain similar provisions and have an equivalent rating. The Commission may contract with or select any person to act as an agent to make that determination ~~and~~ and shall specify parameters for the interest rate if it is fixed by such an agent.*

2. *The Commission may enter into an agreement with a third party for an assurance of payment of the principal of, the interest on, or premiums, if any, due in connection with any state securities issued by the Commission. The obligation of the Commission to reimburse that third party for any advances made pursuant to that agreement may be provided in that agreement, recited in those securities or evidenced by another instrument as designated in the act or resolution authorizing the issuance of those securities or any other instrument appertaining thereto. The Commission may assign its rights under that agreement.*

Sec. 4. NRS 349.303 is hereby amended to read as follows:

349.303 1. The Commission may, before any sale of bonds, delegate to the Treasurer or his or her designee, *or an agent in the case of securities described in subsection 1 of NRS 349.227*, the authority to sign a contract for the purchase of the bonds or to accept a binding bid for the bonds subject to the requirements specified by the Commission concerning:

- (a) The rate of interest on the bonds;
- (b) The dates on which and the prices at which the bonds may be called for redemption before maturity;
- (c) The price at which the bonds will be sold; and
- (d) The principal amount of the bonds and the amount of principal maturing in any particular year.

2. All terms of the bonds other than:

- (a) The rate of interest;
 - (b) The dates and prices for the redemption of the bonds;
 - (c) The price for the sale of the bonds;
 - (d) The principal amount of the bonds; and
 - (e) The requirements for the principal maturing in particular years,
- ↪ must be approved by the Commission before the bonds are delivered.

3. The final rate of interest, dates and prices of redemption, price for the sale of the bonds, principal amount and the requirements for the principal amount maturing in particular years are not required to be approved by the Commission if each of those terms complies with the requirements specified by the Commission before the contract for the purchase of the bonds is signed or the bid for the bonds is accepted.

Sec. 5. NRS 349.318 is hereby amended to read as follows:

349.318 1. Notwithstanding any limitation or other provision herein, whenever the State is authorized to issue general obligation bonds, regardless of whether majorities of the qualified electors of the State voting on a proposal to issue the general obligation bonds have authorized their issuance by the State for any project, the State is authorized to borrow money without any other election in anticipation of the proceeds of taxes, the proceeds of the bonds, the proceeds of pledged revenues, or any other moneys of the State, or any combination thereof, and to issue general obligation interim debentures to evidence the amount so borrowed.

2. The State also is authorized to borrow money without any election in anticipation of the proceeds of revenue bonds or any other special obligations of the State and of its pledged revenues, or any combination thereof, but excluding the proceeds of any taxes, and to issue special obligation interim debentures to evidence the amount so borrowed.

3. *General obligation interim debentures and special obligation interim debentures may be in the form of a note, bond or line of credit agreement with a bank or other lender under which moneys are deposited into the State General Fund, either at one time or from time to time, and used for the general operations of the State or to pay the costs of a project.*

4. Any general obligation interim debentures or special obligation interim debentures issued pursuant to this section and any bond administrative expenses may be additionally secured by pledged revenue for the benefit of the owners of the interim debentures and the obligees under any agreement described in subsection 3, by the pledge of, security interest in and first lien on all or a portion of the following, if applicable:

(a) Unrestricted revenues, including tax revenues, payable to the State General Fund to be used for the general operations of the State; or

(b) Money related to the interim debentures held on deposit in any other fund or account under any instrument or agreement pertaining to the interim debentures, including, without limitation, reserves therefor and income on such money.

5. As used in this section, "bond administrative expense" means any expense incurred by the State Treasurer, the State Board of Finance, bond trustees, paying agents, arbitrage compliance agents or any other person or entity to administer an interim debenture line of credit, notes or bonds in the name of the State of Nevada, or as otherwise necessary to ensure compliance with state or federal law.

Sec. 6. NRS 349.322 is hereby amended to read as follows:

349.322 1. Any interim debentures may mature at such time or times not exceeding a period of time equal to the estimated time needed to effect the purpose or purposes for which they are issued or for which the bonds are authorized to be issued, but not exceeding 5 years from the date of the interim debentures, or in the case of interim debentures in the form of a line of credit agreement, not exceeding 3 years from the first date on which a draw is made under the line of credit agreement, as the Commission may determine.

2. The proceeds of interim debentures shall be used to defray the cost of a project ~~[]~~ or for the purposes set forth in NRS 349.318.

3. Any notes or warrants or both notes and warrants may be funded with the proceeds of interim debentures, as well as bonds authorized by the Commission authorizing the issuance of the funded securities.

4. Except as otherwise provided in NRS 349.318 to 349.328, inclusive, interim debentures shall be issued as provided herein for state securities in NRS 349.230 to 349.316, and 349.352 to 349.364, inclusive.

Sec. 7. Notwithstanding the provisions of NRS 218D.430, a committee may vote on this act before the expiration of the period for the return of a fiscal note in NRS 218D.475. This section applies retroactively from and after July 8, 2020.

Sec. 8. The State Board of Finance shall not approve the issuance of any interim debentures pursuant to section 1 of this act after June 30, 2021.

~~[Sec. 8.]~~ Sec. 9. This act becomes effective upon passage and approval ~~[]~~ and expires by limitation on June 30, 2021.

Senator Brooks moved the adoption of the amendment.

Amendment adopted.

Senator Cannizzaro moved that all necessary rules be suspended, that the reprinting of Senate Bill No. 4 be dispensed with, that the Secretary be authorized to insert Amendment No. 3 adopted by the Senate, and that the bill be placed on the General File and considered next.

Bill read third time.

Remarks by Senators Brooks, Kieckhefer, Denis and Scheible.

SENATOR BROOKS:

Senate Bill No. 4 revises provisions governing public borrowing.

Section 1 requires that the State Treasurer submits a certification to the State Board of Finance if the case balance in the State General fund has fallen below 25 percent of its lowest average monthly balance for the immediately preceding 36 months or that the cash balance in the State General Fund is insufficient to meet expected future obligations anticipated to be paid with the immediately succeeding 120 calendar days.

Section 1 requires the date in which the State Treasurer submits the certification to the State Board of Finance, the State Treasurer shall transmit notice of the certification to the Director of the Legislative Counsel Bureau for transmittal to the Legislature, if the Legislature is in Session, or to the Interim Finance Committee, if the Legislature is not in Session.

If the State Board of Finance concurs with the certification submitted by the State Treasurer, the State Board of Finance may issue general obligation interim debentures payable from taxes or special obligation interim debentures, which may be in the form of a line of credit, note or bond for purposes of paying for the general operations of the State at any time or from time to time in a face amount not to exceed \$150 million. The aggregate principal amount of any such interim debenture outstanding at one time may not exceed \$150 million.

Proceeds from the sale of interim debentures, as well as any interest and income earned on any interim debentures issued, after deducting applicable charges and bond administrative expenses, must be deposited in the State General Fund and used for the general operation of the State.

Section 2 of this bill temporarily removes the term "bank service charges" and, instead, requires the State Treasurer to make payments for bond administrative expenses, and establishes a definition of "bond administrative expenses" and requires those expenses to be paid from the Consolidated Bond Interest and Redemption Fund.

Section 3 stipulates that in the case of securities bearing a variable interest rate or in the case of securities having terms of 270 days or less issued as commercial paper under a program for the issuance of commercial paper, is to be deposited in the State General Fund and used for the general operations of the State or to refinance previously issued commercial paper or other securities. Section 3 requires such an act or resolution to specify parameters for the interest rate if it is to be fixed by an agent. This section is effective until June 30, 2021.

Section 4 of this bill authorizes the delegation of certain authorities to an agent who is designated to fix interest rates. This section is also effective until June 30, 2021.

Section 5 of Senate Bill No. 4 authorizes such interim debentures to be in the form of a note, bond or line of credit agreement with a bank or other lender, the proceeds of which are used for the general operations of the State or to pay the costs of a project. Until June 30, 2021, section 5 temporarily authorizes interim debentures and bond administrative expenses to be secured by the pledge of security interest in and first lien on certain money and revenues.

Section 6 of this bill requires an interim debenture in the form of a line of credit to mature within three years from the first date on which a draw is made under the line of credit.

Section 8 establishes that the State Board of Finance shall not approve the issuance of any interim debentures pursuant to section 1 of the act after June 30, 2021.

Senate Bill No. 4 becomes effective upon passage and approval and, pursuant to section 9, expires by limitation on June 30, 2021.

SENATOR KIECKHEFER:

I am in support of Senate Bill No. 4 with the amendments as adopted. I would like to thank my colleagues from Districts 3 and 9 for working with the Treasurer and myself to overcome some initial hurdles. The product we have makes this bill appropriate for what we are doing because it

provides flexibility to the State Treasurer to deal with cash flow problems should they arise during this fiscal year for that limited purpose. With certain oversight, flexibility and reporting requirements, it makes sense to have it in place for the remainder of this fiscal year. We can then revisit it during the regular Legislative Session in February.

SENATOR DENIS:

I support this bill. It is a good tool to help us, especially during this time. How will this affect our affordability rating?

SENATOR SCHEIBLE:

It will not affect our affordability rating. It is included within it.

SENATOR DENIS:

This is not a negative and will show we are being responsible. I support this bill.

SENATOR KIECKHEFER:

The bill, on its surface, does not affect our debt affordability. If, however, debts are taken out and the State incurs addition debt, it could limit affordability for our next capital improvement program. That would be predicated on action taking place using these instruments. The likelihood of that is low at this point. I share some of the same concerns of what it might be for future biennia, but I am comfortable moving forward with this bill as it stands.

Roll call on Senate Bill No. 4:

YEAS—21.

NAYS—None.

Senate Bill No. 4 having received a constitutional majority, Madam President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Assembly Joint Resolution No. 1.

Resolution read third time.

Remarks by Senators Cannizzaro, Cancela, Settlemeyer, Hansen, Spearman, Seevers Gansert, Hardy, Pickard, Goicoechea and Harris.

SENATOR CANNIZZARO:

The resolution before you today, Assembly Joint Resolution No. 1, urges the President and Congress of the United States to provide flexible funding for State, local and tribal governments to account for anticipated public budget shortfalls as a result of the COVID-19 pandemic.

As noted in Assembly Joint Resolution No. 1, our State, local and tribal governments have been on the front lines for months responding to the devastating impacts of the COVID-19 pandemic. They have taken decisive and dramatic actions in an effort to comply with Centers for Disease Control and Prevention guidance. Now, as a result, we face an economic crisis of unprecedented proportions. Our unemployment rate has skyrocketed; our budget shortfall is at least \$1.2 billion for Fiscal Year 2021, and Nevada's government at State, local and tribal levels will be forced to implement deep and disturbing cuts in services and programs, many of which will affect persons most impacted by this pandemic. We need federal relief now.

One piece of federal legislation, which has been languishing for nearly three months, we need immediate action on is the Health and Economic Recovery Omnibus Emergency Solutions Act, also known as the HEROES Act. This Act would provide \$3 trillion in federal relief to the states in response to the COVID-19 pandemic. Key highlights in the HEROES Act include: \$500 billion in direct funding to state governments; \$375 billion in direct funding to cities and other local governments to assist with the fiscal impacts from the public-health emergency caused by the coronavirus; another round of direct payments, of as much as \$1,200, for each individual and as many as 3 dependents; an extension of the Pandemic Extended Unemployment Compensation program through January 31, 2021, as well as an extension to the supplements to state and federal unemployment benefits through January 31, 2021; an extension of refundable tax credits for paid

sick and family leave through the end of 2021 and increases to the limits on those paid leave credits, and a 14-percent increase in Federal Medical Assistance Percentage payments to state Medicaid programs.

As you can imagine, this assistance is vital to helping Nevada claw its way out of this tremendous budget crisis. In short, we need all of the help we can get. Nevada is home to military installations, a test site, millions of acres of federal lands, national parks and recreation areas. The least we can get in return for "hosting" these national treasures and federal facilities is some help from the federal government.

We are at the epicenter of a national economic downturn, and the grim fiscal situation in which we find ourselves is due largely to forces outside of our control. We know that the proposed cuts we are forced to make are being made on the backs of the least fortunate among us, including our children, seniors, the sick, our veterans, our dedicated workers and our rural and urban communities. Unlike Nevada, which must balance its budget, the federal government does not, and it can certainly provide further relief to Nevada.

The CARES Act has certainly helped with the direct response to COVID-19, but we need more flexible relief for our budget challenges. The HEROES Act and other federal legislation will certainly help in this unprecedented crisis, and we need immediate action by Congress. That is why Assembly Joint Resolution No. 1 is so important. We must send a clear message to Washington, D.C. that we need more help.

I urge my colleagues in the Senate to pass this resolution unanimously and send Nevada's clear, unified voice to the federal government and Congress to step up and help the State of Nevada in these desperate and unprecedented times.

SENATOR CANCELA:

As of today, the United States House of Representatives and Nevada Representatives Horsford, Titus and Lee have all voted and passed the HEROES Act, which is now awaiting a vote in the Senate. I want you to remember we have people in Congress fighting for Nevadans in Washington, D.C. every day. I have faith our United States Senators will do the same thing, if and when, given the opportunity to vote on the measure.

SENATOR SETTELMEYER:

I appreciate the comments but do not see that within Assembly Joint Resolution No. 1. I do not see the comments by our colleague from Senate District 6. I am supporting this resolution because it discusses flexibility, which is necessary for these funds. We have discussed what can and cannot be done, and find ways around it to protect the most vulnerable in our State. It is obvious that flexibility is needed; it is the flexibility this Body has. The expenses for this Legislative Session can be paid through the CARES Act. That money does not have to come from another program. We can look at expenses such as the Adopt a Vet Dental Program. This program costs \$1 million. We do not know how much this Legislative Session will cost, but I do not believe it will total that much money. This could give us the ability to use those funds for those individuals whose lives have been upset by COVID-19, who now work from home and whose children are schooled at home. Expenses have been substantially changed due to COVID-19. We could pay State employees out of the CARES Act, if we choose. We need the flexibility to put those funds to those and other goals.

Congressman Amodei has been able to provide numerous updates on the COVID-19 situation. He is the only member of the federal delegation who biweekly reaches out to me, as the Minority Leader, to inform me about what is happening in Washington, D.C. We have spent \$13 billion from the federal government, because Congress and the President of the United States sent it to us. That means, since the beginning of March, we have spent over \$86 million a day.

We need more flexibility in other funds. Look what is happening to us. We have had the highest recorded unemployment in the Nation ever. It is at 30 percent. The Great Depression was only 26 percent. People are telling me there is fraud in there, so it may not be that high. We need flexibility to use those funds to investigate and mitigate that fraud. It is unacceptable. We spent \$240 million last week on unemployment claims. I am hearing the majority of those could be fraudulent. That money could serve a better purpose. We need the flexibility to investigate that with transparency and accountability. We need flexibility, and because of that, I support this resolution.

SENATOR HANSEN:

We are being played for fools. This has nothing to do with flexibility. This has to do with the State of Nevada giving a *de facto* endorsement of a \$3.5 trillion spending package called the HEROES Act. The federal government has already given \$13 billion to the State of Nevada in less than one year. The idea the federal government is dropping the ball is an inaccurate statement. This resolution is nothing more than political camouflage for a \$3.5 trillion national spending bill that will fund the irresponsible actions of states like California and New York throughout this crisis. This is an endorsement of the HEROES Act. When you vote, you are going to ask: do I side with the President of the United States, or do I side with Nancy Pelosi where the concept of this resolution originated.

I support flexibility, but the federal government has given us almost unlimited money. Our State budget is \$9 billion. They have already given us more in aid, in less than a year, than the amount approved by the Legislature. They have given us money in quantities we cannot fathom. We are facing a \$1.2 billion shortage when they have given us \$13 billion. If we want to play with the flexibility on the existing money, I can see that, but that is not what this resolution is about. This is about calling on President Trump and the Congress of the United States to provide further flexible funding. This is an endorsement of the HEROES Act. It is a huge mistake for anyone who supports that if you are a fiscally responsible conservative and believe federal government spending is already out of control. We should not bail out states that have acted fiscally irresponsible not only during the COVID-19 crisis but also in many cases for past years and decades. Our neighbors to the west are fleeing by the millions because of their irresponsible tax policies. This is a giant bailout for them.

I urge my colleagues to be careful on this vote. It is a political vote. This resolution is a political amendment. When you think it is only about flexibility, you had better read the resolution. We should not be rushing it through as we are here. We need to vet what I am discussing rather than get it on the Floor and vote on it in less than one hour. I am an absolute "no."

SENATOR SPEARMAN:

This has been a crisis of unprecedented proportions. The administration in Washington, D.C. knew this was coming in November, December, January and February. It was only in March that we realized the magnitude of this pandemic. We have not spent as much as was spent in the Depression, but things are different. During the Depression, people were not asked to wear masks, although many of them probably would if asked. We have the power and the ability to flatten the curve in this pandemic. Some of our colleagues see otherwise, and that is their choice.

For 29-and-a-half years, I served in the Army defending your right to speak your mind, whatever it tells you to say. I am voting "yes" on this bill today for our service members, veterans and their families. The language may not be in there, but every budget passed impacts members of the military, veterans and their families. Some of those military members are the same ones suffering from COVID-19. My friend, Ron Pipkins, recovered from it, praise God, but he is not the only veteran suffering.

People are hurting. I am not sure people waiting for their unemployment checks would agree this is frivolous. I just got a text from one of my constituents who is heartbroken; her 28-year-old niece has come down with COVID-19. It is easy to sit on our couches and watch the football game on Sunday and then pick it up again on Monday. This is unprecedented. When I say I am voting "yes," I am voting "yes" for the people who do not have the same privilege as I do, to represent people in this great State. These are our neighbors, our friends and, for some of us, our family members. Frivolous? I do not think so. I would beg anyone who has that opinion to go to the hospital, the morgue or the graveyard and tell someone who has suffered COVID-19 this is frivolous. This is something we must do. Had we acted in November, December, January or February, we would not be here now. Act we must. I support this resolution for all that is good, for our military members, veterans and their families. This resolution is for the people, and I support it.

SENATOR SEEVERS GANSERT:

This resolution is about Nevada and helping Nevadans. While the federal government may address the entire United States, our efforts are focused on Nevada. Politics in Washington, D.C. have become hyperpartisan. We do not need to be that way in Nevada. We are experiencing

unprecedented unemployment rates. In 2010, Nevada had the highest rates of unemployment, foreclosures and bankruptcies. We need to bridge an economic gap, and we are working hard to do that. Small businesses in Nevada employ 42 percent of our workforce. The federal government has provided programs such as the Paycheck Protection Program and resources for healthcare, all of which we need. Nevada, Nevada business and Nevada workers need time to recover. I am supporting this bill. We need this economic bridge. Times are tough, and Nevadans want to get back to work and keep businesses open. I am focused on Nevada and what Nevadans need.

SENATOR HARDY:

I would like to read from the Resolution. "RESOLVED BY THE ASSEMBLY AND SENATE OF THE STATE OF NEVADA, JOINTLY, That the members of the 31st Special Session of the Nevada Legislature hereby urge President Donald J. Trump and the Congress of the United States of America to provide further flexible funding for state, local and tribal governments to assist with anticipated public budget shortfalls as a result of the COVID-19 pandemic." I would like to repeat, "... further flexible funding for state, local and tribal governments to assist with anticipated public budget shortfalls" That is what Assembly Joint Resolution No. 1 is about. The State has already received more than \$800 million or more, and some of that is supposed to go to local governments. When we do this letter, we need to ask if all of the money earmarked for local governments actually got there. We, the State, have an obligation to local and tribal governments as well. We need to be honest with ourselves and give the local and tribal governments funds, however we do that, so their budget shortfalls can be met. I am supporting this resolution. It never uses the words "HEROES Act." It uses "further flexible funding," and those are the critical words.

SENATOR PICKARD:

I rise in support of Assembly Joint Resolution No. 1 on a pragmatic basis. There is a political rhetoric infused in all we do, and I understand that. The federal government is likely to put more money out to the states. We need to be willing to step up for the benefit of the constituents of our State and make a claim for what is made available to us. The Senator from District 7 and I have had a conversation about trying to work with the Grant Office to make improvements in the application process. We are among the bottom in the Nation in applying for and gaining acceptance of grants. We have access to much money on the table from which our citizens would benefit. This is an opportunity for us to take a little, particularly given how much of our State is owned and controlled by the federal government. All 50 states benefit from the State of Nevada. It is time we step up and take what is due to us. I support this bill.

SENATOR GOICOECHEA:

I rise in support of Assembly Joint Resolution No. 1. I received a message this morning that a good friend, who was younger than I, died last night in rural Nevada from COVID-19. It is real. The problem is we do not want to focus only on federal relief and subsidies, as they will have an end. COVID-19 is real in the State of Nevada, and we have to do what we can to protect our constituents and ourselves. We need to spend our relief wisely. As we ask for relief, let us look for ways to spend it wiser than we have in the past. I am concerned about unemployment insurance, an issue we have not yet addressed. There is an end to that, and there seems to be a lot of fraud.

SENATOR HARRIS:

Some of the proposed cuts make me feel more than a bit uncomfortable. To be a fiscally responsible state, we only have a couple of choices, bring in more money or cut to balance the budget. We all know whom the cuts would affect and how they would affect those people. If I could vote today to ask the federal government for help, I am happy to take that vote.

Roll call on Assembly Joint Resolution No. 1:

YEAS—20.

NAYS—Hansen—1.

Assembly Joint Resolution No. 1 having received a constitutional majority, Madam President declared it passed.

Resolution ordered transmitted to the Assembly.

Senator Cannizzaro moved that the Senate adjourn in the memory of Lance Gale and other victims of the COVID-19 pandemic, until Wednesday, July 15, 2020, at 10:00 a.m.

Motion carried.

Senate adjourned at 6:08 p.m.

Approved:

KATE MARSHALL
President of the Senate

Attest: CLAIRE J. CLIFT
Secretary of the Senate