

# LEGISLATIVE REPORT BRIEF

An electronic publication of the Nevada Taxpayers Association ♦ Serving the citizens of Nevada since 1922

ISSUE 19-19

Through May 28, 2019

May 29, 2019

**Editor's Note:** This Legislative Report Brief contains only those bills or amendments, which directly or indirectly will have a substantive impact on our members.

*Notes:*

- ♦ Page numbers continue in sequence from the last issue.
- ♦ To access the full text of the bills reported in this issue, use the link which appears at the end of the bill summary.
- ♦ Unless otherwise shown, the effective date of bills reported is July 1, 2019. (The Legislative default date is October 1).
- ♦ Some bills have a fiscal note, which is not indicated in the summary, as specific fiscal information is not currently provided.
- ♦ To review all bills introduced to date or the BDR list, click [here](#) or go to [www.leg.state.nv.us](http://www.leg.state.nv.us) and click on "Session Information – 80<sup>th</sup> (2019) Session."

## TAXES

### Constitutional Amendment for 2/3s Vote Majority

Section 18, subsections 2 and 3 of Article 4 of the Nevada Constitution require a 2/3s vote of each House of the Legislature to approve a public revenue measure, or a simple majority if the measure is put to the voters for approval. The following is the language as it appears in the Constitution.

*2. Except as otherwise provided in subsection 3, an affirmative vote of not fewer than two-thirds of the members elected to each House is necessary to pass a bill or joint resolution which creates, generates, or increases any public revenue in any form, including but not limited to taxes, fees, assessments and rates, or changes in the computation bases for taxes, fees, assessments and rates.*

*3. A majority of all of the members elected to each House may refer any measure which creates, generates, or increases any revenue in any form to the people of the State at the next general election, and shall become effective and enforced only if it has been approved by a majority of the votes cast on the measure at such election.*

## TAXES: Marijuana

### AB 533, 1<sup>st</sup> Reprint – Marijuana Control Board (Issue 17, page 143)

Defines "THC", revises the membership of the Cannabis Advisory Commission and its duties. Requires members of Cannabis Compliance Board to be a Nevada resident, and provides for a salary of \$80 per meeting day for Board members, and revises the structure of the Board. Clarifies meetings are subject to open meeting law. Authorizes the Board to adopt regulations, including signage, marketing, gathering of data, and creating pilot programs. Clarifies Department of Taxation will conduct audits. Prohibits a local government from licensing cannabis consumption lounges and requires Cannabis Compliance Board to conduct a study relating to consumption lounges. Makes changes to the effective dates for various sections.

<http://www.leg.state.nv.us/App/NELIS/REL/80th2019/Bill/7056/Text>

## TAXES: Sales

### SB 551 – Provides Funds for School Safety and Other Programs and Eliminates MBT Rate Reduction

Notice of Exemption. Introduced by Senator Cannizzaro and referred to Committee on Finance. (BDR 32-1286)

This is an extensive bill that eliminates the scheduled MBT (payroll) tax rate reduction and the credit offset approved during the 2015 Legislative Session. Removes the expiration of the Clark County "more cops sales tax." Provides that any funds which exceed the prior months revenue for 2018-2019 must be redistributed to the Clark County School District to employ and equip additional school police officers. Also provides that the funds must be accounted for separately and not be used to supplant current school safety spending. Appropriations provided for in the bill are summarized in the appropriation section of this issue.

Effective: Vary from upon passage and approval to July 1, 2019

NTA Comment: See also AB 538, issue 19-18, page 147. See also SB 551, this issue, page 153, Appropriations Not in Executive Budget.

(continued on page 152)

(SB 551 – continued from page 151)

**NTA POSITION: OPPOSE** any erosion of 2/3s. See full Constitutional language regarding the 2/3s majority vote this issue, page 151. This decision will resonate through the remainder of this session and into future sessions. Bills that would have been marked with a 2/3s majority requirement which would result in an increase in revenue, or the expiration of a tax to be extended, will now be decided by simple majority.

<https://www.leg.state.nv.us/App/NELIS/REL/80th2019/Bill/7071/Text>

## MISCELLANEOUS TAXES AND TAX ISSUES

### SB 263 1<sup>st</sup> Reprint – Taxing Vapor Products (Issue 19-9, page 55) – Requires 2/3 Majority

Expands definition to include alternative nicotine products, hookahs, and vape pens. Clarifies that marijuana products are excluded from definition. Imposes a 30 percent wholesale tax on vaping products. Removes criminal penalties and authorizes the Department of Taxation to impose civil penalties on those who sell cigarettes, cigarette paper, tobacco of any description, products made or derived from tobacco, vapor products, or alternative nicotine products to persons under 18 years of age. Requires a person who sells or distributes those same products through a computer, telephonic, or electronic network to ensure that the packaging is labeled “cigarettes” or “tobacco products” and specifies age verification procedures.

Effective: Dates vary from upon passage and approval to July 1, 2019 to January 1, 2020.

NTA Comment: See also SB 263, this issue, page 153, Appropriations Not in Executive Budget.

<https://www.leg.state.nv.us/App/NELIS/REL/80th2019/Bill/6446/Text>

## FEES, FINES & PENALTIES

(See Issue 19-1, page 5, NTA’s position on fees.)

### NTA Policy Statement on Fee Financing of Public Services

- *Fee revenue should be used to finance specific services, licensing, or products provided to the fee payer by the governmental agency. Fees should not finance general governmental services that have a broad benefit to the general community, such as law enforcement, fire services, libraries and education. These are governmental services that are traditionally and appropriately financed by tax revenue.*
- *Fees should cover the cost of the service, license, or product and not exceed the costs reasonably borne by the government entity in providing the service or product, including overhead costs.*
- *Fee revenue should not be used to finance services other than those for which the fees are charged. If fees produce revenue greater than the amounts necessary to finance the indicated services, the fees should be reduced rather than transferred to other accounts for other uses.*

## BUSINESS ISSUES

### AB 452 1<sup>st</sup> Reprint – Expands and Clarifies the Lobbyist and Financial Disclosures Act (Issue 19-11, page 93)

Authorizes Legislative Commission to adopt regulations for exemptions and exceptions to the Lobbying Act. Clarifies who is required to register as a lobbyist, establishes registration time frame from when activity begins until the commencement of next regular session. Expands information lobbyists provide with their registration, time frames and updates to their registration, and a time frame for filing a notice of termination. Adds ethical standards for public officers and candidates and provisions governing disclosure statements filed by candidates for political office. Clarifies “Gifts” and “Educational or informational meeting, event or trip” as applicable to a legislator or a member of legislator’s household. Expands definition of “member of the legislative branch”. Changes the effective date to upon passage and approval.

Effective: Upon passage and approval.

<https://www.leg.state.nv.us/App/NELIS/REL/80th2019/Bill/6865/Text>

**AB 456 1<sup>st</sup> Reprint – Minimum Wage (Issue 19-11, page 93)**

Removes requirement for the Labor Commissioner to adopt regulations. Requires each employer to pay to each employee, beginning on July 1, 2020, a minimum wage of \$9 per hour worked, if the employer does not offer health benefits for the employee; and \$8, if the employer offers health benefits. Every year thereafter, until 2024, increases on July 1 the minimum wage by \$0.75 until it reaches \$12, if the employer does not offer health benefits; or \$11, if the employer offers health benefits. Removes certain exceptions to the minimum wage requirement, which have been held to be unconstitutional by the Nevada Supreme Court. Changes the effective date to July 1, 2019.

<https://www.leg.state.nv.us/App/NELIS/REL/80th2019/Bill/6870/Text>

**STATE BUDGET: Appropriations NOT in Executive Budget****SB 263 1<sup>st</sup> Reprint – Taxing Vapor Products (Issue 19-9, page 55) – Requires 2/3 Majority**

Makes an appropriation of \$2.5 million in each FY 2019-20 and FY 2020-21 from the General Fund to the Department of Health and Human Services for programs to control and prevent the use of tobacco. Any remaining balance for FY 2019-20 must be added to the money appropriated for FY 2020-21. Any remaining balance for FY 2020-21, including money added from previous fiscal year, must not be committed for expenditure after June 30, 2021 and reverts to the General Fund on or before September 17, 2021.

Effective: Varying from upon passage and approval through January 1, 2020.

NTA Comment: See also SB 263, this issue, page 152, Miscellaneous Taxes.

<https://www.leg.state.nv.us/App/NELIS/REL/80th2019/Bill/6446/Text>

**SB 551 – Provides Funds for School Safety and Other Programs and Eliminates MBT Rate Reduction**

Notice of Exemption. Introduced by Senator Cannizzaro and referred to Committee on Finance. (BDR 32-1286)

Total of all appropriations are \$97,990,000. They break down as follows:

Appropriates \$2,500,000 for FY 2019-20 from the General Fund to the School Safety Account. The Department of Education shall transfer money from the appropriation to the school districts and charter schools for block grants for contract or employ social workers or other licensed mental health workers in schools with identified needs. Money must not be used for administrative expenditures.

Appropriates \$1,500,000 for FY 2019-20 and \$4,000,000 for FY 2020-21 from the General Fund to the School Safety Account. The Department of Education shall transfer money from the appropriation to provide grants to public schools for grants to employ and equip school resource officers or school police officers in schools identified needs on the basis of data relating to school discipline, violence, climate and vulnerability and the ability of the public school to hire school resource officers or school police officers. Money must not be used for administrative expenditures. Money must not be used to settle or arbitrate disputes or to settle any negotiations. Money may not be used to adjust the district-wide schedules of school district employees' salaries and benefits.

Appropriates \$17,500,000 for FY 2020-21 from the General Fund to the School Safety Account. The Department of Education shall transfer money from the appropriation to provide grants utilizing a competitive grant process based on demonstrated need, to school districts in counties who population is less than 100,000 and to charter schools for school safety facility improvements.

Appropriates \$145,000 each for FY 2019-20 and FY 2020-21 from the General Fund to the School Safety Account for use by the Department of Education to provide threat assessments and trainings and to provide mobile crisis response team services in counties whose population is less than 100,000.

Appropriates \$2,000,000 for FY 2019-20 and \$2,700,000 for FY 2020-21 from the General Fund to the School Safety Account for use by the Department of Education to support the implementation of a program of social, emotional and academic development throughout the public schools in this State, including the development and implementation of a strategic plan to carry out full implementation of such programs within 5 years.

Appropriates \$2,000,000 for each FY 2019-20 and FY 2020-21 from the General Fund to the Other State Education Programs Account in the General Fund. The Department of Education shall use the money for competitive state grants to school districts and charter schools for early childhood education programs.

*(continued on page 154)*

---

*(SB 551 – continued from page 153)*

Appropriates \$15,875,000 for each FY 2019-20 and FY 2020-21 from the General Fund to the Account for Programs for Innovation and the Prevention of Remediation. The Department of Education shall use the money to carry out the provisions of Section 1 of SB 467 of this session by providing supplemental grants of money to the State Public Charter School Authority and the school districts to include additional schools within the program created by Section 1 of SB467 of this session.

Appropriates \$15,875,000 for each FY 2019-20 and FY 2020-21 from the General Fund to the Account for Programs for Innovation and the Prevention of Remediation. The Department of Education shall use the money to carry out the provisions of Section 2 of SB 467 of this session by providing supplemental grants of money to the State Public Charter School Authority and the school districts to include additional schools within the program created by Section 2 of SB467 of this session.

Effective: Vary from upon passage and approval to July 1, 2019

NTA Comment: See also SB 551, this issue, page 151, Sales Tax.

<https://www.leg.state.nv.us/App/NELIS/REL/80th2019/Bill/7071/Text>

---

**LEGISLATIVE REPORT**

Is an electronic publication of the  
**NEVADA TAXPAYERS ASSOCIATION**

Unless otherwise noted, this issue of *LEGISLATIVE REPORT* may be  
reprinted in any format and in whole or part with attribution.

Contact Us: [www.nevadataxpayers.org](http://www.nevadataxpayers.org) ❖ [info@nevadataxpayers.org](mailto:info@nevadataxpayers.org)

**CARSON CITY OFFICE**  
116 East 7<sup>th</sup> Street, Suite 202  
Carson City, Nevada 89701  
(775) 882-2697

**LAS VEGAS OFFICE**  
2303 East Sahara Avenue, Suite 102  
Las Vegas, NV 89104  
(702) 457-8442