

TAX TOPICS

A publication of the Nevada Taxpayers Association Serving the citizens of Nevada since 1922

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2018 STATE & LOCAL ELECTION RECAP

Constitutional Officers

In a reversal of the 2014 election, Democrats defeated all Republicans for Constitutional Offices, except for Secretary of State Barbara Cegavske who was reelected for another term. Governor-Elect Steve Sisolak won big in Clark and Washoe Counties giving him the victory. Until January 7, 2019, when he is sworn in as Governor, Sisolak will continue to Chair the Clark County Commission. Lieutenant Governor Kate Marshall had previously served as the State Treasurer (2006-2014). State Senator Aaron Ford was elected Attorney General. Newly elected to public office were Zach Contine as State Treasurer and Catherine Byrne as State Controller.

The 2019 Legislature

The State Senate is made up of 13 Democrats and 8 Republicans, short of a 2/3s supermajority. The Assembly is now 29 Democrats vs 13 Republicans giving it the necessary 2/3s supermajority for passing tax increases and overriding vetoes.

In a surprising turn of events, this election cycle brought about five seats between the Assembly and Senate that had to be appointed. In the Senate, the Clark County Commission appointed Dallas Harris to replace Senator Ford who was elected Attorney General and Assemblyman Chris Brooks to replace Senator Segerblom who was elected to the Clark County Commission. In the Assembly, Rochelle Nguyen was appointed to fill the vacancy created with the appointment of Assemblyman Chris Brooks to the State Senate and Beatrice Duran to fill the seat of Assemblywoman Olivia Diaz, who was reelected, but recently resigned to run for the Vegas City Council seat being vacated by Councilman Bob Coffin. Also, the vacancy on the seat of Dennis Hof, who passed away just prior to the election and won in Assembly District 36, was filled by Gregory Hafen II. Since the seat covers three different counties (Clark, Lincoln, and Nye), each county commission nominated a candidate, and in a joint meeting appointed Hafen, to the seat.

There now will be a majority of 55% of women in the Assembly, and when combined with the Senate a majority of 51%. That makes Nevada the first state with a female majority.

Statewide Tax Questions

Question 2 and Question 4 on the November ballot both passed by a margin of 56.48% yes to 43.52% no, and 67.38% yes and 32.62% no respectively. With the passage of Question 2, feminine hygiene products will now be exempted from sales and use taxes. This will likely cause a decrease in sales tax revenue of \$5 - \$7 million. The Local School Support Tax will likely see a decrease of \$2 - \$3 million. With the passage of Question 4, some durable medical equipment, oxygen delivery equipment, and mobility enhancing equipment prescribed for use by a licensed care provider will no longer be subject to sales and use taxes. It is unknown how much tax revenue will be lost from the passage of this measure.

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LEGISLATIVE ELECTION RESULTS

Assembly Election & Appointments

District 1 Daniele Monroe-Moreno (D-Clark)
District 2 John Hambrick (R-Clark)
District 3 Selena Torres (D-Clark)
District 4 Connie Munk (D-Clark)
District 5 Brittney Miller (D-Clark)
District 6 William McCurdy II (D-Clark)
District 7 Dina Neal (D-Clark)
District 8 Jason Frierson (D-Clark)
District 9 Steve Yeager (D-Clark)
District 10 Rochelle Nguyen (D-Clark)
Appointment
District 11Beatrice Duran (D-Clark)
Appointment
District 12 Susan Martinez (D-Clark)
District 13 Tom Roberts (R-Clark)
District 14 Maggie Carlton (D-Clark)
District 15 Howard Watts III (D-Clark)
District 16 Heidi Swank (D-Clark)
District 17 Tyrone Thompson (D-Clark)
District 18 Richard Carrillo (D-Clark)
District 19 Chris Edwards (R-Clark)
District 20 Ellen Spiegel (D-Clark)
District 21Ozzie Fumo (D-Clark)
District 22 Melissa Hardy (R-Clark)
District 23Glen Leavitt (R-Clark)
District 24Sarah Peters (D-Washoe)
District 25 Jill Tolles (R-Washoe)
District 26 Lisa Krasner (R-Washoe)
District 27 Teresa Benitez-Thompson (D-
Washoe)
District 28 Edgar Flores (D-Clark)
District 29 Lesley Cohen (D-Clark)
District 30 Michael Sprinkle (D-Washoe)
District 31 Skip Daly (D-Washoe)
District 32 Alexis Hansen (R-Esmeralda,
Humboldt, Lander, Mineral, Nye-
Part, Pershing, Washoe-Part)
District 33 John Ellison (R-Elko, Eureka,
Lincoln, White Pine)
District 34 ... Shannon Bilbray-Axelrod (D-Clark)

District 35 Michelle Gorlow (D-Clark)
District 36 Gregory Hafen II (R-Clark,
Lincoln, Nye) - Appointment
District 37 Shea Backus (D-Clark)
District 38 Robin Titus (R-Churchill, Lyon)
District 39 Jim Wheeler (R-Douglas,
Lyon, Storey)
District 40 ... Al Kramer (R-Carson City, Washoe)
District 41 Sandra Jauregui (D-Clark)
District 42 Alexander Assefa (D-Clark)

Senate Election & Appointment Results

District 2 Mo Denis (D-Clark)
District 3 ... Chris Brooks (D-Clark) - Appointment
District 8 Marilyn Dondero Loop (D-Clark)
District 9 Melanie Scheible (D-Clark)
District 10 Yvanna Cancela (D-Clark)
District 11 Dallas Harris (D-Clark)
Appointment
District 12 Joseph Hardy (R-Clark)
District 13 Julia Ratti (D-Washoe)
District 14 Ira Hansen (R-Washoe)
District 16 Ben Kieckhefer (R-Washoe,
Carson City)
District 17..... James Settelmeyer (R- Churchill,
Douglas, Lyon, Storey)
District 20 Keith Pickard (R-Clark)
District 21 James Ohrenschall (D-Clark)

Senate Holdovers

District 1 Patricia Spearman (D-Clark)
District 4 Kelvin Atkinson (D-Clark)
District 5 Joyce Woodhouse (D-Clark)
District 6 Nicole Cannizzaro (D-Clark)
District 7 David Parks (D-Clark)
District 15 Heidi Seevers Gansert (R-Washoe)
District 18 Scott Hammond (R-Clark)
District 19 Pete Goicoechea (R-Clark
Part, Elko, Eureka, Lincoln, Nye-Part, White Pine)

LEGISLATIVE LEADERSHIP

Assembly

Speaker Jason Frierson
Majority Leader Teresa Benitez-Thompson
Speaker Pro Tempore Steve Yeager
Majority Whip Michael Sprinkle
Minority Leader Jim Wheeler

Senate

Majority Leader Kelvin Atkinson
Assistant Majority Leader Nicole Cannizzaro
President Pro Tempore Mo Denis
Chief Majority Whip Joyce Woodhouse
Minority Leader James Settelmeyer

COMMITTEE ASSIGNMENTS

Note: The following committee assignments are subject to change. The Growth and Infrastructure Committees will include transportation and energy issues.

Senate

Commerce and Labor: Pat Spearman (Chair), Kelvin Atkinson (Vice Chair), Nicole Cannizzaro, James Ohrenschall, Chris Brooks, Joe Hardy, James Settelmeyer, Heidi Seevers Gansert

Education: Mo Denis (Chair), Joyce Woodhouse (Vice Chair), Dallas Harris, Marilyn Dondero Loop, Scott Hammond, Ira Hansen, Keith Pickard

Finance: Joyce Woodhouse (Chair), David Parks (Vice Chair), Mo Denis, Kelvin Atkinson, Yvanna Cancela, James Settelmeyer, Ben Kieckhefer, Pete Goicoechea

Government Affairs: David Parks (Chair), Melanie Scheible (Vice Chair), Julia Ratti, Ben Kieckhefer, Pete Goicoechea

Growth and Infrastructure: Yvanna Cancela (Chair), Chris Brooks (Vice Chair), Mo Denis, Kelvin Atkinson, Pat Spearman, Joe Hardy, James Settelmeyer, Scott Hammond

Health and Human Services: Julia Ratti (Chair), Pat Spearman (Vice Chair), Joyce Woodhouse, Joe Hardy, Scott Hammond

Judiciary: Nicole Cannizzaro (Chair), Dallas Harris (Vice Chair), James Ohrenschall, Marilyn Dondero Loop, Melanie Scheible, Scott Hammond, Ira Hansen, Keith Pickard

Legislative Operations and Elections: James Ohrenschall (Chair), Nicole Cannizzaro (Vice Chair), Yvanna Cancela, Heidi Seevers Gansert, Keith Pickard

Natural Resources: Melanie Scheible (Chair), Chris Brooks (Vice Chair), Dallas Harris, Pete Goicoechea, Ira Hansen

Revenue and Economic Development: Marilyn Dondero Loop (Chair), Julia Ratti (Vice Chair), David Parks, Ben Kieckhefer, Heidi Seevers Gansert

Continued on page 4

TAX FACTS CORRECTION

Please note the following correction to the latest edition (2017-2108) of Nevada Tax Facts.

On page 23 the distribution of cigarette taxes should read “\$0.10 per package of 20 cigarettes is deposited in the local government tax distribution fund.” The \$1.70 per package of 20 cigarettes goes directly to the general fund.

Committee Assignments continued from page 3

Note: The following committee assignments are subject to change. The Growth and Infrastructure Committees will include transportation and energy issues.

Assembly

Commerce and Labor: Ellen Spiegel (Chair), Jason Frierson (Vice Chair), Maggie Carlton, Sandra Jauregui, Dina Neal, William McCurdy II, Steve Yeager, Susan Martinez, Skip Daly, Jill Tolles, Melissa Hardy, Chris Edwards, Al Kramer

Education: Tyrone Thompson (Chair), Edgar Flores (Vice Chair), Brittney Miller, Connie Munk, Michelle Gorelow, Sarah Peters, Selena Torres, Jill Tolles, Lisa Krasner, Melissa Hardy, Alexis Hansen

Government Affairs: Edgar Flores (Chair), William McCurdy II (Vice Chair), Richard Carrillo, Shannon Bilbray-Axelrod, Susan Martinez, Michelle Gorelow, Connie Munk, Alexander Assefa, John Ellison, Melissa Hardy, Glen Leavitt

Growth and Infrastructure: Daniele Monroe-Moreno (Chair), Steve Yeager (Vice Chair), Mike Sprinkle, Richard Carrillo, Shannon Bilbray-Axelrod, Howard Watts III, Shea Backus, Jim Wheeler, Glen Leavitt, Tom Roberts, John Ellison

Health and Human Services: Mike Sprinkle (Chair), Richard Carrillo (Vice Chair), Tyrone Thompson, Alexander Assefa, Connie Munk, Michelle Gorelow, Lisa Krasner, John Hambrick, Robin Titus

Judiciary: Steve Yeager (Chair), Lesley Cohen (Vice Chair), Ozzie Fumo, Skip Daly, Howard Watts III, Brittney Miller, Sarah Peters, Selena Torres, Shea Backus, Jill Tolles, Lisa Krasner, Alexis Hansen, Tom Roberts, Chris Edwards

Legislative Operations and Elections: Sandra Jauregui (Chair), Ozzie Fumo (Vice Chair), Skip Daly, Daniele Monroe-Moreno, William McCurdy II, Brittney Miller, Selena Torres, John Hambrick, Glen Leavitt, Tom Roberts

Natural Resources, Agriculture and Mining: Heidi Swank (Chair), Shannon Bilbray-Axelrod (Vice Chair), Maggie Carlton, Ozzie Fumo, Lesley Cohen, Alexander Assefa, Howard Watts III, Sarah Peters, Jim Wheeler, Robin Titus, John Ellison, Alexis Hansen

Taxation: Dina Neal (Chair), Lesley Cohen (Vice Chair), Teresa Benitez-Thompson, Edgar Flores, Ellen Spiegel, Heidi Swank, Shea Backus, Susan Martinez, Chris Edwards, Al Kramer

Ways and Means: Maggie Carlton (Chair), Teresa Benitez-Thompson (Vice Chair), Jason Frierson, Mike Sprinkle, Tyrone Thompson, Daniele Monroe-Moreno, Dina Neal, Ellen Spiegel, Heidi Swank, Sandra Jauregui, Jim Wheeler, Robin Titus, Al Kramer, John Hambrick

RAIDERS PRESIDENT BADAIN TO KEYNOTE LEGISLATIVE DINNER

Join Us for the NTA Biennial Legislative Dinner and Annual Meeting

on

February 21, 2019 at the Carson Nugget in Carson City, Nevada

**Raiders President Marc Badain's presentation:
"Professional Sports in Nevada: Not Just A Game"**

He will speak about the opportunities ahead for Nevada in regards to the Raiders relocating in Nevada. Badain will also update us on the status of the Las Vegas Stadium, the Henderson Practice Facility, Reno Training Camp, Las Vegas Junior Training Camps, and Las Vegas being chosen host of the 2020 NFL Draft.

Contact the NTA office for information on sponsorship opportunities and/or ticket information.

2018 BALLOT QUESTION RESULTS

To review the language and fiscal notes that appeared on the ballots see the October issue of Tax Topics [here](#).

Statewide Questions			
Question #	Description	Outcome	
1	Victims' Rights.	YES	61.19%
2	Exempts Feminine Hygiene products.	YES	56.48%
3	Energy Choice Initiative	NO	67.05%
4	Medical Equipment Tax Relief Act	YES	7.38%
5	Automatic DMV Voter Registration	YES	55.7%
6	Renewable Energy Portfolio Standards	YES	59.28%

Local Questions			
Entity	Question #	Description	Outcome
Boulder City	1	Expend \$750,000 for fire engine	NO 56.17
	2	Refinance existing debt without vote	NO 60.47
	3	Establish department for utility regulation	NO 55.53%
Douglas County	4	Implement Tax on new real property development	NO 54.36%
Humboldt County	1	¼% sales tax increase for parks, senior facilities and services and recreation	NO 55.53%
Lyon County	1- Advisory	End operation of brothels and legalized prostitution	NO 80.5%
<u>City of Fernley</u>	1 - Advisory	5 cent per gallon increase in diesel fuel to build, repair and maintenance of city roads	NO 50.17%
<u>No. Lyon Co. Fire Protection District</u>	1	5 cent property tax to hire emergency response personnel in District (includes Fernley)	NO 59.38%
Washoe County	WC-1	Additional Property Tax Levy for flood control	NO 68.6%
<u>City of Sparks</u>	SP1	City Attorney no longer an elected office	NO 81.29%

ECONOMIC FORUM FINALIZES REVENUE PROJECTIONS

On December 3rd, the Economic Forum met to finalize revenue projections for the coming biennium. The Governor must use the December forecast in developing the General Fund Budget submitted to the State Legislature. They will meet again in May and the Legislature will use that forecast in developing the legislatively approved General Fund budget for the new biennium. The current Forum members are: Linda Rosenthal, Chair, Craig Billings, Vice Chair, Marvin Leavitt, Jennifer Lewis and Frank Streshley.

At their meeting the members consider testimony from the economist at DETR, the State Demographer, as well as Moody's Analytics. In addition presentations were received from the Budget Division, the Department of Taxation, the Gaming Control Board and the Fiscal Analysis Division of LCB. These presentations also include a forecast of revenues for the major general fund revenue sources. The Forum then chooses which one they think best represents reality.

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Economic Forum continued from page 5

There were several economic indicators considered in forecasting the projected tax revenue. Some of the factors were: current Nevada GDP and Real GDP, Which increased 5.5% and 3.5% respectively. Employment, personal income, and wage growth were other indicators forecasters studied to determine economic trends. In Nevada those are up 3.3%, 5.8%, and 5.3% over the current biennium. Just by looking at these numbers the economic situation in Nevada appears to be looking good. Employment in Nevada has grown in 2016 and 2017 by 40,300 and 42,600 in those years

However, there was concern expressed that a potential slowdown is heading driven by tourism. Visitor volume in Clark County is trending downward which could indicate difficult economic times in the near future. Keep an eye on hotel room rates and occupancy rates in Las Vegas in addition to sales tax receipts and construction starts; as these are

important economic indicators. The better people are financially, the more disposable income they have, and they are more willing to spend it. When people are feeling financially strained one of the first things to go is vacations. Nationally, recreation expenditures are projected to take a steep decline through the middle of 2020 and are projected to start recovering in 2021.

Total General Fund revenue is projected to increase at 5.1%, or to \$4.2 billion, to finish out the current fiscal year. However, if we look into the new biennium, projections are only for a 2.8% increase in 2020, for a total of \$4.3 billion, and 3.4% increase in 2021 to roughly \$4.5 billion. This is still projected growth, just at a slower pace than Nevada has seen since the Great Recession.

For more information about the Economic Forum and to view the exhibits presented at the December 3 meeting [click here](#)



TAX TOPICS

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