

**MINUTES OF THE  
SENATE COMMITTEE ON GOVERNMENT AFFAIRS**

**Eighty-second Session  
May 15, 2023**

The Senate Committee on Government Affairs was called to order by Chair Edgar Flores at 3:35 p.m. on Monday, May 15, 2023, in Room 2149 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Exhibit A is the Agenda. Exhibit B is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

**COMMITTEE MEMBERS PRESENT:**

Senator Edgar Flores, Chair  
Senator James Ohrenschall, Vice Chair  
Senator Skip Daly  
Senator Pete Goicoechea  
Senator Lisa Krasner

**GUEST LEGISLATORS PRESENT:**

Assemblywoman Bea Duran, Assembly District No. 11  
Assemblyman Howard Watts, Assembly District No. 15  
Assemblyman Steve Yeager, Assembly District No. 9

**STAFF MEMBERS PRESENT:**

Jered McDonald, Policy Analyst  
Heidi Chlarson, Counsel  
Suzanne Efford, Committee Secretary

**OTHERS PRESENT:**

Mendy Elliott, Reno Housing Authority; Southern Nevada Regional Housing Authority; Nevada Rural Housing Authority  
Mahogany Turfley, Counsel, Southern Nevada Regional Housing Authority  
Fred Haron, Chief Administrative Officer, Southern Nevada Regional Housing Authority  
Zach Conine, State Treasurer

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Steven Hale, Deputy Treasurer, Investments, Office of the State Treasurer  
Brady Easterling, American Federation of State, County and Municipal Employees  
Kent Ervin, Nevada Faculty Alliance  
Carter Bundy, American Federation of State, County and Municipal Employees  
Bruce K. Snyder, Commissioner, Government Employee-Management Relations Board  
Christi Cabrera-Georgeson, Deputy Director, Nevada Conservation League  
Elyse Monroy-Marsala, Nevada Public Health Association  
Jessica Ferrato, Advanced Energy United  
Andy MacKay, Executive Director, Nevada Franchised Auto Dealers Association  
Paige Barnes, Ceres  
Barry Cole  
Jermareon Williams, Western Resource Advocates  
Will Drier, Electrification Coalition  
Melissa Ramos, Senior Manager, Clean Air Advocacy, American Lung Association in Nevada

CHAIR FLORES:

We will open the hearing on Assembly Bill (A.B.) 333.

**ASSEMBLY BILL 333 (1st Reprint)**: Revises provisions governing housing authorities. (BDR 25-184)

ASSEMBLYWOMAN BEA DURAN (Assembly District No. 11):

I bring this bill to you today because one's home is one's castle. One should live in a house that is safe and comfortable and a place one can raise one's family with dignity and respect and make special memories with family, friends and loved ones. It should be a place to be proud of regardless of owning one's home, renting an apartment, living in a senior community or public housing, in Summerland, Henderson, North Las Vegas, Boulder City, East Las Vegas or an Indigenous community. One's home is one's safe place.

This bill is the result of personal experience. My dad has been living in a senior community for over 20 years. His house has never been painted, had a full inspection of his appliances, had a sink check, never looked under the sink for wood rot, and his counters have never been looked at. We recently complained that his faucets were full of calcium buildup and barely moved from one side of the sink to the other. They finally replaced the faucet.

With the housing shortage, these houses and apartments should be taken care of so owners and residents have safe homes. If an owner finds that work needs to be done or things need to be replaced or fixed, one can fix the necessary issues in a timely manner, and it will not cost a lot to keep the property from being dilapidated and becoming uninhabitable.

My constituents have complained about their living conditions; however, there is nothing in statute to hold owners accountable. These complaints go unheard, the owners continue to ignore them and there is not much tenants can do. Because rents are high, vulnerable constituents cannot afford the cost of moving to other apartments.

MENDY ELLIOTT (Reno Housing Authority; Southern Nevada Regional Housing Authority; Nevada Rural Housing Authority):

Section 1 of the bill deals with housing authorities and housing authority requirements. I have provided two exhibits: the U.S. Department of Housing and Urban Development (HUD) inspection checklist ([Exhibit C](#)) and the HUD housing inspection guidelines ([Exhibit D](#)). The checklist is used when housing authorities go into properties before they are rented and with a person who has a housing voucher. Housing authorities are required to go through the checklist at least every two years. Assemblywoman Duran, the housing authorities and I have had many discussions to ensure these inspections are taking place. The bill does not change the requirements for the inspections. Under this bill, housing authorities will make every effort to have the tenant attest to the completion of the inspection.

The HUD has updated its inspection rules effective May 10, 2023. Its new process is called the National Standards for the Physical Inspection of Real Estate. It provides a new approach to defining and assessing housing quality. From the State's perspective, as these new rules roll out, this bill will ensure that housing authorities are doing their jobs. But more importantly, tenants will have an opportunity to acknowledge the inspection.

The inspection checklist is a robust document used by housing authorities. Contractors go inside the units. During the COVID-19 pandemic, no inspections were being done. Therefore, housing authorities are catching up to ensure property inspections are efficient and effective.

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In 2017, the Southern Nevada Regional Housing Authority (SNRHA) was placed under *Nevada Revised Statutes* (NRS) 354 and identified as a public body. Senator David Parks submitted a bill in the 2017 Session because he wanted additional oversight of the SNRHA. Former Assemblyman William McCurdy II is the chair of the SNRHA Board of Commissioners. The Board consists of elected commissioners who are engaged in the requirement to provide financial statements to the State Department of Taxation.

The SNRHA is on a federal fiscal year, and because the State has a different fiscal year, there is always an overlap of reporting. It does not work for the SNRHA. No other housing authority has this requirement because in 2017 there were issues with the SNRHA, but those have since improved. There is no reason for it to still have that requirement. It is a public body covered by statute and subject to Nevada's Open Meeting Laws as any other housing authority. This bill removes the SNRHA from the NRS 354 reporting requirements.

SENATOR KRASNER:

You said the law has recently changed in this area. Are inspections for government-assisted housing conducted once a year or once every two years?

Ms. ELLIOTT:

The inspections are required to be conducted every two years.

SENATOR DALY:

In section 3, subsection 1, paragraph (b), subparagraph (1) of A.B. 333 under NRS 354.474, the definition of local government which includes the rural housing authority in counties with populations less than 100,000 is being retained. Then in section 3, subsection 1, paragraph (b), subparagraph (2), a regional authority formed pursuant to NRS 315.7805 is being deleted. An authority formed under NRS 315.7805 is for the regional authority in which two or more authorities are merged together.

Ms. ELLIOTT:

Yes, that is correct.

SENATOR DALY:

Will that not be done any more?

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Ms. ELLIOTT:

Will more regional housing authorities be created?

SENATOR DALY:

The section on regional housing authorities in counties with populations of 700,000 or more which is under NRS 315.7803 is being deleted. What is going to be the governing board if that is removed?

Ms. ELLIOTT:

The governing board is in NRS 315. Representatives from North Las Vegas, Clark County, the City of Henderson and the City of Las Vegas are on the SNRHA Board of Commissioners. Am I answering your question?

SENATOR DALY:

Why is that being changed? *Nevada Revised Statutes* 315.7805 describes who is on the board. In a county with a population 700,000 or more, a regional authority may be formed. There is a regional authority now. The bill defines a local government as a rural housing authority. A regional housing authority formed pursuant to NRS 318.7805 is being deleted. Does that mean a regional housing authority is longer a local government?

Ms. ELLIOTT:

No, because it is in NRS 315. It was placed under NRS 354 for purposes of providing financial oversight to the Department of Taxation. That is what this section of the bill does.

MAHOGANY TURFLEY (Counsel, Southern Nevada Regional Housing Authority):  
Assembly Bill 333 is not changing NRS 315 and how that is set up. It removes the SNRHA from the financial requirements under NRS 354 of which it should have never been a part. The other two housing authorities were exempt from that requirement. The SNRHA should have been exempt also. It was an improper way to solve a problem and have financial oversight over the SNRHA.

SENATOR DALY:

Because the SNRHA is defined as a local government, what are the other financial requirements under NRS 354?

MS. TURFLEY:

The SNRHA receives federal funds from HUD and is on a federal fiscal policy. Those financial requirements are done under the federal fiscal policy. This bill would put SNRHA under the State fiscal policy. It is an undue burden to have its financial department make a whole new set of financials under the State fiscal policy for the fiscal year. The SNRHA is governed by HUD under federal guidelines and by its Board of Commissioners.

SENATOR DALY:

I am not following. I assume there were several different housing authorities in Clark County. Each one would have been under NRS 354. When there is more than one, they can merge and become a regional housing authority and a board of commissioners becomes the governing body. Why is that different than if they remained separate?

When they were individual housing authorities, they were not under HUD. When they become a regional housing authority, suddenly it falls under HUD, and it has additional financial reporting obligations. I am not understanding that. Perhaps you can talk to me offline. We want to keep this moving, but it is not making sense to me. Maybe it is because I do not know enough about how it all works. But when I try to read what the words say, it is not adding up.

VICE CHAIR OHRENSCHALL:

Perhaps you could follow up offline. I appreciate your trying to walk us through it.

SENATOR GOICOECHEA:

Most of my counties have populations under 100,000 other than Clark County. I want to make sure I understand the language. If a local government loaned money to the Nevada Rural Housing Authority, then the local government would be responsible for the inspections?

MS. ELLIOTT:

The housing authorities are responsible to HUD because these are HUD vouchers. The housing authorities are responsible to conduct all inspections which are based on HUD guidelines. They gather the information. If there are deficiencies, because it is based on the HUD guidelines, it is up to the housing authority, which is managing the vouchers, to clear up whatever the deficiencies might be. Local

jurisdictions do not have any input into those inspections. It is all done through the federal government and HUD.

SENATOR GOICOECHEA:

Is the local government responsible for remediation of any issues discovered?

MS. ELLIOTT:

There is no responsibility for local governments. All responsibility for remediation is born by the housing authority. It is either the housing authority, if it is managing the property, or the landlord if he or she is receiving a voucher from the federal government.

FRED HARON (Chief Administrative Officer, Southern Nevada Regional Housing Authority):

The SNRHA is the only housing authority in Las Vegas. All three housing authorities were regionalized in 2010. You asked why, what is the difference? The SNRHA receives 90 percent of its funding from the federal government which is governed by the U.S. Department of Housing and Urban Development. The reporting requirements consist of about 32 pages of financial documents.

The SNRHA provides information to the State every year. This requires the SNRHA to change its fiscal year and its general ledger requirements. The SNRHA must obtain permission from HUD to change its fiscal year. I do not know why the SNRHA was slated to be part of this because the rural communities and Reno were not. The SNRHA has not received any State dollars.

CHAIR FLORES:

We will close the hearing on A.B. 333 and open the hearing on A.B. 33.

**ASSEMBLY BILL 33**: Revises provisions governing public investments. (BDR 31-357)

ZACH CONINE (State Treasurer):

Since the 2019 Legislative Session, the Office of the State Treasurer has worked to modernize Nevada's investment statutes to provide its investments division with the tools it needs to maximize investment returns for the State, while ensuring it has adequate safeguards in place to mitigate potential risk. In short, its first job is not losing money. Its second job is not losing money. Its third job is preserving liquidity. Its fourth job is making money on behalf of the State. It is

good at all the jobs, but the fourth job provided \$180 million of the \$251 million in increased revenue during the last Economic Forum.

Assembly Bill 33 continues this work by providing the Office of the State Treasurer with additional flexibility for its investment vehicles while also providing for parity among portfolio limits for certain types of investments in the general portfolio: the State of Nevada Permanent School Fund (PSF) and the Local Government Investment Pool (LGIP).

Section 1 of the bill expands the list of authorized investments for money in the PSF to include two additional vehicles. It allows monies from the PSF to be invested in commercial paper which are short-term promissory notes, issued by companies, which will mature in 270 days or less and are rated A-1/P-1 or better and cannot exceed 10 percent of the total portfolio for the PSF. You have heard of AA/AAA which are for longer-term investments; shorter-term investments use a scale of P-1 through P-3 with P-1 being the best or least likely to default.

Additionally, A.B. 33 allows money from the PSF to be invested in notes, bonds or other unconditional obligations issued by certain corporations organized and operating in the United States or depository institutions licensed by the United States.

Section 2 of the bill increases from 20 percent to 25 percent the maximum share of the general portfolio that can be invested in banker's acceptances which are short-term issuances from a bank that guarantees payment at a later date. Section 2 also authorizes money from the general portfolio to be invested in commercial paper issued by certain trusts or corporations that issue through a limited liability company (LLC).

Section 3 of the bill seeks to increase parity among the various investment vehicles managed by the Treasurer. Section 3 revises the authorized investments for the local government investment pool—the LGIP is a vehicle by which local municipal governments as well as school districts can invest with the State—to require that investments in negotiable certificates of deposit must mature in under five years from the time of purchase and be rated by a nationally recognized rating service as A-1/P-1 or better.

Section 3 also provides that not more than 5 percent of the LGIP may be invested in notes, bonds or other unconditional obligations issued by any one commercial

bank, insured credit union, savings and loan association or savings bank. Additionally, section 3 increases from 20 percent to 25 percent the amount that the local government investment pool can invest in banker's acceptances of the kind and maturities made eligible by law with Federal Reserve banks or trust companies which are members of the Federal Reserve System.

This bill seeks to expand the role of Nevada Capital Investment Corporation (NCIC) which was passed by the Legislature in 2011. Broadly, the NCIC is the State's direct investment vehicle allowing for monies from the PSF to serve as capital invested directly in Nevada-based businesses engaged in health care, cybersecurity, defense, renewable energy, information technology and other businesses that benefit the State. All the interest returned from these investments are returned to the State Education Fund. The investment returns from the NCIC have more than doubled the returns from the PSF.

Section 4 of the bill increases the amount that can be transferred to the NCIC from the PSF from \$75 million to \$125 million, expanding on the work done in the 2021 Session of the Legislature. Section 4 also provides additional flexibility for the NCIC to encourage a greater level of investment in fund managers that have proven records of investing in small businesses throughout the Country.

Assembly Bill 33 accomplishes this by reducing the 70 percent threshold in the NCIC that must go to businesses directly in Nevada to 50 percent. Section 4 also allows for funds to be invested in pooled funds that will allow us to take advantage of multistate venture funds that have expressed interest in partnering with the State of Nevada to grow new and existing small businesses over the coming years.

Finally, I direct the Committee's attention to a minor proposed amendment (Exhibit E) which changes "and" to "or" in section 3, subsection 1, paragraph (g), subparagraph (2).

Overall, A.B. 33 helps to modernize and improve Nevada's investment statutes by giving the Office of the State Treasurer new tools and increase flexibility to generate higher investment returns for the State.

SENATOR DALY:

A new investment category is being added in section 1, subsection 2, paragraphs (o) and (p). Why did we not have that as an investment category before? What is

commercial paper? Has that got anything to do with corporations or limited liability corporations you are adding in another section? What are unconditional obligations? They were not included before, but I am sure they are not new. Why did we not have them before? What are the risks associated with these types of investments? What are we trying to accomplish by adding this, other than wanting to diversify and have a greater return. Is there a greater risk?

TREASURER CONINE:

This seeks to clear up some holes in our investment opportunities. From a risk perspective, this matches the risk throughout the portfolio. These are high credit rated entities that have no more risk than anything else we can currently buy.

Unconditional obligations broadly mean the obligation is not conditioned on something else. In other words, that money is owed and there is no way out of owing that money as opposed to a conditional obligation, which could mean that money is owed if a certain thing happens. Unconditional is less risky than conditional because there are no conditions.

STEVEN HALE (Deputy Treasurer, Investments, Office of the State Treasurer):

The LLC component of this speaks to the fact that many companies create subsidiaries that are LLCs, not corporations. When this was originally done, few companies had LLCs as subsidiaries issuing commercial paper. The substance and tenor of commercial paper has not changed in this at all. Some of these, IBM for example, can now issue commercial paper out of an LLC as opposed to a corporate subsidiary.

SENATOR DALY:

On page 12, line 33 and onward, what are we trying to do here? Can we make investments outside the insurance limits? Is it less or more restrictive on the negotiable certificates of deposit issued by new people?

TREASURER CONINE:

The goal is to create parity among other investments that can be made in the LGIP. We have the ability to purchase paper like this in the direct portfolio, but we are not able to purchase it for local governments because that language was not there. It does not extend or change the risk universe; it creates parity in order to speed up the process.

MR. HALE:

One other component of this is we changed a word for some of the parity. The word "and" was changed to "or" because it is not necessary for the Treasurer's group or counties to use both manners of strict support for our investments. We can either have an A-1/P-1 condition or collateralized which we do with banks and other agencies.

SENATOR DALY:

Section 3 subsection 1, paragraph (l) eliminates the interest on the obligation exempt from federal income tax. The advantage to purchasing municipal bonds and bonds issued by counties is that any interest earned is not subject to federal income tax. Is that being changed by eliminating that "or"? Is it going to make bonds municipalities sell less attractive if they are not tax-exempt?

TREASURER CONINE:

The intention is to be able to purchase obligations from State and local governments that are not necessarily tax-exempt. For example, last year, the State issued a taxable bond because the proceeds for that bond were needed to be used more flexibly. Municipalities, states and local governments issue bonds the State may want to purchase. Doing the analysis on what we should or should not buy if a bond is taxable has a different set of mathematics. We know that bond is going to pay differently than a bond that is not taxable. This gives us flexibility to do both. The taxability of a bond has nothing to do with the risk associated with it, simply the return.

SENATOR DALY:

I am trying to get clarification. We are not changing the fact that we can issue tax-exempt bonds. We would be able to potentially purchase local government bonds that were not tax-exempt before it was limited to only tax-exempt.

In section 4, I am not a fan of private equity. We are already invested in it, and you want to increase that amount by \$50 million. I have concerns with that. I know in the investments done for our pension plan, we have not gone to many of these alternative investments, including private equity. It has an increased risk and I have never looked upon them fondly.

TREASURER CONINE:

The best way I can describe this is not all private equity, just like not all pensions and not all pieces of commercial paper, is created equally. The goal is to use part

of the PSF to generate additional returns. Historically, we have doubled returns on this. We are doing that by focusing on private equity companies dealing with mid- to late-stage companies with low fee structures. We are all familiar with private equity companies that are high-fee, high-return and high-risk. That is not our work. I certainly would agree with you that there is good private equity and bad private equity.

CHAIR FLORES:

In section 4 of the bill, can you explain why the increase from \$75 million to \$125 million? What triggered that?

TREASURER CONINE:

That statutory carveout is the maximum amount of \$75 million. We want to increase that maximum amount to \$125 million. When dollars are not invested directly through the Nevada Capital Investment Corporation, they remain invested in the rest of the corpus of the PSF. In other words, there is no opportunity cost loss. If a dollar in the Nevada Capital Investment Corporation has not yet been deployed, it is still being invested in the PSF side. That is important. We do not have to make a choice here. It all remains as part of the PSF.

From the Nevada Capital Investment Corporation side, we have spent the last two years or so redeveloping that investment vehicle bringing on a new board with experts like Robert Goldberg from northern Nevada and making sure we have people like Jan Jones who sees a large number of business proposals and investment pitches in southern Nevada and are seeing the work that comes out of the University of Nevada, Las Vegas, Black Fire Innovations and other institutions in southern Nevada. Our goal is to make sure we have the cash reserves necessary to take advantage of these investment opportunities when they come up. That \$125 million is the right target to hit potential opportunities in the pipeline. Now, let us be clear, investments like that take a lot of time and diligence. We do not expect to be deploying this capital every day. But with these changes and the regulatory and other work we have done, it is going to give us an opportunity to continue getting outsized returns for the PSF while at the same time supporting Nevada businesses or businesses that might want to move to Nevada. Those two things, in parallel, are the work of the Nevada Capital Investment Corporation.

VICE CHAIR OHRENSCHALL:

I appreciate the time you took going over the bill with me. However, on page 13, line 42 of the bill is new language regarding the purchases of banker's acceptances. It is changed from 20 percent to 25 percent. What is that going to accomplish? Why is it being changed from 20 percent to 25 percent?

TREASURER CONINE:

Banker's acceptances are short-term promissory notes from banks. That allows us to have 25 percent of the local government portfolio invested in those. The term is 180 days. It is a relatively short period of time. We are trying to get to parity between different portfolios. We want to make sure that LGIP investments and the rest of the portfolio can be done in the same way. These are low-risk, temporary exchanges, temporary purchases. They are not bonds because of the time frame.

MR. HALE:

The way they are structured, they are short and low risk. We do not purchase many of these. It is just that someday we may need the flexibility to purchase them, but it is not a big pool for us.

TREASURER CONINE:

That speaks to some of the flexibility within the investment statutes. Given the nature of our legislative process, it is important to have flexibility in different pools because we never know what pool we are going to have to go to because we do not know what is going to happen. For instance, if there is a default at the federal level in the next couple of weeks that will vastly change the sorts of things we would invest in the State and is frankly changing what we invest in on the lead up to it. All of these give us the flexibility to go where the ball is if and when we need to.

SENATOR KRASNER:

Section 4, subsection 2 of the bill previously read "Ensure that at least 70 percent" is changed to:

more than 50 percent of all private equity funding provided by the corporation for public benefit, including, without limitation, private equity funding provided by a corporation for public benefit to a pooled fund that includes businesses located outside of this State.

The new language is "businesses located outside of this State." Previously, the language provided for businesses located in this State or seeking to locate to this State. Why are you choosing to add language to include businesses located outside the State? Is it possible that all of that or more than 50 percent of private equity funding could go to businesses located outside of the State?

TREASURER CONINE:

The corporation for public benefit is the Nevada Capital Investment Corporation. That is what is being referred to. The goal is that we find ourselves in a bit of a chicken-and-egg universe when it comes to these sorts of direct investments. Investors legally based in other states or funds based in other states make investments into Nevada. However, under the current structure, we cannot invest in them because of where the investment company is located as opposed to where their investments are located. For instance, an investment company invests in ten companies. Some of those companies are located in Nevada and some are not. The goal is to add that and make sure if there is a pooled fund, we are not forbidden to invest in them.

We want to provide as much flexibility as we can so we can incentivize businesses to come to Nevada and also incentivize businesses to expand to Nevada. Maybe they do not move their corporate headquarters, but they open up a facility within our State's border and create the associated taxes with that. We want to create more flexibility so we are not investing in businesses after they have moved but instead invest in businesses that are foreign.

We have worked on language for quite some time with companies that are doing this investment work with the Governor's Office of Economic Development, the Las Vegas Global Economic Alliance and others. This language solves the chicken-and-egg problem. We are open to any and all feedback because we are trying to think.

SENATOR KRASNER:

These corporations or businesses located outside of the State, must they be located in another state within the United States, or could they be a foreign business located outside of the United States?

TREASURER CONINE:

My understanding, under the regulations, is these are businesses located within the United States, but we can certainly follow up to confirm that for you. From

an investment philosophy perspective and a regulation perspective, we would not make a direct investment in a company not subject to the laws and the responsibilities of the United States from a risk perspective.

SENATOR KRASNER:

It does not say that in the language. That is why I wanted clarification.

CHAIR FLORES:

We will close the hearing on A.B. 33 and open the hearing on A.B. 378.

**ASSEMBLY BILL 378 (1st Reprint)**: Revises provisions governing collective bargaining. (BDR 23-1050)

ASSEMBLYMAN STEVE YEAGER (Assembly District No. 9):

This bill deals with State collective bargaining. The question for this Committee is not whether you agree with collective bargaining at the State level because it is a law passed by the Legislature in the 2019 Session. This bill seeks to make the process better.

We ran into problems in the last round of negotiations occurring in 2021 with a couple of bargaining units and the Executive Branch. They were not able to get their negotiations fully resolved until after the close of the Legislative Session. That is not helpful for us as a Legislature because we cannot fund arbitration agreements and awards outside of a Legislative Session. We have the Interim Finance Committee, but constitutionally, the Interim Finance Committee cannot provide pay raises. Only the entire Legislature can do it.

Part of the reason this issue arose was the arbitration process. In this particular instance, at the end of the 2021 Session, the parties were not able to agree, and they had to go to arbitration. It took a long time to select an arbitrator and to get through that process. The bargaining units were victorious, but that decision came after the Legislative Session. As a result, bills are working through this Session to make good on those awards. However, from a State philosophy, bargaining units have the ability to collectively bargain, and if they are successful in arbitrations or otherwise, we ought to fund them.

This bill takes the current timeline and tries to find the pressure points and make them better. I have provided you with a timeline (Exhibit F) which is not the easiest thing to read, but you will see a few different things. It reviews the

timeline as it exists now in law versus what is proposed in the first reprint of A.B. 378. If you start at the beginning of that timeline, Exhibit F, the most important thing is preselecting a mediator and an arbitrator. Before starting a negotiation, those people will be selected because that process and trying to settle on a date take the most time. The signature part of this bill is doing that at the beginning, so if you chose the people needed, they will be in place and can go right into mediation and then to arbitration.

You also see on the timeline, Exhibit F, that the date to begin negotiations is moved up a month. Feedback has been it is always good to have more time to negotiate rather than less time. At the end of the timeline, as we envision it, we are going to compress the time between mediation and arbitration. Our goal with this bill is that any arbitration decision would be made by March 5. When you think about it, we are in the midst of a Legislative Session now and we are about two months beyond March 5. This would give the Legislature time to fund any sort of decision or, in the case they cannot reach an agreement, fund the arbitration award.

The bill makes a lot of technical changes in that way, but that is really what we are trying to achieve. If we are going to have this process, let us have a process that makes sense and works with Nevada's biennial Legislative Session.

BRADY EASTERLING (American Federation of State, County and Municipal Employees):

The American Federation of State, County and Municipal Employees (AFSCME) supports A.B. 378. I have submitted a letter (Exhibit G contains copyrighted material. Original is available upon request of the Research Library.) on behalf of AFSCME in support of A.B. 378.

KENT ERVIN (Nevada Faculty Alliance):

The Nevada Faculty Alliance (NFA) supports A.B. 378. In researching its bill on collective bargaining, the NFA had to look at many different aspects of these things. This bill is trying to get the best process for State classified employees.

CARTER BUNDY (American Federation of State, County and Municipal Employees):

This bill is about having a timeline that makes sense and gives the Legislature time to react however it wants to, whatever the final result is. I hope the Committee is willing to support the bill.

BRUCE K. SNYDER (Commissioner, Government Employee-Management Relations Board):

The Government Employee-Management Relations Board regulates labor relations between Nevada's governments and the unions representing their employees.

To help ensure the bill would be effective, I was asked to provide technical support to the Governor's Office on S.B. No. 135 of the 80th Session which provided for collective bargaining for State employees. The original draft of S.B. No. 135 of the 80th Session made December 1 the start of negotiations to coincide with the Economic Forum meeting. However, many believed this deadline would be too tight and thus the amendment to the bill moved it to November 1 and now Assembly Bill 378 moves the start date to October 1. Anything that adds an additional time to the process would be a good thing.

More importantly, section 1, subsection 2, paragraph (b) requires the parties to select the mediator and arbitrator and reserve dates for the negotiation at the beginning of the bargaining process. Past experience has shown that waiting for the parties to reach impasse and then select a mediator and arbitrator and reserve dates would not allow the parties to complete the process before the Legislature adjourns. Most mediators and arbitrators are booked for several months into the future.

CHAIR FLORES:

We will close the hearing on A.B. 378 and open the hearing on A.B. 262.

**ASSEMBLY BILL 262 (1st Reprint)**: Revises provisions relating to state-owned vehicles. (BDR 27-124)

ASSEMBLYMAN HOWARD WATTS (Assembly District No. 15):

Assembly Bill 262 seeks to set clear goals for the State to reduce the tailpipe emissions of its vehicles. There are many benefits to moving this forward. Section 2.5 of the bill discusses the value of doing this. Air quality in the Las Vegas and Reno metropolitan areas has consistently been ranked poor among urban areas across the Country for smog and particulate matter pollution. Both of those are types of pollution that come out of vehicles. Vehicles are one of the main sources,

not only of that unhealthy air pollution but also of greenhouse gas emissions within our State. However, the State has an opportunity with the growth in zero-emissions vehicles, battery, electric and hydrogen fuel cells. This bill is technology neutral as long as there is no pollution coming out of the vehicle. The State can lead in helping produce and power those vehicles.

This also has an economic development opportunity. These vehicles are now cost-effective, but one of the issues that anyone who has been involved in the State budget process can understand is that the State is often looking at how to get the biggest bang for its buck within a two-year budget cycle. When State agencies shop for vehicles, they look at the best deal that meets their needs. That makes a lot of sense, but we have seen that some of these newer technologies have a higher sticker price. However, the savings on fuel and maintenance are significant—sometimes 50 percent or more compared to internal combustion engine vehicles.

Not only do we have environmental, public health and economic development benefits, we have the benefit of cost savings to the taxpayers if we do the analysis correctly. That is why this is important. Section 2.5 of the bill speaks to why the bill was brought forward.

When it is practical, the fuel is available and all logistics are in place, section 1 of the bill tasks State agencies to purchase automobiles which minimize emissions and the total cost of the vehicle over its service life. That can include things like fuel and maintenance costs and financial incentives. There are various programs, some operated by utilities, that are tax incentive programs. With some of the latest federal legislation that was passed, those are now available to local governments where they were not before. This additional money can be used to not only reduce upfront purchase costs but make the costs over the lifetime of the vehicle more attractive.

Many State vehicles have a standard service life of 10 years or 100,000 miles. We can plan around that time frame. We are asking for the analysis to be done, review the time we are expected to have the vehicle and compare those fuel, maintenance and other costs to determine the best deal for our State to the extent that zero-emission vehicles make sense. It is logistical for the State to get the fueling and infrastructure to utilize them.

Section 1, subsection 4, paragraph (b) deals with the use of less emission intensive fuels—the use of biofuels when possible. There is no cost barrier to ensuring when the State gets larger, heavier duty vehicles in its fleet that use diesel with a 20 percent biodiesel blend. It does not come at an additional cost, but it makes sure that if that fuel is available, the State can use that as well.

Section 1, subsection 5, and section 2 relate to reporting so the State can understand the vehicle makeup of its fleet. That way it can see how that may change as time goes by.

The goals of the bill are that State vehicles with internal combustion engines use fuels that are better for the environment and public health. At the same time, when the State acquires a new vehicle, it can look over the entire lifetime of the vehicle to see where the purchase can get not only pollution reduction benefits, but also where the purchase can maximize the return for taxpayers—not just for a biennium but over the entire service life of that vehicle.

SENATOR GOICOECHEA:

My only concern is the language about biodiesel. It does not work in the northern Nevada in the winter. I am concerned that if we start pushing biodiesel into some of the Nevada Department of Transportation yards across the north where people fuel vehicles, there is a cost savings and is great for the environment but not so good when it gets 40 below.

ASSEMBLYMAN WATTS:

In our budget subcommittee, we heard about the ongoing upgrades to the southern Nevada yard. One upgrade is bringing in E15 gas for vehicles in southern Nevada. The intent behind the language "to the extent practicable," is to make sure that it makes sense. When looking at other vehicles, if there are any logistical concerns such as the weather or other constraints that would have a negative impact, then those vehicles would not make sense. We are going to do what makes the most sense.

SENATOR DALY:

When one gets gas, one gets a receipt that indicates how many gallons were pumped. Is there something when one plugs in an electric car? How is that recorded? Are there different rates?

ASSEMBLYMAN HOWARD WATTS:

I could spend a long time answering that question. Specific to the bill, we are trying to figure out the fuel type makeup of the vehicle. Is it gas, is it electric, is it something that uses a higher ethanol blend or a higher biodiesel blend? It is the type of fuel used. For example, for an electric vehicle, we would not be concerned about how much electricity is used but just note that it is an electric vehicle because that is the fuel it uses.

To your point about tracking electricity and the rates, yes, it varies. For a State fleet of electric vehicles, the State would build a charging infrastructure which would come through its electric service. That is different than the rate structure of a public charging station that charges on a per kilowatt amount. However, the amount of electricity used as a type of fuel can be tracked.

SENATOR DALY:

Simply collecting the type of fuel the vehicle uses will not get you the analysis. At some point, you are going to have to start recording a cost variation or cost savings.

SENATOR KRASNER:

Most of the language in the beginning of the bill in section 1 is permissive—"to the extent practicable." In section 2.5, subsection 2, the new language says:

It is the policy of this State to pursue and support a transition of all publicly-owned, light-duty vehicles to vehicles which emit zero tailpipe emissions by the year 2040, and to transition all publicly-owned, medium- and heavy-duty vehicles to vehicles which emit zero tailpipe emissions by the year 2050.

That is new language. Correct?

ASSEMBLYMAN WATTS:

That is correct. It is legislative declaration. It sets a general public policy goal, a direction we would like to achieve. There are no penalties for failing to meet that goal. It says we want to meet that goal with lighter duty vehicles, from sedans to pickup trucks. Many vehicles are coming into the market that can meet many of those use goals today. If you think about the ten-year service life of a vehicle, that gets us to about 2030. Hopefully, the State will be in a position of rolling over its fleet to zero tailpipe emission vehicles. The larger, heavier duty vehicles are further behind in deployment. The hope is the State can get to 100 percent by 2050.

SENATOR KRASNER:

In section 2.5, subsection 2, you are saying you want that final paragraph to mean it is the policy "goal" of this State to pursue and support the transition of all publicly owned, light-duty vehicles to vehicles emit zero tailpipe emissions by the year 2040. Is that correct? That word "goal" is not there, but that is your intent.

ASSEMBLYMAN WATTS:

Yes, that is what is intended with "pursue and support." But if adding clearer language that it is the "goal" would provide some ease with the rest of that language, I would be glad to entertain that.

CHRISTI CABRERA-GEORGESON (Deputy Director, Nevada Conservation League):

The Nevada Conservation League supports A.B. 262. This will encourage State agencies to add more electric and hybrid vehicles to their fleets which will reduce emissions and toxic pollution while improving public health and saving the State money.

Gas-powered vehicles produce many pollutants that are damaging our health and are linked to many respiratory illnesses such as asthma. Additionally, transportation continues to be the top contributor of carbon pollution in our State.

Electric vehicles (EV) cost less to operate and maintain than combustion engines as EVs have no regular maintenance expenses for oil changes or smog checks. This makes the total cost of owning an EV significantly less. Getting more EVs in our State fleets is good for public health, the planet and Nevada's wallet. We urge the Committee's support.

ELYSE MONROY-MARSALA (Nevada Public Health Association):

I ditto what my colleague said.

JESSICA FERRATO (Advanced Energy United):

Advanced Energy United (AEU) is a clean energy business association working to make the energy we use clean, affordable and reliable. The AEU represents over 100 companies across the clean energy spectrum including electric vehicle manufacturers, fleet operators and charging infrastructure providers. The AEU supports A.B. 262.

The total cost of ownership analysis is the most fiscally responsible approach to State vehicle procurement and would be an excellent move to allow Nevada to make sound long-term investments that benefit the State well into the future. This approach will ensure that Nevada-procured vehicles are the most affordable over their lifetimes, which can result in significant savings for the State and taxpayers and free upfront money for other State priorities.

Electric vehicles can offer considerable savings over their lifespans. Their fueling costs are just a fraction of equivalent gas-powered vehicles and maintenance costs are three times lower. If their procurement would save time, those financial benefits could be evaluated accordingly.

ANDY MACKAY (Executive Director, Nevada Franchised Auto Dealers Association):  
Everyone wants clean air and water. If there are policies and programs by which the State can advance that goal, the Nevada Franchised Auto Dealers Association (NFADA) supports that.

When looking at the analysis from a fiscal standpoint for the State, what the NFADA likes about this bill is it is all encompassing. It is not focused only on electric vehicles. It covers everything from diesel, hybrid, plug-in hybrid and the development of eFuels that are advancing at a rapid pace. This is smart policy.

The State is already moving in this direction. Electric vehicle registrations for the first quarter of this year were 12.3 percent, hybrids were 6.9 percent and plug-in hybrid electrics were 1.9 percent. That is 21.1 percent of the State fleet registered as new vehicles. Over 20 percent are alternative fuel vehicles. The NFADA's manufacturing partners are putting out new products daily and advancing this technology for range and reliability.

Biodiesel in Eureka in the middle of winter is gelatinized, but the manufacturers are working on being able to perfect and improve it. Right now, an EV in Elko County, quite honestly, is not a good proposition for several different

reasons. The up-and-coming hybrid products can certainly bridge that gap and then meet the State's goal to reduce carbon emissions.

PAIGE BARNES (Ceres):

Ceres is a nonprofit sustainability organization with the Country's most influential companies and investors to build a more sustainable global economy.

Ceres supports A.B. 262. A 2020 *Consumer Reports* analysis demonstrates EV owners save between \$6,000 and \$10,000 over the vehicle's lifetime given the significant fuel and maintenance cost savings. Consumer savings are even greater when you include EV incentives recently passed by Congress. These operational cost savings are further amplified for fleet operators which typically use vehicles more frequently than individually owned vehicles.

Increasingly, major global and U.S. companies are committing to transitioning vehicles in their corporate fleets to zero-emission models. We have found within our corporate electric vehicle alliance and collaboration of 30 companies, including Amazon, DHL, JLL, IKEA and others, plan to purchase 330,000 electric vehicles in the next 5 years alone.

As public fleets retire old gasoline and diesel vehicles like these companies do, States and local governments can save significant amounts of money for taxpayers by transitioning to electric fleets. Beyond generating significant operational savings for public fleets, A.B. 262 will drive further investments in the State's growing EV supply chain and manufacturing capabilities.

Electric vehicle adoption can further benefit Nevada technology when it is integrated with the electricity sector. Assembly Bill 262 helps to build a strong foundation for Nevada's ability to stay competitive by investing in common sense, clean transportation solutions while generating significant savings, clean air and public health benefits for the State. Ceres respectfully urges your support for this bill.

BARRY COLE:

I am a member of Nevada Clinicians for Climate Action. I support A.B. 262. Anything to reduce emissions will improve air quality from the standpoint of perception. I note that leaders lead. If we want more people to move to alternative fuels and to electric vehicles, it would be good for Nevada to show us the example. This is an important piece of legislation.

JERMAREON WILLIAMS (Western Resource Advocates):

Western Resource Advocates support A.B. 262. The total cost of ownership shows that electric vehicles are cheaper than internal combustion engines due to the decreased fuel and maintenance costs over a vehicle's lifespan. Electric vehicles are estimated to save consumers about 60 percent on fuel costs compared with the average vehicles in their class. Despite often having a higher upfront purchase cost, owners of electric vehicles see a lifetime total cost of ownership savings of \$6,000 to \$10,000. These savings are expected to increase as the price of these vehicles drop and reach parity with internal combustion engine vehicles. Assembly Bill 262 will position Nevada to take advantage of these statements.

Nevada will also see public health benefits from zero-emission vehicles which is important given Nevada's air quality challenges. Nevada has the opportunity to reduce emissions of harmful air pollutants which will help Nevadans save money.

The American Lung Association gave Nevada's two most populous counties, Clark County and Washoe County, failing grades for air quality in 2022. One of its recommendations to address this issue is the transition for government fleets to zero-emission vehicles.

WILL DRIER (Electrification Coalition):

The Electrification Coalition is a nonpartisan, nonprofit organization dedicated to accelerating the adoption of electric vehicles to combat national security risks associated with our reliance on oil and our global economic competitiveness of the future of the automotive industry.

I ask you to support A.B. 262 which would require the State to consider total cost of ownership over the lifetime of a vehicle when making procurement decisions. The Electrification Coalition worked with the Department of Administration to conduct an analysis of a portion of the Nevada State fleet using our dashboard for rapid vehicle education, a total cost of ownership tool, and found that by considering the total cost of ownership and procurement decisions, electrifying 92 percent of the vehicles we analyzed would create savings for the State without the need for any rebates for grants.

I have submitted additional information as written testimony (Exhibit H). We are happy to meet with you and discuss our analysis further. We can discuss how

the total cost of ownership and electrification can more efficiently use Nevada taxpayer dollars and help to establish Nevada as a leader in the future of the electric vehicle supply chain.

MELISSA RAMOS (Senior Manager, Clean Air Advocacy, American Lung Association in Nevada):

The American Lung Association advocates for policies that reduce air pollution and protect human health. Assembly Bill 262 will encourage the adoption of zero-emission vehicles in the State procurement process. This will reduce greenhouse gas emissions and reduce health risks associated with emissions from vehicles. Our 2023 "State of the Air" report found about 35 percent of Americans breathe unhealthy air, and for Nevadans, it is significantly worse. Ninety-three percent of Nevadans live in a community with polluted air. Air pollution harms lung and heart health causing heart attacks, strokes, worsened asthma attacks and premature deaths. These health risks are heightened even more for our most vulnerable populations, including low-income communities of color, children and seniors.

We know that emissions from the transportation sector represent the largest source of Nevada's air and climate burdens and transitioning to zero-emission vehicles and clean energy could yield up to \$7.5 billion in public health benefits in Nevada over the coming decades, according to the Association's *Zeroing in on Healthy Air* report.

Clean air and a safe climate are important for healthy lungs. Even though we have made incredible progress to clean up harmful air pollution, too many communities are still waiting for clean air. The Association urges you to vote in favor of A.B. 262 so the State can lead the transition away from fossil fuels, clean up air pollution and foster healthy communities.

I have submitted a letter (Exhibit I) in support of A.B. 262.

CHAIR FLORES:

The Committee has received two letters (Exhibit J) in support of A.B. 262. We will close the hearing on A.B. 262 and adjourn the meeting of the Senate Committee on Government Affairs at 5:12 p.m.

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RESPECTFULLY SUBMITTED:

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Suzanne Efford,  
Committee Secretary

APPROVED BY:

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Senator Edgar Flores, Chair

DATE: \_\_\_\_\_

<b>EXHIBIT SUMMARY</b>				
<b>Bill</b>	<b>Exhibit Letter</b>	<b>Introduced on Minute Report Page No.</b>	<b>Witness / Entity</b>	<b>Description</b>
	A	1		Agenda
	B	1		Attendance Roster
A.B. 333	C	3	Mendy Elliott / Reno Housing Authority; Southern Nevada Regional Housing Authority; Nevada Rural Housing Authority	Tenant Inspection Checklist
A.B. 333	D	3	Mendy Elliott, Reno Housing Authority; Southern Nevada Regional Housing Authority; Nevada Rural Housing Authority	Federal Inspection Guidelines
A.B. 33	E	9	State Treasurer Zach Conine	Proposed Amendment
A.B. 378	F	16	Assemblyman Steve Yeager	Timeline
A.B. 378	G	16	Brady Easterling / American Federation of State, County and Municipal Employees	Written Testimony
A.B. 262	H	24	Will Drier / Electrification Coalition	Letter of Support

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A.B. 262	I	25	Melissa Ramos / American Lung Association	Letter of Support
A.B. 262	J	26	Senator Edgar Flores	Two Letters of Support