

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

**Thirty-Fourth Special Session
June 6, 2023**

The Committee on Ways and Means was called to order by Chair Daniele Monroe-Moreno at 9:54 p.m. on Tuesday, June 6, 2023, behind the bar of the Assembly.

COMMITTEE MEMBERS PRESENT:

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

COMMITTEE MEMBERS ABSENT:

Assemblywoman Sarah Peters (excused)

GUEST LEGISLATORS PRESENT:

None

STAFF MEMBERS PRESENT:

Sarah Coffman, Assembly Fiscal Analyst
Brody Leiser, Assembly Chief Principal Deputy Fiscal Analyst
Kevin C. Powers, General Counsel
Gina Hall, Committee Secretary
Traci Dory, Committee Secretary



OTHERS PRESENT:

None

Chair Monroe-Moreno:

[Roll was taken.] Members, we are here for a bill hearing on Assembly Bill 1, which authorizes and provides funding for certain projects of capital improvement. I will open the hearing on A.B. 1 and turn the presentation and explanation of the bill over to our Fiscal staff.

Assembly Bill 1: Authorizes and provides funding for certain projects of capital improvement. (BDR S-11)

Brody Leiser, Assembly Chief Principal Deputy Fiscal Analyst:

I will provide a very high-level view of Assembly Bill 1. Assembly Bill 1 mirrors Assembly Bill 521 of the 82nd Session, as amended in the Senate, to implement the Capital Improvement Program (CIP). Assembly Bill 1 authorizes the issuance of general obligation bonds, authorizes funding, and appropriates General Funds for various capital improvement projects. This does include implementing the 2023 Capital Improvement Program, as approved by the money committees, that totals \$1.2 billion. The bill also includes just over \$32 million for resource conservation and preservation programs of the state, outside of the CIP. These are the State Department of Conservation and Natural Resources Bond Programs.

Assembly Bill 1 also includes the 17-cent property tax levy in each fiscal year of the upcoming biennium, that is a consistent level with the levy that was approved in the current biennium. This is the property tax levy that is used to pay the state's existing debt obligations, as well as to pay the debt obligations for the bonds that would be issued, as authorized under A.B. 1. The bill also implements the capital improvement projects of the Legislative Counsel Bureau. With that, I would be happy to answer any questions.

Chair Monroe-Moreno:

Members, are there any questions?

Assemblyman O'Neill:

Are sections 33 and 34 necessary to still be in since the bills that are referenced in section 34 did pass? Is it still necessary to have them in here?

Kevin C. Powers, General Counsel:

Section 33 makes a \$25 million contingent State General Fund appropriation to the Culinary Academy of Las Vegas for a capital improvement project. It only becomes effective if Assembly Bill 525 of the 82nd Session and Senate Bill 341 of the 82nd Session are both not enacted into law before the start of the fiscal year, so this appropriation would only become effective on June 30, 2023, if those two bills are not enacted into law. Although the

Legislature did pass those two bills, the Governor has not approved or disapproved them yet. If they are not enacted into law by the Governor's approval or disapproval before June 30, 2023, then this appropriation in section 33 will become effective.

Assemblyman O'Neill:

I have been contacted by various constituents in my district questioning sections 18 and 19, about the ad valorem tax. Can we put this on the record that it is just a continuation that is necessary, and it is not a new tax that is being added on to anything? Am I understanding it correctly?

Chair Monroe-Moreno:

I will ask Fiscal to answer that as part of the testimony.

Brody Leiser:

The property tax levy in sections 18 and 19 is at a rate that is consistent with the current biennium. The property tax to pay the state's general obligation debt is levied annually. That is why you see it in the CIP bill. In those sections you will see the rate is levied for fiscal year (FY) 2024, and then again for FY 2025. The property tax levy is required to pay the state's general obligation debt under *Nevada Revised Statutes* 349.238.

Assemblyman O'Neill:

It is not a new tax being added on; it is just a continuation.

Brody Leiser:

It is a continuation of the existing rate. It is not an increase to that rate over the upcoming biennium.

Assemblyman O'Neill:

Thank you. I just needed that clarification for the record.

Chair Monroe-Moreno:

Members, are there any other questions?

Assemblyman Hafen:

If that tax were to not be in this bill, it would expire, correct?

Brody Leiser:

Without the tax rate in this bill, that 17 cents would not be assessed and would not be collected. Therefore, there would not be a revenue stream coming in to pay the state's existing general obligation debt. I cannot make an assumption for the State Board of Finance, but without that rate they may not issue the bonds that are otherwise authorized in this bill. If the bill was not passed, the bonds would not be authorized.

Kevin C. Powers:

In addition, under Article 9 of the *Nevada Constitution*, because these are general obligations bonds the Legislature has an obligation to extend this tax. It is constitutionally required, because once you issue the general obligation bonds you enter into a contract with the bond holder, and under federal constitution contract clause and due process clause, the state then has an obligation to continue to fund those general obligation bonds because they have that contract with the bondholders, which is different from special obligation bonds, which has a different standard than general obligation bonds.

Chair Monroe-Moreno:

Members, are there any other questions? [There were none.] We will move to testimony. Is there anyone who would like to provide testimony in support of A.B. 1? [There was no one.] Is there anyone who would like to provide testimony in opposition to A.B. 1? [There was no one.] Is there anyone who would like to provide testimony neutral to A.B. 1? [There was no one.]

I will close the hearing on A.B. 1 and open the work session for Assembly Bill 1. Seeing no amendments to this bill, I will accept a motion to do pass.

ASSEMBLYWOMAN BACKUS MADE A MOTION TO DO PASS
ASSEMBLY BILL 1.

ASSEMBLYWOMAN JAUREGUI SECONDED THE MOTION.

Is there any discussion on the motion? [There was none.]

THE MOTION PASSED. (ASSEMBLYMEN DICKMAN, HAFEN AND
KASAMA VOTED NO. ASSEMBLYWOMAN PETERS WAS ABSENT
FOR THE VOTE.)

Members, we will stand in recess [at 10:03 p.m.]. The meeting was adjourned on the floor of the Assembly [at 11:23 p.m.].

RESPECTFULLY SUBMITTED:

Gina Hall
Committee Secretary

APPROVED BY:

Assemblywoman Daniele Monroe-Moreno, Chair

DATE: _____