



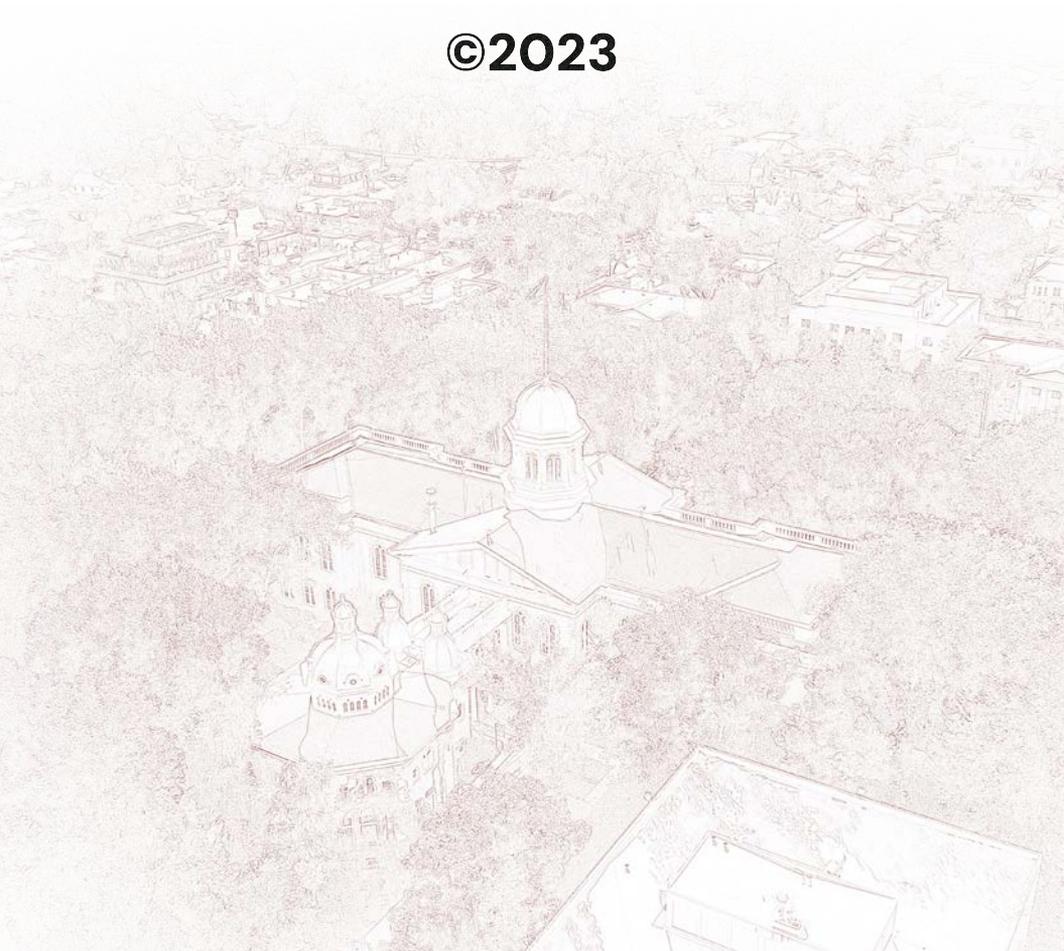
**Nevada
Policy**

2023 LEGISLATIVE SCORECARD AND REVIEW

NEVADA STATE ASSEMBLY



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OVERVIEW

What you're reading now is an attempt by Nevada Policy to condense the most important happenings of the 2023 Nevada legislative session into a single publication – both what happened and what it means for our state moving forward.

For at least a decade, Nevada Policy has released a legislative recap and scorecard reflecting on the challenges and outcomes of each given legislative session. Our goal is to analyze each session and how it directly impacted the principles of limited government, personal liberty and free markets. We also graded legislators on their voting records, to educate the public on whether campaign rhetoric matched actions.

The 82nd Legislative Session arrived on the heels of a closely contested election cycle, bringing a shift in power and restoring divided government to Carson City.

Discontent in the southern half of the state over former Gov. Steve Sisolak's handling of the COVID-19 pandemic coupled with the recognizable name ID of former Clark County Sheriff Joe Lombardo led to the nation's only flip in governorship.

For conservatives, it presented the worst best-case scenario. Redistricting in 2021 and a weakened Republican Party had left only the highest office within reach, while the legislative seats fell largely along the margins the Democrats had drawn, where the median for legislative seats is ~ +2.5 D.

When the dust settled, the questions that arose were significant:

- How would a governor with little to no legislative experience govern?
- Which issues would take center stage?
- How would he navigate an openly hostile legislature?

These questions were not new; divided government has been the norm for the past 20 years, with Republican governors at odds with an increasingly progressive legislature. However, the degrees of disagreement have varied.

For three months, conservatives and libertarians across the state dissected every move of the transition team, seeking clues about the future. Would this be a continuation of past administrations, or something entirely new? It is only now, after the conclusion of three legislative sessions (one regular and two special) spread over 129 days that we can confidently say the answer lies somewhere in between.

As we delve into the legislative scorecard and recap, we must acknowledge the significance of this moment. While there were moments of frustration and disappointment (Opportunity Scholarships and corporate welfare), it is safe to say that Nevada can largely breathe a sigh of relief with the conclusion of the 2023 legislative session.

The worst of the worst was either killed during the legislative process or vetoed upon arrival at the governor's desk. From government boards attempting to set prices for medical procedures to sweeping rent control bills that threatened property owners' autonomy, the session witnessed multiple misguided attempts to expand government control and limit individual freedom.

It is disheartening to witness the disregard for free market principles and the unintended consequences that such policies can bring, often championed by the majority party.

However, amidst these troubling proposals, there were also glimmers of hope.

Advocates for limited government, personal liberty and free markets stood firm in their opposition and successfully pushed back against some of the most egregious bills.

The level of citizen engagement in this legislative session by the allies of limited and small government was unmatched. It is their dedication and perseverance that helped safeguard our values.

The 82nd Legislative Session serves as a reminder of the ongoing battle between individual rights and government overreach.

The principles enshrined in the Declaration of Independence – that all men are created equal and endowed by their creator with certain inalienable rights – are ultimately implemented by imperfect men.

It is the very nature of government to expand beyond its proper role. This is precisely why organizations such as Nevada Policy exist.

Our mission to educate and advocate for policies that respect property rights, promote free markets, and empower individuals to make their own choices remains as relevant as ever. Together, we can work towards a future where individual freedom and personal responsibility are upheld, and where the power of government is restrained.

As we navigate through the legislative scorecard and recap, let us seize this opportunity to stand up for our principles and ensure that the voices of liberty are heard loud and clear. Together, we can secure a free and prosperous Nevada for future generations.





2023 SCORECARD

GOVERNOR AND LEGISLATURE

Gov. Lombardo (R)	86%
Nevada Legislature	47%
Assembly	44%
Senate	52%

POLITICAL PARTIES

Democrats	28%
Republicans	83%
Assembly Democrats	26%
Assembly Republicans	81%
Senate Democrats	32%
Senate Republicans	85%

INDIVIDUAL RANKINGS:

Rank	Legislator	Party	Chamber	Score
1	Titus, Robin	R	Senate	100%
2	Hafen, Gregory	R	Assembly	99.11%
3	Hansen, Ira	R	Senate	95.61%
4	Dickman, Jill	R	Assembly	95.54%
5	Gray, Ken	R	Assembly	91.07%
6	Hansen, Alexis	R	Assembly	90.18%
7	Gallant, Danielle	R	Assembly	86.61%
8 T	Buck, Carrie	R	Senate	85.71%
8 T	Stone, Jeff	R	Senate	85.71%
10	DeLong, Rich	R	Assembly	84.82%
11	Krasner, Lisa	R	Senate	84.21%
12 T	McArthur, Richard	R	Assembly	83.04%
12 T	O'Neill, Philip P.K.	R	Assembly	83.04%
14	Goicoechea, Pete	R	Senate	80.70%
15	Gurr, Bert	R	Assembly	79.46%
16	Hammond, Scott	R	Senate	74.51%
17	Seevers Gansert, Heidi	R	Senate	73.68%
18 T	Hardy, Melissa	R	Assembly	71.43%
18 T	Koenig, Gregory	R	Assembly	71.43%
20	Yurek, Toby	R	Assembly	69.64%
21	Hibbetts, Brian	R	Assembly	68.75%
22	Kasama, Heidi	R	Assembly	64.55%
23	Nguyen, Rochelle	D	Senate	39.47%
24	Spearman, Pat	D	Senate	38.68%
25	Scheible, Melanie	D	Senate	37.72%

26 T	Harris, Dallas	D	Senate	34.21%
26 T	Neal, Dina	D	Senate	34.21%
28	Newby, Sabra	D	Assembly	33.33%
29 T	Dondero Loop, Marilyn	D	Senate	32.46%
29 T	Lange, Roberta	D	Senate	32.46%
31 T	Miller, Brittney	D	Assembly	31.25%
31 T	Nguyen, Duy	D	Assembly	31.25%
31 T	Taylor, Angie	D	Assembly	31.25%
34	Cannizzaro, Nicole	D	Senate	31.13%
35	Doñate, Fabian	D	Senate	30.70%
36 T	Pazina, Julie	D	Senate	29.46%
36 T	Cohen, Lesley	D	Assembly	29.46%
38	La Rue Hatch, Selena	D	Assembly	28.57%
39 T	Gorelow, Michelle	D	Assembly	27.68%
39 T	Orentlicher, David	D	Assembly	27.68%
41 T	Daly, Skip	D	Senate	27.19%
41 T	Flores, Edgar	D	Senate	27.19%
43	Duran, Bea	D	Assembly	26.79%
44	Torres, Selena	D	Assembly	26.36%
45 T	Anderson, Natha	D	Assembly	25.89%
45 T	Considine, Venicia	D	Assembly	25.89%
45 T	Peters, Sarah	D	Assembly	25.89%
48	Summers–Armstrong, Shondra	D	Assembly	25.00%
49	Ohrenschall, James	D	Senate	24.55%
50 T	Backus, Shea	D	Assembly	24.11%
50 T	Carter, Max	D	Assembly	24.11%
50 T	D’Silva, Reuben	D	Assembly	24.11%
50 T	Marzola, Elaine	D	Assembly	24.11%
50 T	Mosca, Erica	D	Assembly	24.11%
50 T	Thomas, Clara	D	Assembly	24.11%
56	Monroe–Moreno, Daniele	D	Assembly	23.15%
57	Miller, Cameron	D	Assembly	22.73%
58 T	Brown–May, Tracy	D	Assembly	22.32%
58 T	Yeager, Steve	D	Assembly	22.32%
60	Bilbray–Axelrod, Shannon	D	Assembly	22.12%
61 T	González, Cecelia	D	Assembly	20.54%
61 T	Jauregui, Sandra	D	Assembly	20.54%
61 T	Watts, Howard	D	Assembly	20.54%

T next to ranking indicates a tied score.

GRADE FOR THE GOV.

Lombardo Earns 'B Grade' in First Legislative Session

How do we measure Gov. Lombardo's first session? We could discuss key legislative achievements, the effect of his office on the legislature and the moments of tension in dealing with the Democratic leadership. We could explore the challenges faced, the missed opportunities or the bills that didn't make it through.

No doubt all of these play a role in shaping the legacy of Lombardo moving forward.

In Nevada, the Legislature holds immense power, making it essential to evaluate Lombardo in the context of the role he truly plays – a check on the legislature – rather than solely based on the strength of legislation his office shepherded through or failed to do so.

When your party is regulated to irrelevance in the assembly and is one seat away from the same in the state senate, the situation can be likened to being dealt a suited ace-deuce at the Bellagio. You have the potential to make a flush (thanks to your almighty veto pen), but the negotiating strength of higher-ranked starting hands is lacking, so to speak.

It's a hand that requires cautious play, especially in a late position, to see if the right community cards come to improve the hand. In many regards, Lombardo and his team played this session with strategic caution, which is why we believe his performance should primarily be graded based on his vetoes.

Overall, Lombardo earned a B grade for his first session, with an 86 percent rating from Nevada Policy.

When a governor issues a record-breaking 75 vetoes, it's undeniable that they were fulfilling the job they were elected to do.

This session was a resounding success in terms of safeguarding liberty in Nevada. Lombardo and his team effectively halted the advance of far-left radicals who advocate a government board for every social ill and who fail to recognize the importance of individual autonomy.

Lombardo remained true to his promises by vetoing all new tax proposals and a variety of union grab bags, while also taking steps to increase accountability measures in government schools. These accomplishments significantly contributed to his overall score.

Lombardo has made "The Nevada Way" central to his public messaging, introducing the concept at the Governor's Inaugural Ball and cementing it at his first State of the State. His veto track record

reveals a commitment to preventing the Californication of Nevada.

Many of these vetoes specifically addressed the pressing issue of housing shortage in the state. It is ironic that this problem has arisen due to a combination of demand-side pressures caused by an influx of refugees from blue states seeking refuge from inhospitable economic climates – the very policies Lombardo vetoed – and supply-side constraints resulting from limited land availability and insufficient new housing construction.

By vetoing Senate Bill 335, which aimed to bring our eviction system closer to California's, as well as the pair of rent control bills (SB275 and AB298) that reached his desk, the newly elected governor acted as a bulwark, sending a clear message that the failed policies of New York and California will not find a place here in Nevada.

This extended to protecting Nevada taxpayers from increased government union intrusions by vetoing Assembly Bill 224, which would've allowed for collective bargaining in our Nevada System of Higher Education and Assembly Bill 172, which would've invited union harassment of non-union government workers.

This reining in of government unions included the powerful teachers unions with the veto of Senate Bill 251, which would've otherwise handed over staff adjustments to the Clark County Educators Association and the Nevada State Educators Association, allowing them without limitation to dictate the policies for the transfer and reassignment of non-teaching staff.

However, there are a few areas of concern that are not unique to Lombardo's administration but rather endemic to all levels of Nevada government – corporate welfare.

While it may be unrealistic to expect opposition by the governor to the expansion of Governor's Office of Economic Development's ability to issue tax credits (SB181), the inclusion of the controversial Christmas Tree Bill (AB525) and the flawed transition of New Market Tax Credits into an identity politics form of corporate welfare (SB240) raises questions.

The biggest disappointment of this session, however, was the failure to expand opportunity scholarships. This issue will continue to cast a shadow over the Governor's Office since school choice represents a significant component of Lombardo's pitch to voters during the campaign trail and the state of the state address.

While it would be unfair to place the blame solely on Lombardo, school choice supporters will continue to question why consecutive Republican governors seem to invest political capital in shiny sports

stadiums that are unpopular with voters, rather than using special sessions to advance school choice.

Overall, Nevadans should be pleased with the governor's opening session and bear in mind that many of those vetoes are still in the ether and can become law next legislative session if Democrats have a favorable election cycle.

As Nevada Policy continues its mission to advocate for policies that respect property rights, promote free markets, and empower individuals to make their own choices, we have found the Governor's Office to be open and receptive.



“The biggest disappointment of this session, however, was the failure to expand opportunity scholarships.”

TOP 10 BEST BILLS

Believe it or not, some bills passed in 2023 were good!

As the curtain fell on the 82nd Nevada Legislative Session, Nevada released a collective sigh of relief. These past few months witnessed intense debates, droning grandstanding and a record-setting amount of bad policies vetoed by our new governor.

It was not all bad, however. We did see a handful of legislative gems that managed to make their way to the finish line. These 10 pivotal pieces of legislation represent the best of what was enacted into law from a legislative session that couldn't end soon enough.

From raising the Rainy Day Fund cap to a bill ensuring the transparency of civil asset forfeiture, we dive into the intricacies of these legislative wins. Here's the lineup of the top 10 pieces of legislation to be enacted in the 82nd Nevada Legislative Session:

1

SENATE BILL 431 GOVERNMENT MODERNIZATION ACT

Introduced by: The Office of the Governor

Assembly: 42 – 0

Senate: 21 – 0

Signed by Gov: Yes

Summary:

Senate Bill 431 authorizes the governor to appoint and pay for diverse roles within their office, including the addition of a chief innovation officer; creates

the Office of Nevada Boards, Commissions, and Councils Standards in the Department of Business and Industry; eliminates the Division of Enterprise Information Technology Services while transferring its powers to the Office of the Chief Information Officer; transforms the Personnel Commission to the Human Resources Commission, replacing the term "personnel" with "human resources" throughout and mandates the administrator to develop an audit function, a centralized job announcement system and a centralized employment system; revises the appointment and examination process for classified positions as well as the work program revision thresholds in the Executive Department of state government; raises the cap for the Rainy Day Fund from 20 percent to 26 percent of the total State General Fund appropriations and increases the acceptance threshold for gifts or grants to a state agency without approval to \$200,000.

SB431: The Government Modernization Act was one of the five major pieces of legislation introduced by Gov. Joe Lombardo during the 82nd Legislative Session. While it was amended significantly from its original ideas (which included the creation of new cabinet level positions for the executive branch), it was ironically made into a largely better bill with the removal of *The Nevada Way*

Account provisions which would've created a new account to foster government corporate favoritism.

The two key provisions that earn SB431 the top spot on this list is Section 113, which raises the cap for the Rainy Day Fund from 20 percent to 26 percent of the total State General Fund appropriations, and Section 19, which creates the Office of Nevada Boards, Commissions and Councils Standards.

Section 113 represents the culmination of the advocacy Nevada Policy has been pushing for since Gov. Lombardo's election.

Conservative fiscal policy consists of three key features: saving more, paying down debt and spending less. Through Senate Bill 431, Gov. Lombardo is on the appropriate course to establish a sound fiscal record. Nevada Policy will continue to advocate over the interim that our other suggestion we pushed during the transition, the creation of a dedicated fund to pay down the record amount of debt within the Public Employees' Retirement System of Nevada, is adopted.

The other portion, the creation of the Office of Nevada Boards, Commissions and Councils Standards, holds value in the potential it promises. For far too long too many of Nevada's boards and commissions have been unaccountable, lacking the oversight needed to be trusted by the public.

2

ASSEMBLY BILL 350 CIVIL ASSET FORFEITURE TRANSPARENCY

Introduced by: Committee on Judiciary

Assembly: 42 - 0

Senate: 20 - 0

Signed by Gov: Yes

Summary:

This bill requires each law enforcement agency to include certain additional information relating to seizures and forfeitures in the report that the law

enforcement agency submits to the Office of the Attorney General and requires the Office of the Attorney General to make the reports relating to seizures and forfeitures that are published on its Internet website.

AB350: Historically, the public was not provided with any information as to how forfeiture was being used.

However, when landmark legislation required all Nevada law enforcement agencies to file annual reports with the Attorney General regarding their seizures and forfeitures, new insights were able to be garnered. That development allowed Nevada Policy to release the first-ever geographical analysis of how the controversial civil asset forfeiture program was being used by the Las Vegas

Metropolitan Police Department.

AB350 increases transparency further by requiring new reporting on the place of seizure (business, private residence, traffic stop, etc.); information relating to any judicial proceedings associated with the seizure (type of crime associated with the seizure of the property, if the suspect was charged with any crimes and outcome of any criminal proceeding, etc.); and lastly, the status of the property seized (was it returned to the owner, sold, destroyed or retained by law enforcement, etc.).

Today, many legal scholars and Fourth Amendment advocates criticize the practice of civil asset forfeiture for flipping justice on its head, since legal proceedings are against property (and not individuals) the burden is on the property owner to prove their innocence rather than requiring the state to prove guilt. To make matters worse, civil asset forfeiture can provide perverse incentives for predatory policing since departments can often retain any proceeds to pad their budgets. Across the country we have examples of individuals who were never convicted or charged with a crime having lost their property to this unjust practice.

While there is much work to be done to overhaul this system and reaffirm the principle of “innocent until proven guilty,” AB350 will continue to shed light and guide future data-backed reforms that can remove the financial incentives for seizures and strengthen protections for property owners.

3

ASSEMBLY BILL 158

**RECOGNITION OF EMS PERSONNEL LICENSURE
INTERSTATE COMPACT**

Introduced by: Asm. P.K. O’Neil (R-District 40)

Assembly: 42 – 0

Senate: 21 – 0

Signed by Gov: Yes

Summary:

AB158 makes Nevada the 23rd member of the Recognition of EMS Personnel Licensure Interstate CompAct (REPLICA) that will simplify the licensure process for

Emergency Medical Services (EMS) personnel, facilitating their ability to practice across state lines with minimal barriers.

Co-Sponsors:

Asm. Ken Gray, Heidi Kasama, Rich DeLong, Jill Dickman, Danielle Gallant, Bert Gurr, Alexis Hansen, Brian Hibbetts, Gregory Koenig

AB158: It is well established that Nevada is the worst state in the union for occupational licensing and while there was legislation introduced that would tackle this head on through universal

recognition by Sen. Jeff Stone (R–Senate District 20), the reality is that there was no way the Democrats were going to give him a chance.

We did see movement, however, through interstate compacts that would allow individuals licensed in different states to move across stateliness and practice what they do best within member states. Four such interstate compacts would be introduced in 2023, and two would be signed into law.

AB158 is focused on emergency medical service professionals and joins Nevada in the interstate compact ensuring there is an efficient and competitive market for EMS services, while maintaining high-quality patient care.

REPLICA (as the compact is known) will help promote labor mobility and drive efficient allocation of resources by allowing EMS personnel licensed in one member state to practice in any other member state without having to obtain a separate license.

This will lead to a more efficient allocation of resources, as EMS personnel will be able to relocate to areas with higher demand for their services and address potential shortages such as in rural and underserved areas in Nevada.

4

SENATE BILL 442 **INTERSTATE TEACHER MOBILITY COMPACT**

Introduced by: Sen. Marilyn Dondero Loop (D–District 8)

Assembly: 42 – 0

Senate: 21 – 0

Signed by Gov: Yes

Summary:

Senate Bill 442 would sign Nevada onto the Teacher Mobility Compact as the fourth member state which would go into effect once 10 states join the compact.

This will simplify and streamline the licensure process for teachers, facilitating their ability to practice across state lines with minimal barriers.

SB442: Like AB158, SB442 would make Nevada a member in a new interstate compact being pushed by the U.S. Department of Defense to facilitating interstate mobility for teachers, many of whom might be spouses of active-duty military members.

The Interstate Teacher Mobility Compact (ITMC) would create full reciprocity among participating states – meaning that as long as a teacher has a bachelor’s degree, completed a state-approved program for teacher licensure and has a full teaching license, they can receive an equivalent license from another state.

While not perfect, this represents a positive move. It is important to note that while the teachers' unions did not publicly oppose it, there were many behind the scenes grumblings.

5

SENATE BILL 452 **GOVERNMENT SERVICES TAX REFORM**

Introduced by: Committee on Finance

Assembly: 42 – 0

Senate: 21 – 0

Signed by Gov: Yes

Summary:

Under existing law, the basic governmental services tax is 4 cents on each \$1 of the valuation of the vehicle, and the valuation of the vehicle is 35 percent of

the manufacturer's suggested retail price in Nevada with a reduction based on the age of the vehicle using a depreciation schedule set forth in existing law with 25 percent of the proceeds allocated to the State General Fund and 75 percent of the proceeds allocated to the State Highway Fund. Senate Bill 452 diverts the total amount collected by the state to the State Highway Fund.

SB452: SB452 represents a small but important budgetary change to how spending is directed in our state.

By directing taxes on vehicles (in this case the GST) completely to the Highway Fund, we ensure these types of taxes operate as true user fees where those who utilize the highways are primarily funding its upkeep while making sure the revenues from those taxes aren't spent frivolously on whatever pet project the legislature pursues.

This makes SB452 consistent with sound taxation principles. While it might be a libertarian trope and meme to argue if government should even build the roads, the application of the 'user pays' principle brings a greater degree of fairness and efficiency to our system while acting as a check on government spending.

6

ASSEMBLY BILL 120 **MEDICAL PROFESSIONAL REINTEGRATION ACT**

Introduced by: Asm. Gregory Hafen II (R-District 36)

Assembly: 42 – 0

Senate: 20 – 0

Signed by Gov: Yes

Summary:

Assembly Bill 120 allows for medical professionals to re-enter the market in Nevada who might not have practiced for the preceding three years in

association with a sponsoring organization.

AB120: Assembly Bill 120 was first introduced last session by Assemblyman Gregory Hafen and represents one of the few good pieces of healthcare policies that made it through both chambers.

While most bills that purport to be healthcare solutions focus on demand-side policy prescriptions, AB 120 is refreshing since it rightly focuses on increasing the supply of healthcare professionals.

By removing arbitrary restrictions for individuals who might have briefly retired, pursued a different field or faced a major life event, AB120 will allow doctors to return to the market. This is a positive step toward addressing Nevada’s current shortage of medical professionals.

7

SENATE BILL 232 PRINCIPAL ACCOUNTABILITY ACT

Introduced by: **Sen. Julie Pazina (D-District 12)**

Assembly: 39 – 3

Senate: 21 – 0

Signed by Gov: Yes

Summary:

Senate Bill 232 provides that during the first three years of employment by a school district, a principal is employed at will and if a principal completes the

three-year probationary period, the principal again becomes an at-will employee if, in two consecutive school years: (1) the rating of the school to which the principal is assigned pursuant to the statewide system of accountability for public schools is reduced by one or more levels or remains at the lowest level possible; and (2) 50 percent or more of the teachers assigned to the school request a transfer to another school.

SB232: Freshman Sen. Julie Pazina is helping improve accountability in the disaster known as Nevada’s public school system through Senate Bill 232, which will hold principals accountable for their performance and teacher satisfaction — two critical factors in the quality of education a student receives.

By tying a principal’s employment status to the performance of their school and the preferences of their teachers, it motivates principals to focus on improving their school’s academic results and maintaining a positive work environment for their staff. The three-year probationary period for new principals also allows school districts to assess the performance of new hires in a practical setting, without the commitment of a long-term contract.

Lastly, the bill provides a method for school districts to address situations where a principal’s leadership may not be effective, even after the probationary period. If a school’s rating drops significantly or remains at the lowest level for two consecutive years, and if the

majority of the school’s teachers request a transfer, the bill allows for the principal’s contract to be non-renewed. This gives teachers a voice in school leadership and provides a means for removing principals whose leadership may be negatively affecting the school’s performance or teachers’ job satisfaction.

Overall, this bill promotes accountability and performance within the school system, offering mechanisms to ensure quality leadership in schools, which ultimately benefits the students.

8

SENATE BILL 24 **OFFICE OF SMALL BUSINESS ADVOCACY**

Introduced by: Office of the Lt. Governor

Assembly: 42 – 0

Senate: 20 – 0

Signed by Gov: Yes

Summary:

Senate Bill 24 makes permanent the Office of Small Business Advocacy within the Office of the Lieutenant Governor and sets up the Keep Nevada Working Task

Force to be housed within SBA, tasked with developing strategies to support state industries, researching methods to improve career paths for immigrants and supporting workforce stability.

SB24: There are few positive government programs that exist, but without a doubt the Office of Small Business Advocacy is one of them. By enacting SB24, Nevada will ensure there is a permanent voice within state government constantly advocating for small businesses and upstart entrepreneurs.

It is no surprise two friends of Nevada Policy championed this legislation – Lt. Governor Stavros Anthony and his Chief of Staff Rudy Pamintuan. Both Anthony and Pamintuan have long histories as advocates for economic freedom and business-friendly environments.

9

ASSEMBLY BILL 219 **OPEN MEETING LAW REFINEMENT**

Introduced by: Asm. Venicia Considine (D-District 18)

Assembly: 42 – 0

Senate: 20 – 0

Signed by Gov: Yes

Summary:

Assembly Bill 219 refines Nevada’s Open Meeting Law, dictating when public bodies must invite public comments: at the start of each meeting day before addressing

action items, or after discussing each action item but before taking

Assembly Bill 219 (continued)

any action. If a meeting spans multiple days, public comments must be invited on each day. If a meeting utilizes remote technology without a physical location, clear instructions, including phone numbers and access codes, should be included in the agenda for the public to join and comment. Notices of meetings should be posted at the principal office of the public body or, if applicable, the physical meeting location. Public bodies are not allowed to hold meetings on contested cases and regulations via remote technology without a physical location for public attendance and participation. These meetings must also provide clear call-in instructions for public comment.

AB219: Transparency has been a key issue of Nevada Policy for some time, and it is always refreshing when bipartisan agreement occurs on this issue. It is often a topic that cuts through partisan divides and unites unlikely allies.

Assembly Bill 219, brought forward by Assemblywoman Considine will increase transparency and improve the ability of the public to participate in the public policy process.

By requiring public bodies to invite public comments either before addressing action items or after discussing each item but before action is taken, the bill ensures that the public has an opportunity to voice their views and influence decisions. For meetings held remotely, it requires clear instructions for the public to join and comment, which ensures that as many people as possible can participate, regardless of their location or ability to attend in person.

Assembly Bill 219 will ensure that public officials are held accountable by keeping official meetings open to the people they serve.

10

ASSEMBLY BILL 232 PREMIUM CIGAR TAX CAP

Introduced by: Asm. Brian Hibbetts (R-District 13)

Assembly: 35 - 7

Senate: 18 - 3

Signed by Gov: No

Summary:

Assembly Bill 232 adjusts the existing tax on tobacco products in the state. Currently, a tax of 30 percent of the wholesale price is imposed on the receipt, purchase

or sale of such products. However, this bill limits the tax on premium cigars to not more than 50 cents or less than 30 cents per cigar. A premium cigar is defined as one that is hand-rolled, has a wrapper made of whole tobacco leaves and doesn't have a filter or mouthpiece. The bill also modifies the tax credit allowed for unsellable tobacco products to match the amount of tax paid, adjusting it in accordance with the change in the premium cigar tax rate.

AB232: Tax caps are probably second best to tax cuts. Although Assembly Bill 232 affects only tobacco taxes, any tax reduction in a Democrat-controlled legislature is worth recognition.

In Nevada, many premium cigars sold by small businesses and the high tax rate applied to wholesale products are a key part of the overhead in a highly competitive market. By fixing the tax per cigar, AB232 will provide some relief to brick-and-mortar cigar lounges in Nevada who are in competition with online retailers who often do not have to pay the same taxes.

We hope this bipartisan effort to cap taxes on cigars might bleed over to other efforts to enact meaningful tax reform that lowers rates and broadens the base so all Nevadans can enjoy meaningful savings on their cost of living.



TOP 5 WORST BILLS

Highlighting the Worst of the Worst in a Pork-Laden Session

Previously we covered the top 10 best pieces of legislation to be enacted during Nevada's 82nd Legislative Session, but for every yin, there's a yang. While we celebrate the positives (all hail the almighty veto pen), we can't forget that we're still making sausage here.

In this section, we embark on an exploration of the five worst pieces of legislation that managed to navigate the halls of Carson City and find their way onto our Nevada Revised Statutes.

From pork barrel spending riddled with conflicts of interests to the ballpark-sized ill-conceived ventures of economically unsound investments, these misguided policies reveal the insidious grasp crony corporatism continues to hold over the idea of economic development, revealing the grotesque dance between power and special interests.

1

SENATE BILL 509 / 1 SO. NEVADA INNOVATION ACT (OAKLAND A'S BALLPARK)

Introduced by: The Office of the Governor

Assembly: 25 - 15

Senate: 13 - 8

Signed by Gov: Yes

Summary:

Senate Bill 509 during the 82nd Regular Session — which became Senate Bill 1 during the 35th Special Session — established methods to finance a stadium project for

Major League Baseball (MLB) in southern Nevada.

SB1: Senate Bill 1 — as it was known during the 35th Special Session — established methods to finance a stadium project for Major League Baseball, or MLB. Among the many things this bill does is:

- Extend the powers of the Clark County Stadium Authority, which currently governs the NFL's Allegiant Stadium;
- Require the Clark County Board of Commissioners create a sports and entertainment improvement district, or SEID, located at the southeast corner of Las Vegas Boulevard and Tropicana Avenue, when notified that the Stadium Authority has taken steps related to an MLB team's relocation;
- Delegate power to the Stadium Authority to negotiate a development agreement, lease agreement and non-relocation agreement if a Major League team commits to

relocating within the district including the requirements for these agreements and provides for confidentiality of certain information;

- Exempt the MLB stadium project from laws requiring competitive bidding or specifying procedures for procurement of goods or services, except where statutory prevailing wage provisions and certain subcontracting requirements are concerned;
- Require the Clark County Board of County Commissioners to issue general obligation bonds for certain project-related expenses upon request of the Stadium Authority Board of Directors;
- Appropriate \$14 million to the Nevada State Infrastructure Bank Fund for a credit enhancement on bonds issued to finance the MLB stadium construction and outlines the revenue sources for bond debt service payments;
- Remove certain exemptions from prevailing wage requirements related to railroad companies and monorail installations; and
- Adds paid family and medical leave for employees requirements in order to qualify for any partial tax abatements for businesses locating or expanding in the state.

By letting school choice programs die while voting for yet another shiny sports stadium for the second time in less than a decade, the Nevada Legislature continues to send a clear message – in Nevada, the best way to break the cycle of poverty apparently lies in professional sports rather than a quality education.

Nevada has long been a destination for California refugees, but it seems that attracting some of the state's businesses comes at a hefty price, as Oakland sports team owners continue to exploit us. It is unfortunate that a special session was used to pass policies that, upon economic analysis, repeatedly prove to be a fleecing of taxpayers and a direct subsidy to wealthy sports organizations, all at the expense of critical public needs.

This is particularly disheartening since tax-increment financing systematically diverts tax dollars away from school districts, police departments and fire departments.

During the week the 35th Special Session lasted, lawmakers were bombarded with grandiose figures of the economic activity the new ballpark would supposedly bring to Las Vegas, but these promised numbers are, of course, largely illusory.

Unions and supporters of state-directed economic development

argued that any cost would be recouped and then some, thanks to the new construction jobs, consumer spending at the ballpark, the influx of tourists and the supposed multiplier effect from this spending, which would supposedly lead to increased revenues for the state.

Unfortunately, all these promises rely on faulty economic reasoning meant to obscure the true cost and impact of publicly funded stadiums.

One of the fundamental lessons economics teaches us is to consider both what is seen and what is not seen. Applying this concept reveals that stadiums do not create new spending; instead, they divert existing economic activity.

While everyone can envision the spending that would occur at the ballpark through concessions and ticket sales, it is crucial to consider the unseen spending that would be diverted from other forms of entertainment.

Consumers generally have a certain amount of disposable income in their budgets that they spend on restaurants, concerts, movies or even gaming. If the ballpark is not constructed, that entertainment spending would not disappear but rather be shifted to other preferences with similar economic impact, all without the added cost to taxpayers.

This is why the Federal Reserve Bank of St. Louis concluded that "governments could finance other projects such as infrastructure or education that have the potential to increase productivity and promote economic growth" instead of subsidizing sports stadiums.

In the book "Sports, Jobs, and Taxes" by the Brookings Institute, the local economic development argument was thoroughly examined, and the verdict was clear:

"In every case, the conclusions are the same. A new sports facility has an extremely small (perhaps even negative) effect on overall economic activity and employment. No recent facility appears to have earned anything approaching a reasonable return on investment. No recent facility has been self-financing in terms of its impact on net tax revenues. Regardless of whether the unit of analysis is a local neighborhood, a city, or an entire metropolitan area, the economic benefits of sports facilities are de minimus."

The consensus among top economists further solidifies the case against publicly funded stadiums. When polled, 57 percent agreed that the costs to taxpayers are likely to outweigh the benefits, while only 2 percent disagreed.

This is because proponents of publicly funded stadiums consistently overpromise and fail to deliver the net economic gains that justify such investments, especially when the opportunity cost of such financing is considered.

The economic consensus alone would have ensured that this stadium scam made our list for the worst legislation enacted this year. However, when the governor agreed to revive vetoed legislation (in the form of amendments to SB1) as a ploy to woo Democratic senators, it was cemented as the worst policy decision of 2023.

Recently, the Nevada State Educators Association (NSEA) filed for the creation of a political action committee seeking to overturn the passage of SB1 through litigation and a statewide voter campaign. While we may not always see eye to eye with the NSEA, we will be closely following their efforts.

2

ASSEMBLY BILL 525 CHRISTMAS TREE BILL

Introduced by: Asm. Committee on Ways and Means

Assembly: 39 – 3

Senate: 13 – 8

Signed by Gov: Yes

Summary:

Appropriates funds to 53 different organizations.

AB525: Rarely have we seen such brazen pork barrel spending from lawmakers in Carson City as Assembly Bill 525. Don't get me wrong: lawmakers are always channeling money to the politically connected.

In this instance, however, lawmakers voted — at times with clear conflicts of interests — to give 53 different organizations more than \$100 million for various projects and initiatives.

It should be concerning to all Nevadans that this bill was passed with little oversight, transparency or debate, with lawmakers holding one public meeting on AB525 around midnight on a Friday.

Bills like AB525 are the ultimate test of legislative commitment to the principles of limited government and free markets precisely because they will be popular under the dome and among all the politically connected nonprofits. It is hard for politicians to vote “no” on these kinds of legislation when all the incentives are aligned for them to vote “yes.”

A key argument we can anticipate against categorizing AB525 on our list of bad bills is “but wouldn't you prefer this money be in the hands of the nonprofits rather than the government?”

Better than either option is for it to be in the hands of private Nevadans who could donate to any organization they wish. That is the only way to ensure the allocation of resources is efficient.

When the allocation of public resources is based on political connections rather than the market it undermines economic efficiency. In a free-market system, resources should be allocated based on merit and effectiveness, not political affiliations. If these nonprofits provide truly valuable services, they should be able to thrive without government assistance.

3

SENATE BILL 181 **RAISING GOED'S THRESHOLD**

Sponsored by: Sen. Julie Pazina (D-District 12), Scott Hammond (R-District 18), Jeff Stone (R-District 20), Lisa Krasner (R-District 16)

Assembly: 31 – 11

Senate: 18 – 2

Signed by Gov: Yes

Summary:

Increases the threshold for the projected value of a partial abatement that is deemed approved by the Governor's Office of Economic Development: upon

approval by the Board of Economic Development from \$250,000 or more to \$500,000 or more; or upon approval by the executive director from less than \$250,000 to less than \$500,000.

Co-Sponsors:

Sen. Edgar Flores (D-District 2), Dallas Harris (D-District 11), Roberta Lange (D-District 7), Heidi Seevers Gansert (R-District 15), Pat Spearman (D-District 1)

SB181: Nevada Policy versus the Governor's Office of Economic Development, or GOED: a tale more than a decade old. In 2011, lawmakers dramatically changed the state's economic development infrastructure by passing a bill which created a new cabinet-level position for economic development, restructured the state's economic development efforts in a more top-down manner and created a "Catalyst Fund."

The declared purpose of the Catalyst Fund is to provide financial incentives to firms considering moving to or expanding in Nevada.

Lawmakers in 2019 reduced appropriations toward the Catalyst Fund but left in place a program that allows the Office of Economic Development to issue up to \$5 million annually in transferable tax credits, effectively accomplishing the same purpose.

As good students of public choice theory and free markets, Nevada Policy has long questioned whether a state-directed approach to

economic development is superior to a market-directed approach, and whether bureaucrats are better able to identify viable opportunities for successful investment than private entrepreneurs.

If public choice theory teaches us anything it is that when production decisions are shaped by politicians instead of market forces – i.e., consumer decisions – society’s capital stock is likely to be invested in ways that serve the best interests of politicians, not consumers.

By raising the amounts that the executive director and the GOED board can dole out to politically connected businesses through SB181, Nevada taxpayers continue to subsidize private companies, some of whom might be direct competitors.

Moreover, there remains an unanswered question regarding legality. Article 8, Section 9 of the Nevada Constitution explicitly forbids the type of subsidy scheme used by the Catalyst Fund: “The state shall not donate or loan money, or its credit subscribe to or be, interested in the Stock of any company, association, or corporation, except corporations formed for educational or charitable purposes.”

At the hearings we urged lawmakers to clarify and restrict the mission of the Office of Economic Development. Nevada does not need a cabinet-level agency to dole out patronage. Rather, the Office of Economic Development could take meaningful steps to ensure future economic development if its mission is changed to identify and correct policies that unnecessarily impede new business formation.

4

SENATE BILL 240 NEW MARKET TAX CREDITS

Sponsored by: Sen. Dina Neal (D-District 4)

Assembly: 42 – 0

Senate: 18 – 2

Signed by Gov: Yes

Summary:

The existing Nevada New Markets Jobs Act entitles insurance companies to transferable tax credits for investing in qualified community development entities.

These entities must use 85 percent of the investment to fund low-income community businesses. Senate Bill 240 authorizes additional investments for tax credits; allows certain businesses to receive a premium tax credit for investing in an impact qualified community development entity; mandates that 85 percent of these investments be used for capital/equity investments or loans to impact qualified low-income businesses and defines “impact qualified active low-income community business” as specific types of manufacturing, retail businesses or businesses mostly owned by historically disadvantaged

Senate Bill 240 (continued)

groups (defined as businesses that have 51 percent or more of its ownership interest held by women, disabled veterans, persons who are lesbian, gay, bisexual or transgender, or members of a racial or ethnic minority group); and determines the amount of investments in impact qualified community development entities that can be made in exchange for the tax credit.

SB240: The only thing worse than government subsidies for private businesses is mixing government subsidies for private businesses with identity politics.

Senate Bill 240 transitions the already questionable New Market Tax Credits into a program that will subsidize businesses owned by historically disadvantaged groups which it defines as businesses that have 51 percent or more of its ownership interest held by women, disabled veterans, persons who are lesbian, gay, bisexual, or transgender or members of a racial or ethnic minority group.

When the New Market Tax Credit was being sold to the legislators in 2013, it was packaged as a program to steer new, private business investment into low-income communities. It was more of the same, government picking winners and losers, but to make matters worse, it wasn't even *new* winners.

By the best estimate, which appeared in the academic journal *Public Finance Review*, only about 10.7 percent of investments made through the New Market Tax Credit program were actually new investments. Thus, with the federal government footing 39 percent of all investments made through the program, this small fraction of new investment comes at large cost to taxpayers.

Of course, for those who benefit from these dispersed costs, the payoff is huge. As you can see from our list so far, the entire concept of economic development is distorted in the halls of Carson City, perverted to mean something only government can entice.

5

SENATE BILL 226 PREVAILING WAGES

Sponsored by: Sen. Nicole Cannizzaro (D-District 6)

Assembly: 28 - 14

Senate: 12 - 6

Signed by Gov: Yes

Summary:

This bill adds language to the statute emphasizing that payment of prevailing wages on public works projects, funded wholly or partially by public money;

requires any public works-related regulation by the labor commissioner to be consistent with the legislative intent statute; authorizes and

Senate Bill 226 (continued)

expands prevailing wage to certain organizations to partner with a state agency or local government to provide private financing solely for the construction of a hospital, medical education building or medical research building in the state; declares that subcontracts for these projects need to be competitively bid, and eligible subcontractors who bid on such projects may receive certain bidding preferences; and requires that at least 15 percent of the subcontracts for these projects must be awarded to local small businesses.

Co-Sponsor:

Speaker of the Assembly Steve Yeager (D-District 9)

SB226: Senate Bill 226 was destined to be the worst bill this session but thanks to stiff opposition from local governments, the governor's office and Senate Republicans, it was amended down significantly.

The original bill would've made drastic changes to prevailing wage law in Nevada and certainly would have inflated the costs of state projects. Prevailing wages are a special form of minimum wage applicable to publicly financed construction projects that inflates the cost of projects between 40 and 60 percent. It represents one of the clearest and most persistent waste of taxpayer dollars.

Whereas most Nevadans would hope that government be a steward of their tax dollars acting with good fiduciary interest, prevailing wages are a direct antithesis to that idea.

In a 2011 analysis, Nevada Policy compared the wages reported between the market rate and the prevailing wage rate and found that prevailing wage requirements resulted in a wage premium paid on publicly financed projects that amounted to 44.2 percent in Northern Nevada and 45.8 percent in Southern Nevada.

Among the wage rates officially announced as "prevailing," 77 percent were simply the corresponding union rate within the area. These wage premiums result in an additional \$1 billion expense on publicly financed projects in Nevada across 2009 and 2010. Alternatively, without a prevailing wage mandate, \$1 billion may have been available to construct additional projects or finance public services.

These results are uncontroversial. Former Nevada Labor Commissioner Michael Tanchek stated in a 2010 letter to lawmakers, "State and local government agencies pay more for construction projects than the private sector pays for comparable projects. Saying otherwise would be denying the obvious."

A 2007 analysis of the additional labor costs imposed by prevailing wage laws in Michigan concluded that contractors for public works projects "pay wages that average 40 to 60 percent higher than those found in the marketplace" and that this "increases the cost of

construction by 10 percent to 15 percent.”

In 1997, Ohio lawmakers exempted school construction from prevailing wage laws. Five years later, legislative staff reviewed the financial impact of the change and reported that school districts had saved \$487.9 million because of the exemption – roughly 10.7 percent of all spending on school construction during the time period.

States are rapidly repealing prevailing wage laws and Nevada should as well. At the high point in 1978, 41 states had enacted prevailing wage laws. Since then, 13 states have repealed these laws (including Oklahoma where the state supreme court declared the law unconstitutional).

The most recent state to do so was Michigan in 2018. In recognition of the economic inefficiency, higher tax burden and the intended racially discriminatory effects of prevailing wage laws, Nevada should join the movement and abandon these laws.

CONCLUSION:

To be frank, this list could've been much worse. The Democrat-controlled legislature had all sorts of bad bills introduced and sent to the governor's office. Items that would've represented all sorts of command-and-control measures over our economy, from rent control to healthcare price fixing. We have Nevadans to thank for bringing forth a check on a runaway progressive legislature and the governor for standing strong.

Later in this publication, we will delve into the best vetoes by our new governor, who smashed the veto record this session. As we look at that list, it will serve as a reminder of the dangers ahead.

Many of those items will return at the start of next session for consideration since many of them were signed after the regular legislative session adjourned, meaning the legislature was not in there to consider a veto override. This adds extra weight to the outcome of the next election cycle in influencing the policy direction of our state.



TOP 10 VETOES

Highlighting Lombardo's Best Vetoes, and Why They Matter

One of the most powerful tools at a governor's disposal is the veto pen. It is a weapon that can shape the direction of a state, safeguard individual liberties and preserve the principles of limited government.

Governor Joe Lombardo's first session was marked by a record-breaking 75 vetoes, making it clear that he was committed to fulfilling his duty as a check on Nevada's legislature.

These vetoes stood as a resolute defense against misguided policies, thwarting the ambitions of far-left radicals and their relentless pursuit of a government-centric agenda. In this section of the scorecard, we will explore the top 10 vetoes that protected Nevadans.

1

ASSEMBLY BILL 224 COLLECTIVE BARGAINING FOR HIGHER ED

Sponsored by: Asm. Sarah Peters (D-District 24)

Assembly: 31 – 11

Senate: 13 – 8

VETOED

Summary:

AB224 would have extended collective bargaining rights to Nevada's System of Higher Education, defining these entities and detailing the processes for

negotiation, representation and dispute resolution. It sought to empower the Government Employee-Management Relations Board to oversee related disputes and outline the rights of professional employees to join, or abstain from, professional organizations. The bill stipulated negotiation timelines, agreement-ratification procedures and prohibited practices in collective bargaining. It also sought to address funding mechanisms, including fees assessed on state professional employers, and would have designated the board of regents with authority over collective bargaining within the Nevada System of Higher Education.

Co-Sponsors:

Assemblymen Howard Watts, Shannon Bilbray-Axelrod, Natha Anderson, Selena La Rue Hatch, Tracy Brown-May, Max Carter, Lesley Cohen, Venicia Considine, Reuben D'Silva, Bea Duran, Cecelia González, Michelle Gorelow, Brian Hibbetts, Sandra Jauregui, Gregory Koenig, Elaine Marzola, Brittny Miller, Cameron Miller, Daniele Monroe-Moreno, Duy Nguyen, David Orentlicher, Shondra Summers-Armstrong, Angie Taylor, Clara Thomas, Selena Torres, Steve Yeager; Senators Rochelle Nguyen, Fabian Doñate, Julie Pazina

AB224: One of the worst consequences of Gov. Steve Sisolak's tenure was the expansion of collective bargaining to state employees in 2019 through Senate Bill 135. Assembly Bill 224 of this session was the logical next step in this effort to expand collective bargaining to

the only group still missing it, Nevada’s Higher Education System.

Much has been written about the problems with unions and the negative effect they have on taxes and spending levels. While it has been argued that unions are important to balance power in the free market system — as a proponent of AB224 quoted Adam Smith making that exact point — the reality is that private sector unions are not the same as their public-sector counterparts.

In the private sector, unions can play a positive role acting as a check to abuses but all demands are ultimately limited by the profitability of a company and its ability to remain competitive. Thus, workers have an incentive to ensure their employer remains profitable to protect their livelihoods. In contrast, government has no profits; and all “revenues” are first taken from the productive sectors of the economy meaning elected officials who determine public worker compensation aren’t personally burdened with the costs. This means there are no market-based incentives in government that could prompt unions to moderate their demands.

It should surprise no one that essentially the entire Assembly Democratic Caucus signed on to this bill. Political incentives shaped by the formidable electioneering promised from unions encouraged elected officials to push for generous benefit packages and, accordingly, tax increases to fund them. Unions were the largest donors during the 2022 election cycle, with nearly 96 percent of those funds (more than \$1.4 million) going to back Democratic lawmakers. Does anyone really believe Democrats would have objective negotiations on behalf of taxpayers with the very unions who fund their campaigns?

By vetoing AB224, Lombardo decisively checked the momentum of government unions, which had been riding a wave of successes at the cost of Nevada taxpayers during the past four years.

2

ASSEMBLY BILL 359 **GAS TAX EXTENSION**

Sponsored by: Asm. Daniele Monroe–Moreno (D–District 1), Howard Watts (D–District 15), Clara Thomas (D–District 17), Cameron Miller (D–District 7)

Assembly: 32 – 10

Senate: 15 – 5 – 1

VETOED

Summary:

Instead of requiring the approval of a majority of the voters in the county to continue to provide for the annual increases on and after Jan. 1, 2027, on motor vehicle

Assembly Bill 359 (continued)

fuels and special fuels used in motor vehicles, this bill would have authorized the continued imposition of additional increases in these taxes if the board of county commissioners, on or before Dec. 31, 2026, had adopted an ordinance authorizing the effectuation of such annual increases. Had it not been vetoed, this bill would have provided that, if the board of county commissioners does not adopt such an ordinance on or before Dec. 31, 2026, the board would have been prohibited from imposing any additional annual increases in those taxes.

AB359: A favorite pastime of Nevada's Legislature is dreaming up new ways to circumvent the Gibbons Tax Restraint Rule, which constitutionally requires supermajority votes in favor from both chambers for any bill that "creates, generates, or increases any public revenue in any form."

The best strategy tax-hikers currently have is to delegate that power to local government and normally that would be enough to draw the ire of anti-taxers (as it should).

Assembly Bill 359, however, was particularly brazen since it would deny the Clark County voters the opportunity to voice their consent via ballot measure on the continuation of annual tax increases to their already exorbitant burden.

As we noted last year, Nevada has the second-highest gas taxes in the nation. There is little doubt the Democrat-controlled Clark County Commission would have exercised this power in favor of continuing to punish Nevadans at the pump.

While the rate of inflation increase has cooled off a bit, Las Vegas are still grappling with high living costs, which an ever-increasing gas tax would only add to their woes, particularly those from lower-income backgrounds.

It's a shame seven Republicans crossed the aisle, almost all of them from the rurals and northern Nevada, in support of higher taxes for southern Nevadans but it has occurred before.

From a public choice perspective, it makes perfect sense that some Republicans who might never vote for a tax increase on their own communities have proven willing to increase taxes on others. A politician can horse trade their support on a tax bill that won't affect their own constituents in exchange for something else that might be politically desirable (a vote, hearing, etc.).

Lombardo's veto of AB 359 was nothing short of a lifeline for the citizens of Clark County, protecting them from all but certain tax increases, and was significant because it showed that bi-partisan support alone would not allow bad policy to escape his veto pen.

So, get ready; as of right now, there will likely be a scheduled gas tax fight in Clark County coming up in 2027.

3

ASSEMBLY BILL 298 RENT CONTROL TROJAN HORSE BILL

Sponsored by: Asm. Sandra Jauregui (D-District 41)

Assembly: 36 - 6

Senate: 12 - 8

VETOED

Summary:

AB 298 would have required rental agreements to include an appendix detailing all possible fees and their purposes, how each fee is calculated, whether variable

or fixed and prohibited the charging fees not listed in the appendix; required another separate appendix elucidating tenants' rights under federal, state and local laws; required landlords must refund fees if they did not conduct the related activity or rent to a different prospective tenant; prohibited charging application fees for minors in a tenant's household; and implemented rent control from July 1, 2023, to Dec. 31, 2024, on tenants aged 62 or older, or those reliant on federal Social Security Act payments at a ceiling of 10 percent.

AB298: The “bipartisan” Assembly Bill 298 was not the worst rent control measure introduced this session, but it was the most likely to cross the finish line. Tucked in the last section of an otherwise decent bill that would have brought some transparency to renters was a rent control measure that would harm young growing families and senior citizens.

It's a struggle to find something about rent control that has not already been said in the past 100 years. It is an economically unsound proposal that always works counter to what it seeks to remedy, making rents higher by reducing an already constrained housing supply and destroying the quality of the available housing supply through the reduction of investment and maintenance it triggers.

Housing and rental costs are pressing issues in Nevada. However, evidence indicates that rental increases have primarily been driven by a lack of supply. The University of Nevada Center for Regional Studies found that new housing unit construction did not keep pace with population growth following the 2007-09 recession. This led to an average rise of 19 percent in rental prices across the state between 2015 and 2020, according to Census data reported by the Nevada Housing Division. We made this case to the Senate Republican Caucus in a memo we shared on May 19, 2023, after a shocking vote in the Assembly revealed a majority of Assembly Republican Caucus voted yea on AB298.

By vetoing Assembly Bill 298, Lombardo stopped the door from being

wedged open to further disastrous rent control measures that would have dumped gasoline into the housing market dumpster fire. This decision revealed Lombardo is willing to veto poor policy, even if it is wrapped in appealing packaging.

4

ASSEMBLY BILL 250 **PRESCRIPTION DRUG PRICE CONTROLS**

**Introduced by: Asm. Venicia Consideine (D-District 18),
Asm. Natha Anderson (D-District 30)**

Assembly: 27 - 15

Senate: 13 - 7 - 1

VETOED

Summary:

Implements state price controls on prescription drugs tethered to the federal medicate rate.

AB250: Like the previous entry, AB250 represented an attempt based in either deep-rooted economic hubris or illiteracy. Well-intentioned at its core, price controls on prescription drugs have predictable consequences that will inadvertently stifle innovation and limit patient access to novel and life-saving therapies.

By enforcing a “maximum fair price,” AB250 would have reduced incentives for pharmaceutical companies to invest in research and development of new treatments, particularly for rare or complex conditions. Additionally, the price controls could have led to unintended consequences such as drug shortages as manufacturers could have prioritized distribution to regions with more favorable pricing structures.

Instead of achieving the desired outcomes, such interventions often lead to scarcity, black markets and inefficiencies that harm the very people they were meant to protect.

Attempts to subvert the law of supply and demand may create temporary illusions of control, but in the end, the market will assert its authority.

5

SENATE BILL 275 **RENT CONTROL FOR MANUFACTURED HOME PARKS**

Sponsored by: Sen. Skip Daly (D-District 13)

Assembly: 28 - 14

Senate: 13 - 8

VETOED

Summary:

SB275 implements rent control to manufactured home parks which engage in monthly tenancy (not long-term lease) and limits rent

Senate Bill 275 (continued)

increases to a max annual rent increase percentage determined by the Housing Division of the Department of Business and Industry. Landlords can seek exemptions from the rent-increase limit if park-operating costs surpass potential earnings from the rent increase. Exemption applications need sufficient proof, including a CPA-prepared report showing the need. The division is tasked with annually calculating and publishing the max annual rent increase percentage online.

Co-Sponsors:

Senators Fabian Doñate, Marilyn Dondero Loop, Edgar Flores, Dallas Harris, Roberta Lange, Dina Neal, James Ohrenschall, Melanie Scheible, Pat Spearman

SB275: Senate Bill 275 has many of the same follies from our previous two entries but this time the target was manufactured home parks. Once again, we found ourselves – to no avail – talking to the same individuals about the pitfalls of rent control and how it was an economically unsound, counterproductive solution to address housing affordability.

Despite our efforts to engage in constructive dialogue and raise awareness about the pitfalls of such policies, it seemed as though our words fell on deaf ears.

Of course, no one wishes people to be priced out of their homes due to rising rents but the way to reduce rents is to expand the supply.

Manufactured homes often serve as a vital, more affordable housing option for many families. Implementing rent control in this sector might not only distort the market dynamics but could also deter potential park developers and investors, further constricting housing options.

While the intent might be to protect vulnerable residents, such measures often end up doing more harm than good. It's disheartening to witness firsthand the dismissal of economic evidence in favor of politically driven decisions, especially when it could directly impact the lives of those the policy purports to support.

6

ASSEMBLY BILL 340 CALIFORNIA-STYLE EVICTION PROCESS

Sponsored by: Asm. Shondra Summers-Armstrong

Assembly: 28 - 14

Senate: 13 - 7 - 1

VETOED

Summary:

AB340 sought to repeal and replace the current summary eviction process with new procedures for summary eviction in cases where tenants default on

Assembly Bill 340 (continued)

rent or are guilty of unlawful detainer excluding rent default. Key changes from the repealed procedures would have included requiring contents of written notice, filing requirements with the court and a timeline before the removal of a tenant. Under AB340, Landlords would have had to first apply by affidavit of complaint and then serve the tenant, instead of waiting for the tenant to file an affidavit. Landlords would have needed to provide proof of service and tenants would have seven days to respond after being served. If they didn't, courts could have ordered an eviction without a hearing under certain conditions.

Co-Sponsors:

Asm. Tracy Brown-May, Bea Duran, Michelle Gorelow, Sabra Newby, David Orentlicher, Sarah Peters, Clara Thomas, Selena Torres, Howard Watts

7

SENATE BILL 335 CALIFORNIA-STYLE EVICTION PROCESS (PART 2)

Sponsored by: Sen. James Ohrenschall (D-District 21)

Assembly: 27 - 14 - 1

Senate: 12 - 9

VETOED

Summary:

SB335 would have allowed for an eviction defense if the tenant being served with a notice to pay or surrender premises was awaiting a decision on rental

assistance and laid out the process for tenants to request a stay and the criteria for it being granted. An approved stay would have lasted up to 60 days. If rental assistance would cover the default, landlords would have had to accept this payment. If rental assistance wouldn't have covered the default or was denied, the court would have continued with the summary eviction process as per existing law. Section 9.1 would have set up a parallel process, but it would have been contingent upon the enactment and approval of Assembly Bill No. 340. Lastly, the bill would have allowed justice courts to create a diversion program for eligible tenants facing summary eviction and listed factors the court could have considered when deciding if a tenant qualifies for this program. If a tenant were assigned to the program the eviction action would have been stayed for up to 60 days. If the tenant had paid the overdue rent or left the premises within this period, the eviction action would have been dismissed.

AB340 and SB335: In many regards, Assembly Bill 340 and Senate Bill 335 were inseparable due to the changes they would have brought about in the process to evict someone in Nevada, bringing it in alignment with a California-esqe system that has shown ineffective at protecting property rights.

Both bills would have added lengthy delays and burdensome requirements for owners to exercise autonomy over their own property. Nevada property owners dodged a bullet when Lombardo issued this pair of vetoes, but they aren't out of the woods yet.

If allowed to become law next session when the opportunity to override the veto comes before the legislature, this pair of bills will make the rental market less efficient and require landlords to charge higher prices to account for nonperforming units.

At the same time, Nevada’s rental market will likely have to grapple with the unintended consequences of problem tenants being protected by the complexities of the proposed reforms, making it more difficult for landlords to evict those who engage in disruptive or illegal behavior. This can negatively affect the living environment and safety for other tenants.

It’s imperative to remember that legislation, no matter how well-intentioned, can have far-reaching consequences that ripple through an entire community.

California’s housing system serves as a cautionary tale of the dangers of over-regulating property rights. As we evaluate proposed changes, it’s essential to weigh both the intended benefits and potential pitfalls. Failing to do so risks replicating the very challenges that our neighboring state grapples with today.

8

ASSEMBLY BILL 172 **UNION INFORMATION SHARING**

Sponsored by: Asm. Natha Anderson (D-District 30), Asm. Bea Duran (D-District 11), Asm. Max Carter (D-District 12), Sen. Skip Daly (D-District 13)

Assembly: 28 – 14

Senate: 13 – 7 – 1

VETOED

Summary:

Under AB175, school districts would have had to provide on a semiannual basis each recognized employee organization with details such as name, address,

email, phone number, work contact information and location for every employee in the corresponding bargaining unit. Under the bill, if an employee had explicitly informed the school district that they did not wish their details to be shared with the employee organization, the district would have had to respect the request. However, the district would have still had to furnish this information to the Government Employee-Management Relations Board if it had been mandated by the board. All the shared details would have been deemed confidential and not considered public records.

Co-Sponsors:

Asm. Venicia Considine and Asm. Clara Thomas

AB172: Assembly Bill 172 was undoubtedly a contentious piece of legislation. It initially intended to require local governments to hand over the personal information of all employees to their respective

unions without any avenue for an employee to object. Such an overreaching provision raised significant concerns, especially in the wake of the Janus Supreme Court decision, which granted public employees the right to choose whether or not to join a union.

While the bill may have been watered down by the time it landed on Lombardo's desk, it still posed potential risks, particularly in the realm of education. Even if it ended up only targeting school districts and included an opt-out process for teachers, AB 172 was far from harmless. If implemented, it could have set a dangerous precedent, paving the way for the harassment of non-union members through the sharing of their personal information with unions eager to expand their membership.

As a right-to-work state, Nevada was unaffected by the aftermath of the Janus decision, but unions nationally have been grappling with the loss of compelled membership fees and have sought alternative means to bolster their ranks. AB 172 would have presented an opportunity for unions to exert coercive pressure and undermine the rights of public employees to choose whether or not to associate with a union.

In a time when unions are navigating new territory following the Janus decision, it is crucial to have leaders like Lombardo who stand firm against potential abuses of power.

9

SENATE BILL 251 INFLEXIBLE SCHOOL DISTRICTS BILL

Sponsored by: Sen. Edgar Flores (D-District 2)

Assembly: 26 - 14 - 2

Senate: 13 - 8

VETOED

Summary:

SB251 sought to expand the scope of collective bargaining by including policies for the transfer and reassignment of school district employees who weren't

teachers. Specifically, the mandatory scope would have encompassed the policies related to the transfer and reassignment of employees in large school districts in two scenarios: during or as a reaction to a workforce reduction and in a surplus situation. This is described as an event where one or more employees' services aren't required at their present location due to specific reasons, either on a temporary or permanent basis.

SB251: We dubbed Senate Bill 251 the inflexible school districts bill since it would've further hampered the labor decision-making process in government schools by expanding the scope of collective bargaining to include policies for the transfer and reassignment of non-teaching staff. SB251 would have made the labor market less

flexible and adaptive, likely resulting in less optimal employment decisions and standardized contracts, which might not consider the unique requirements and dynamics of specific roles or individual precincts while further reducing the efficiency and responsiveness of our school districts in an ever-changing world.

For example, in cases of workforce reductions or surplus situations, the mandated policies could have resulted in keeping less effective staff while letting go of more effective ones, based solely on seniority or other criteria determined by collective bargaining agreements.

This would have all come with the hallmark of government: increased costs. The broadening of collective bargaining rights leads to higher costs to taxpayers with rigid employment terms that would burden school districts, likely reducing the quality of service or resulting in reduced resources available for other educational priorities. Today, the biggest hindrances to the improvement of education in Nevada are CCEA and NSEA. We should be seeking ways to reduce the influence of these unions; not increasing it.

10

SENATE BILL 395 DON'T INVEST IN NEVADA BILL

Sponsored by: Sen. Dina Neal (D-District 4)

Assembly: 28 - 14

Senate: 14 - 6 - 1

VETOED

Summary:

SB395 would have restricted the total number of units of residential real property that corporations, limited-liability companies and their affiliates could purchase

in Nevada within a single calendar year to 1,000 units; and created a registry within the Securities Division of the Office of the Secretary of State for corporations, limited-liability companies and their affiliates which bought or owned residential real estate in Nevada.

SB395: Senate Bill 395, known in our office as the “Don’t Invest in Nevada Bill,” presented a controversial approach to address housing concerns by seeking to impose restrictions on housing investments in the state. The bill sought to limit corporations to purchasing a maximum of 1,000 units per calendar year, seemingly with the intention of curbing large-scale investment and promoting home ownership. However, upon closer examination, it becomes evident that SB395 would not have been the solution Nevada needs to tackle its housing challenges.

While the proposed limit might seem substantial at first glance, it becomes clear the negative impact SB395 would have had on Nevada’s reputation as a business-friendly state. The average

apartment complex, as reported by the Nevada Housing Division in 2012, comprises approximately 200 units. Thus, the restriction imposed by SB395 could have significantly hindered large entities from making large investments in Nevada's housing market.

Rather than restricting investment, a more effective approach could be to focus on removing barriers to construction, allowing the free market to operate efficiently and allocate resources where they are most needed. If Lombardo's veto is overridden by the legislature in 2025, the repercussions of SB395 could reverberate through the housing market, leading to decreased demand and a potential decrease in property values.

While the aim of addressing housing affordability and encouraging home ownership is commendable, Senate Bill 395's goal of limiting corporate investments would have had unintended consequences that hindered Nevada's economic growth.

CONCLUSION:

While the top 10 vetoes highlighted above undoubtedly highlight Lombardo's dedication to safeguarding liberty and making principled decisions, it's essential to recognize that they constitute only 13 percent of the record-breaking 75 vetoes he issued during his first session.

As we look ahead to the future, 43 of those vetoed bills will resurface in the next legislative session, set for 2025, presenting another critical battleground for the protection of Nevadans' interests.

The fate of these bills will be influenced by the outcome of the upcoming contentious election next fall in 2024. Voters will have the opportunity to voice their support for the governor's stance on limited government intervention, individual freedom and responsible fiscal policies.

The decision to uphold these vetoes will be pivotal in shaping Nevada's trajectory, determining whether the Nevada Way is restored that prioritizes free markets, economic growth and the well-being of its citizens.



STADIUMS & SUBSIDIES

Taxpayer-funded 'Economic Development' in 2023

Shortly before the 2023 legislative session was scheduled to conclude, lawmakers introduced two new proposals calling for massive subsidies of private-sector developments in Nevada.

Senate Bill 496, introduced with about three weeks remaining prior to the legislature's constitutionally required June 5 adjournment, proposed to award \$4 billion in public financing over 20 years toward film production in Nevada. The proposal was intended to incent construction of two new production studios in Las Vegas to lure Sony Pictures to Nevada.

Separately, Senate Bill 509, introduced on May 26, proposed to grant \$380 million in public financing toward a proposed professional baseball stadium that could house the Oakland Athletics upon their potential relocation to Las Vegas.

Together, these projects would represent an unprecedented sum of public spending on private projects in Nevada and, in each case, lawmakers had only a matter of days to vet the proposals while simultaneously considering a multitude of other factors, including how to close the state budget.

THE \$4 BILLION 'FILM TAX CREDIT' SCHEME

Nevada lawmakers first created a film tax credit in 2013 that would award film producers who incur at least 60 percent of their production costs in Nevada a transferable tax credit worth up to the 19 percent of their qualified expenses.

The state Office of Economic Development could approve issuance of these transferable tax credits up to an annual maximum of \$20 million in the aggregate. In subsequent years, this aggregate cap has been reduced to \$15 million.

This was the first time Nevada lawmakers had authorized the use of transferable tax credits, which means the tax credits can be traded on a secondary market before a taxpayer eventually applies them against business tax liabilities in Nevada.

This allows the original recipient of a transferable tax credit to immediately capitalize upon the sale of the tax credits to a third party, while purchasers may benefit from a tax savings by paying less for the tax credits than their stated value.

Alternatively, speculators may purchase the tax credits and hold them with the expectation of being able to resell them at a higher

price on a later date.

Multiple states have created similar transferable tax credits in recent years and organized exchanges have emerged to facilitate the trading of these credits.

Typically, the final recipient who intends to redeem the credits will acquire them for 70 to 85 cents on the dollar.

Transferable tax credits effectively allow Nevada lawmakers to channel public dollars directly toward private-sector projects in a way that would normally violate the Nevada constitution.

Article 8, Section 9 of the constitution states: "The State shall not donate or loan money, or its credit, subscribe to or be, interested in the Stock of any company, association, or corporation, except corporations formed for educational or charitable purposes."

Normal tax abatements and credits do not implicate this ban against subsidization for private companies because they simply prevent the government from taking money that would otherwise be due as an act of legislative grace.

However, since transferable tax credits can immediately be monetized by the recipient, they have the effect of a direct grant of cash from the state to a private-sector recipient and come at the direct expense of future taxpayers who will be forced to pay more to maintain existing services during the year those tax credits are redeemed.

In other words, lawmakers use transferable tax credits to skirt the constitution and take money from general taxpayers and hand it over to their friends in private industry.

In 2023, Sen. Roberta Lange led a bipartisan group of nine lawmakers in presenting Senate Bill 496, which proposed to expand the availability of transferable film tax credits from \$15 million annually to \$190 million annually for the next quarter-century.

An analysis of the proposal by legislative staff estimated it would make a cumulative \$4.025 billion available to film producers between 2024 and 2048.

The proposal envisioned the construction of a new film studio in the Summerlin area of Las Vegas that would be occupied by Sony Pictures and a second studio on the UNLV campus that would be used, in part, for training of industry workers.

Films produced within these facilities would become eligible for transferable tax credits amounting to 30 percent of production costs. In other words, existing Nevada taxpayers would underwrite

nearly one-third of the cost of any film production that took place in Nevada.

Supporters of film tax credits claim that they provide a public benefit by creating interest in the location where filming took place and spurring tourism.

Indeed, when Sen. Lange presented the bill, she argued that state taxpayers would not lose money on her program “[b]ecause of the combined weight of return on investment, net new economic benefits of this infrastructure-based plan, along with film-induced tourism.”

How this tourism would materialize remains a question because her proposal included no requirement that the subsidized films include any Nevada-specific scenery or content — Viewers might never even know the films were related to Nevada in any way.

Sen. Lange was joined on the stand by representatives of the two major firms poised to receive the tax credits — Sony Pictures and the Howard Hughes Corp.

The Sony Pictures representative noted that other states offer film tax credits and claimed, “Recent studies from California, New York and New

“Lawmakers use transferable tax credits to skirt the constitution and take money from general taxpayers and hand it over to their friends in private industry.”

Mexico, which are among the most competitive states, show those state programs have yielded positive returns on their investments. There is no question that their production incentive programs are essential to their thriving film and television production industries.”

In reality, a February 2023 analysis by California’s legislative staff concluded that states with film tax credits likely have more motion picture production, but that this comes at the expense of the broader economy:

“Forgone state tax revenue from the film tax credit,” they concluded, “could have been spent on other programs or services. This alternative spending similarly would have increased activity in some part of the state’s economy ... it is not clear that extending the film credit would expand California’s overall economy. Instead, the film tax credit’s most likely impact appears to be increasing the motion picture industry’s share of California’s economy.”

California legislative analysts also reviewed economic literature on the subject and pointed toward the two highest quality studies available, which suggested “that each \$1 of film credit results in \$0.20 to \$0.50 of state revenues,” meaning film tax credits are a net loser for that state.

These conclusions echoed those of prior analysis performed by legislative staff in other states.

In Louisiana, legislative staff concluded that film tax credits resulted in a net loss to the general fund of at least \$48 million annually.

North Carolina’s legislative staff also reviewed the impact of \$30.3 million in film tax credits awarded by that state in 2011 and concluded, “Under the most plausible assumptions, the Film Credit likely attracted 55 to 70 new jobs to North Carolina in 2011 ... The Film Credit created 290 to 350 fewer jobs than would have been created through an across-the-board tax reduction of the same magnitude.”

Indeed, despite the representation of these analyses by prospective recipients of an expanded film tax credit in Nevada, the National Conference of State Legislatures has noted “states that have performed evaluations of their film tax incentive programs have commonly found that, despite the positive anecdotal evidence that accompanies big film projects, such programs do not provide a substantial return on investment and, if economic development is the goal, other policy avenues might be more productive.”

A particularly odd aspect of Sen. Lange’s presentation of Senate Bill 496 was her claim that she began talking about using tax credits to attract film production to Nevada as a co-chair of Nevada’s Economic Forum meeting on May 1, 2023.

This timing might appear to explain why she introduced the proposal just 10 days later and with little time remaining in the legislative session for debate. However, at a press conference the prior day, Lange told reporters, “After two years of work on this bill, I am excited to introduce it tomorrow.”

The two-year timeframe was apparent in testimony offered by prospective recipients of the tax credits.

They presented a series of detailed land-use and development plans, including three dimensional mockups, and had commissioned multiple studies to promote the developments’ supposed economic benefits.

If Lange and her co-presenters from the film industry had really spent two years developing the plan, then it was questionable why the proposal was not introduced until the last three weeks of the

legislative session. Might Lange and her colleagues have hoped that the proposal would receive inadequate vetting as it cruised toward passage?

Fortunately for Nevada taxpayers, the proposal stalled after receiving a second committee hearing and never received a full floor vote in either chamber.

ANOTHER TAXPAYER-FUNDED SPORTS STADIUM

Nevada lawmakers are no strangers to using the public's money to build professional sports stadiums.

Back in 2016, lawmakers convened in a special session to pass legislation that required Clark County commissioners to issue \$750 million in general obligation bonds and commit the proceeds to the development of a football stadium to house the Oakland Raiders.

The team was seeking relocation from Oakland, but also wished to derive private profits from public investment if it could find policymakers willing to go along with the idea. It found those policymakers in Nevada, who committed to what was, at the time, the largest public subsidy for a sports stadium in world history.

The \$750 million in general obligation bonds would ordinarily impose a sizable burden on Clark County homeowners, as property taxes are the county's largest revenue source.

However, state lawmakers sought to disguise this impact by also raising the tax on hotel rooms and dedicating that revenue toward repayment of the bonds, while hoping the marginal loss of hotel visitation resulting from the higher price would go unnoticed.

An unforeseen shortcoming of this plan occurred in 2020 when then-Gov. Steve Sisolak ordered Las Vegas hotels to close, resulting in the loss of this revenue. Meanwhile, the new Las Vegas Raiders have played to a 24–26 record during their three years in Nevada.

On the heels of these "successes," Nevada lawmakers became emboldened in 2023 to recruit Oakland's last remaining professional sports franchise – the Oakland Athletics, a franchise that was ferociously competing to chase down Major League Baseball's single-season loss record.

As with the Raiders previously, the Athletics were seeking a relocation free of the burdens of complete self-finance. And they knew where to turn – at least partially. Although Nevada might have appeared an obvious destination for the franchise, the team still needed to test drive a few locations before making concrete plans.

At various times during the 2023 legislative session, team sources

suggested it had selected three different sites for its prospectively publicly financed stadium.

In mid-April, team sources announced it had entered a “binding agreement” to purchase land west of Interstate-15 on which to build a stadium.

Weeks later, news emerged that the team had re-opened negotiations on two other prospective sites, including the locations of the Tropicana Las Vegas and the Rio Hotel and Casino. Soon after, the team announced a second “binding agreement” to develop a stadium on the site of the Tropicana, which would be demolished.

Thus, although the franchise had been surveying Las Vegas parcels for two years and had hired a team of local lobbyists prior to the commencement of the legislative session, it was not able to introduce legislation that elucidated its request until six business days before the session’s end.

When the A’s proposal was finally made public, it requested a total of \$380 million in public financing, including \$180 million in transferable tax credits that function similarly to the film tax credit.

In addition, the A’s wanted lawmakers to force Clark County to issue another \$120 million in general obligation bonds, similar to the financing mechanism for the Raiders’ Las Vegas stadium.

Rather than again raising room taxes across Clark County, the proposal would divert all sales tax, live entertainment tax and state payroll tax that would otherwise be due by the A’s and any third-party vendors that operate within the stadium toward repayment of those general obligation bonds.

In theory, if these dedicated tax revenues exceed the amount of annual bond payments, it would be used to pay operations and maintenance costs of the stadium – which would technically be publicly owned and leased by the team – and to create a capital reserve. The final provisions of the financing request included property tax abatements and other tax credits offered by Clark County.

The Republican governor’s office was the primary sponsor of the legislation, which elicited some initial reluctance from Democratic legislative leadership. The bill was given a hearing upon its introduction, but never progressed to a full vote of the state senate. When the legislative session concluded days later, it appeared the proposal was dead.

However, after calling the legislature into a brief one-day special session on June 6 to finish passing the state budget for the next two

years, Gov. Lombardo issued a call for a second special session on June 7 simply to reintroduce the stadium bill.

Now labeled as Senate Bill 1 for the special session, the bill was essentially unchanged from the version lawmakers had declined to vote upon during the regular session.

As Sen. Rochelle Nguyen mentioned on the Senate floor, “What is before us today is the exact same bill that we heard 10 days ago. To say I’m extremely disappointed that no work has been done on this bill is an understatement.”

Over the next week, the legislature’s Democratic majority would add additional spending items to the bill to make it more palatable from their perspective.

These included requirements for all workers on the stadium’s construction to be paid union wages, and funding set-asides for subsidized low-income housing units and other public infrastructure. Democratic lawmakers were further pressured by large labor organizations upon whom they depend for support, like the Culinary Union, to support the project so those unions could capture a portion of the new public spending.

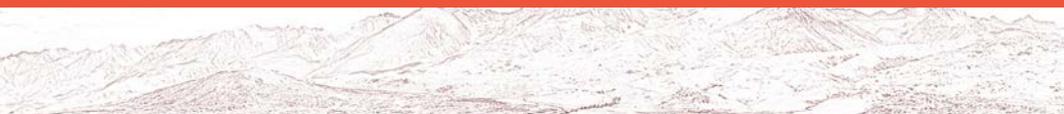
By June 14, the majority had added enough additional expense to the subsidy package to pass it out of both chambers and adjourn.

In an odd twist to this chapter, however, the teachers union diverged from other labor organizations to oppose public financing of the stadium.

After the subsidy package was signed into law, the union – which believes spending on the government-run schools where their members work should be prioritized overspending on a stadium – registered a new political action committee called “Schools Over Stadiums.”

Through this entity, they intend to obstruct public financing for the stadium, possibly through litigation or a ballot measure to overturn the law.

“By June 14, the majority had added enough additional expense to the subsidy package to pass it out of both chambers and adjourn.”



EDUCATION BATTLES

Debates Over Education Policy in the 2023–25 Budget

From the outset of the 2023 legislative session, Gov. Joe Lombardo made clear that K–12 education would be a large focus.

During his State of the State Address, Lombardo declared, “Nevada’s public schools have been historically underfunded and have historically underperformed for our children. Both of those facts must change.”

He proposed more than a \$2 billion increase in state spending on K–12 education, stating, “I won’t accept a lack of funding as an excuse for underperformance.”

That amounted to an increase of 22 percent over Democratic Gov. Steve Sisolak’s final budget – the largest single increase in state spending on education in Nevada history. On a per–student basis, the increase was more than \$2,000.

By comparison, Nevada spent \$11,565 per pupil during the 2019–20 school year, an amount that was at least \$1,000 greater than neighboring states with higher graduation rates and better test scores like Arizona, Idaho and Utah.

Nevada’s school districts have consistently been unable to translate funding increases into greater student achievement through the decades for a variety of reasons, and Lombardo acknowledged this challenge, stating “ ... if we don’t begin seeing results, I’ll be standing here in two years calling for systematic changes to the governance and leadership in K–12 education.”

Notably, Lombardo’s budget did not call for major immediate changes to ensure that the billions of dollars in additional spending would be deployed in a different manner designed to increase the effectiveness of that spending.

In fact, Lombardo was careful to point out that he was buying into and fully funding the Pupil Centered Funding Plan established by lawmakers in 2019, when Democrats held unified control of state government.

LAWMAKERS, GOVERNOR SPAR OVER SCHOLARSHIPS

Strategically, it appeared Lombardo may have taken this position to mollify opposition toward other components of his education proposal.

These included the creation of an Office of School Choice within the state education department and an expansion of the state’s

Opportunity Scholarship program that awards educational scholarships to children from low-income families.

Opportunity Scholarships are funded by private donations from Nevada businesses and awarded to students from households that earn less than three times the federal poverty level. The average household income of scholarship recipients in the 2022-23 school year was \$56,648 and 62 percent of recipients belonged to racial minority groups.

When this program was created in 2015, businesses were barred from donating more than \$5 million in the aggregate each year toward these scholarships, although the amount could increase along with inflation.

The program has been an ongoing source of controversy, however, as Democratic lawmakers have generally sought to eliminate these educational scholarships for low-income and predominantly minority families.

In 2019, lawmakers prohibited scholarships from being awarded to any student who had not already received one, although Republicans in the legislative minority negotiated a deal to raise taxes on mining companies two years later in order to restore the original parameters of the scholarship program.

Lombardo began the 2023 session by proposing to expand the aggregate limit of corporate donations toward these scholarships to \$25 million annually. He also proposed to expand eligibility to all students from households earning less than five times (rather than three times) the federal poverty level.

While these increases would represent a substantial expansion over the \$6.66 million in allowable donations during the 2022-2023 school year, that \$18.34 million expansion would amount to less than 1 percent of the new tax dollars Lombardo was proposing to direct toward district-run schools in Nevada.

Senate Majority Leader Nicole Cannizzaro responded by declaring this modest expansion of the scholarship program “a non-starter.”

Opponents to scholarship programs, such as the American Civil Liberties Union of Nevada and unions representing district school workers, argued the private schools that recipients might attend aren't subject to the same standards as district-run schools and that these scholarships are not an “appropriate stewardship of public money.”

By definition, these scholarships are funded through private donations and their maximum value is \$8,726 – roughly 75 percent

of the cost of educating an average student in Nevada’s district-run schools. And, despite a difference in standards, private schools consistently boast substantially higher student achievement, according to federal data.

Despite these apparent contradictions, legislative Democrats refused to hold hearings on bills intended to expand the availability of Opportunity Scholarships throughout the legislative session.

When questioned by the press, a spokesperson for Senate Democrats blithely responded that hearings on the topic wouldn’t “be necessary” beyond the budget process.

“The expansion [to Opportunity Scholarships] would amount to less than 1 percent of the new tax dollars Lombardo was proposing to direct toward district-run schools in Nevada.”

Democrats used the education appropriations bill to disallow existing corporate contributions to the scholarship program and to

remove Lombardo’s proposal for an Office of School Choice.

The result is that in lieu of the modest expansion of school choice opportunities proposed by Lombardo, existing low-income, predominantly minority recipients are at risk of seeing their scholarships eliminated.

DEMS APPLY THE SQUEEZE TO CHARTERS

Charter schools are public schools that have increasingly become a target of ire among many Democrats in recent years, despite the fact the charter school concept was originally promoted by American Federation of Teachers president Albert Shanker.

Charter schools were intended to create choice within the public school system to make private schools less appealing while also allowing public school teachers to run schools directly so they could gain independence from school district bureaucracies.

Charter schools are also less costly because they are not awarded capital budgets in addition to their operating budgets – charter schools instead must procure facilities out of the standard operating budget allocated to public schools.

As charter schools have flourished nationwide, many teacher unions have reversed course to oppose them because charter schools

are often not unionized and sometimes permit skilled professionals with years of experience working in a particular field to enter the classroom and teach that subject without having obtained a teaching certificate.

Some legislative Democrats in Nevada and elsewhere have followed suit and now seek to restrict charter schools even though 12 percent of Nevada's students have chosen to enroll in these schools, despite the common need to win a lottery in order to so.

Sen. Dina Neal, for example, proposed Senate Bill 344, which would have removed the ability of cities and counties in Nevada to sponsor, operate or fund any charter schools. Elsewhere, Senate Finance Committee Chair Marilyn Dondero Loop commented during committee hearings on a measure to fund raises for teachers in district-run schools (Senate Bill 231) that raises should not be awarded to charter school teachers because some of them might not be certified.

Statistics provided by the State Public Charter School Authority indicated that 43 out of 3,000 charter school teachers in Nevada are not licensed. Existing state law requires 80 percent of teachers at a charter school to be licensed.

Both of these bills would eventually factor into the final day of the session. While Democrats were willing to let cities and school districts retain their authority to sponsor charter schools to get the education appropriations bill passed, they held fast onto their insistence that teachers at public charter schools should not be eligible for pay raises. Teachers in district-run schools, however, would get up to an additional \$500 million in funding for annual raises, with rates for individual teachers determined by collective bargaining contracts.

Senate Republicans objected to the exclusion of charter schools and pointed out that the \$32 million appropriation necessary to make the same commitment to charter school teachers was small compared to more than \$100 million that lawmakers awarded to a smattering of their favorite nonprofit organizations.

Their insistence that all public school teachers be eligible for the same raises led Senate Republicans to vote unanimously against one of the five appropriations bills on the final day of the regular legislative session, preventing its passage before Gov. Lombardo resubmitted a bill with identical language the following day in the first special session.

At that time, Republican Sen. Scott Hammond changed his vote to allow the bill to pass and end the budget impasse.

LOMBARDO'S PUSH FOR RESTORATION OF SCHOOL DISCIPLINE AND READ BY 3

Figuring prominently into Lombardo's education agenda at the outset of the legislative session was a rollback of a 2019 law that required school districts to incorporate so-called "restorative justice" provisions into their disciplinary paradigm for students with problematic behavior.

In general, this law restricted a school's ability to suspend or expel an unruly student. Lombardo blamed this law for an increase in violence by students against teachers and highlighted several instances of recent physical assault of teachers.

Lombardo backed a series of bills that would once again allow school administrators to remove, suspend or expel violent students and required mandatory expulsion of students that assault staff members or who bring a firearm onto campus. These bills passed with large majorities in both chambers.

Separately, Lombardo asked lawmakers to restore a requirement that students achieve basic literacy in order to complete third grade.

In 2015, then-Gov. Brian Sandoval had championed this requirement out of recognition that students who progress beyond third grade without achieving literacy tend to fall irreversibly behind on ensuing schoolwork that requires them to read in order to complete other tasks.

The legislature removed this requirement in 2019 at the behest of school districts that wished to avoid the additional expense of holding a student behind to repeat a grade and teacher unions seeking to weaken related accountability metrics.

Lombardo was able to reinstate this requirement into the final education appropriations bill in exchange for committing \$140 million toward a new Early Childhood Literacy and Readiness Account that would expand funding for pre-kindergarten educational programs.



THE RULING CLASS

Why State Employees Shouldn't Serve in Legislature

The most recent effort to raise Nevadans' property taxes highlighted why government employees should not be permitted to serve as state legislators.

Senate Bill 96, introduced by Senator Dina Neal during the past legislative session, would have mandated that Nevadans' property taxes be increased 3 percent every single year.

Current law protects residents from the relentless increases that Sen. Neal (D-North Las Vegas) wanted to see implemented, but only in those rare years when property values are either declining or otherwise growing at a rate of 3 percent or less, and inflation is atypically low.

Currently, property taxes increase by an amount equal to either the growth rate of assessed property values, or an amount double the rate of inflation, whichever is greater. The law also imposes a 3 percent cap on the annual increase of property taxes for certain single-family residences.

Thus, because the formula outlined above almost always produces a value greater than 3 percent, property taxes have increased 3 percent every year since 2006, except for 2017 and 2018. In those two years, declining property values and a low rate of inflation meant that property taxes in Clark County increased by only 0.2 percent and 2.6 percent, respectively.

Yet, property values fell by 2.7 percent and 2.8 percent in those two years, meaning that homeowners were still hit with higher property tax bills even as their property value declined, and inflation remained low.

The 2018 year is particularly instructive, as it demonstrates how the current formula still overwhelmingly benefits government at the expense of taxpayers. In that year, as housing prices fell by 2.8 percent and inflation grew at a rate of 1.3 percent, Clark County taxpayers still saw a 2.6 percent increase in their property tax bills.

Yet Sen. Neal apparently thought that disparity wasn't large enough. She would have liked homeowners to face a 3 percent increase in their tax bill in both of those years.

But why should Nevadans be forced to pay higher taxes when their property values are declining, and inflation is low? Consider how this environment impacts the two competing interest groups – taxpayers and government agencies.

Low inflation means that most taxpayers will see low rates of pay increases, thus making a mandatory 3 percent annual increase in their tax bill that much harder to bear. Government agencies, by contrast, benefit from low inflation, as that means their costs are remaining low and there is little genuine need for increased funding.

Property taxes are especially pernicious because they often impose real, non-refundable costs on paper gains.

Few know this fact better than Clark County residents who lived through the housing bubble of the 2000s, where soaring property values led to higher property taxes, only for those paper gains to vanish after the 2009 collapse.

There was, of course, no refund for those residents who paid higher tax bills due to those illusory gains. By mandating 3 percent annual property tax increases even when home prices are declining and inflation low, SB96 would have only amplified this inequity.

That's not to say that no one would have benefitted from SB96.

Government agencies would certainly have benefitted by being able to take more money from taxpayers each year, even during economic recessions when property values are falling, and Nevadans are struggling.

Sen. Neal's bill, therefore, presented a straightforward question of deciding whose interests matter more: taxpayers or government agencies. Most would agree that allowing the government to make that decision would be incompatible with our system of representative government and the concept of a free society generally.

Indeed, we are told that our system of government is legitimate

“Property taxes are especially pernicious because they often impose real, non-refundable costs on paper gains.”

because it is the people, through their elected representatives in the legislature, who retain ultimate

control and authority over the government.

But what if the Nevada Legislature was comprised entirely of government employees who would have professionally benefitted from making SB96 law? Would that vote have reflected the will of the people, or would it have reflected the priorities of government?

It was precisely to ensure that the people remain sovereign, and

that the government serves them, rather than the other way around, that the framers of the Nevada Constitution forbid legislators from exercising “any” non-legislative function of government.

The natural implication of this separation of powers clause is that those tasked with non-legislative governmental functions, like government employees, cannot simultaneously serve as the state legislators tasked with overseeing and regulating the government.

Unfortunately, this prohibition on legislative dual service has never received judicial enforcement. Consequently, there are today several government employees serving as state legislators, including several government employees whose employers would have directly benefitted if SB96 had become law.

As a taxpayer advocate, Nevada Policy recognized that it is fundamental to our system of representative government, and a free society generally, that those legislators making the final call serve the people — not government. And that simply cannot happen if government employees are permitted to simultaneously serve as state legislators.

It is for this reason that Nevada Policy has filed a lawsuit asking the Nevada Supreme Court to enforce Nevada’s constitutional separation of powers doctrine.

In construing their near-identical provisions, the state supreme courts of Oregon and Indiana both held that their state’s respective separation of powers doctrine barred government employees from serving as state legislators. For our system of representative government to maintain its legitimacy it is imperative that, when hearing our case later this year, the Nevada Supreme Court does the same.

POSTSCRIPT:

While we are pleased to announce that SB96 died a much-deserved death, meaning Nevadans won’t see a property tax hike for the next two years, we have a sneaking suspicion that there will be several attempts to raise property taxes once more in the 2025 session.

Our separation of powers lawsuit, meanwhile, continues full speed ahead. On June 12, 2023, Nevada Policy filed its opening brief before the Nevada Supreme Court. Briefing will likely have concluded by the time you are reading this, and we expect oral arguments to take place in late 2023 or early 2024.

As always, you can remain up to date on the latest developments, as well as read copies of all the relevant brief, by visiting our website at NPRI.org/Separation-of-Powers.

HOUSING CRISIS

Rent Control Efforts and Property Tax Increases Fall Short

Picture this: a hardworking family, having lived in their rented home for years, suddenly faced with eviction because their landlord can no longer afford to maintain the property.

Or consider a retiree, living on a fixed income, having to move out of the neighborhood they love because escalating property taxes have driven rents to unaffordable levels.

This is the bleak picture painted by the potential impacts of rent control and escalating property taxes, policies that were surprisingly championed during the 82nd legislative session by a group of progressive legislators.

While their intentions may have been noble – addressing housing affordability – their proposed policies reflect a fundamental misunderstanding of economic principles that lead to disastrous outcomes for everyday Nevadans. Economists have long warned against the pitfalls of rent control, a consensus stretching back to mid-20th century works by Milton Friedman and George Stigler.

More recent research, such as a 2019 study from Stanford University, confirms these concerns, demonstrated that rent control policies lead to increased rents citywide and reduced rental housing availability, while a study published this summer showed how landlords respond to rent control measures with increased evictions.

High property taxes compound these problems, discouraging investment and widening income inequality. Alarming, these are not mere predictions – they're patterns we've seen in cities worldwide where such policies have been implemented.

Despite the evidence, progressive legislators have made several attempts to enact rent control, from the comprehensive approach of Senate Bill 426 to more targeted attempts focused on manufactured homes (SB275) and senior citizens (AB298).

Remarkably, these ill-advised policies garnered the support of 19 different legislators, including eight Assembly Republicans who voted in favor of AB298. When we met with the eight Assembly Republicans after the April 24 vote, we were assured they voted for AB298 as part of deal to ensure the other rent control bills would not advance.

You could color us shocked when that did not materialize and SB275 moved to a floor vote on June 3.

Thankfully, staunch opposition from the Senate Republican Caucus and the Governor's Office stymied these legislative efforts,

safeguarding Nevada from the damaging effects of these policies.

However, it is a stark reminder that we must stay vigilant against such economically unsound proposals and strive for solutions that truly promote affordable housing without undermining the very foundations of our housing market.

On the property tax front, three assaults were launched: two from the regular advocate for higher taxes, State Sen. Dina Neal, and one from the Clark Regional Behavioral Health Policy Board.

Starting with Senate Bill 68, the Clark regional board argued for a tax increase on real property transfers in a year of record surpluses to address mental illness in our communities. This noble goal was unfairly turned into a tax battle, rather than a discussion on how to best allocate existing resources to address this critical issue.

Following the maxim that good intentions don't always make good policy, the bill fell short in understanding the wider implications of such a tax increase. The final attempts were brought forth by

Neal. Senate Bill 96, a recurring proposal, sought to increase residential property taxes by at least 3 percent every year, with a cap of 8 percent. Nevada Policy staunchly opposed Senate Bill 96.

There is never a good time to raise taxes, but it is especially unthinkable in

a period of economic uncertainty, when the state's coffers overflow with billions of dollars in surplus tax revenue.

Even now, Nevadan homeowners are recovering from the economic fallout of the COVID-19 pandemic, particularly as the federal government continues to hike interest rates to curb inflation.

The last assault was modified before reaching the senate floor; Senate Bill 394 originally aimed to introduce a new property tax to fund government schools at the same time billions of dollars were being thrown at the failing system but was changed into a bill limiting the power of the Governor's Office of Economic Development.

These proposals underscore the need to advocate for policies that truly promote affordable housing and fair taxation, without endangering the financial stability of homeowners and the overall vitality of Nevada's economy.

“ Economists have long warned against rent control — a consensus stretching back to mid-20th century works by Milton Friedman and George Stigler. ”

NAT'L POPULAR VOTE

Legislature Seeks to Change How NV Elects President

Nevada's Democratic-controlled legislature is pushing a plan to change how our nation elects its president — one that could go against the wishes and interests of Silver State voters.

The Nevada Legislature passed Assembly Joint Resolution 6, which would amend the state constitution to adopt the National Popular Vote Interstate Compact. Under the compact, Nevada's Electoral College votes would be awarded to the presidential candidate with the most popular votes nationwide, even if that candidate fails to win a majority of votes in our state.

This would mean a candidate running on a platform diametrically opposed to Nevada interests, say against gambling or for dumping nuclear waste at Yucca Mountain, would get the state's electoral votes if they received the majority of votes nationwide, regardless of how Nevadans cast their ballots.

The compact would irreparably alter the U.S. Electoral College, which encourages candidates to concentrate on swing states, which has included Nevada in recent elections.

Under the compact, candidates, in a quest for the greatest number of possible votes, would be much more likely to concentrate their efforts on the nation's population centers, especially high-population areas along the coasts.

The resolution was passed in the Assembly by a 27-14 margin along party lines. In the Senate, the vote was 12-9 in favor, with only Democrat Dina Neal dissenting from her party.

Four years ago, Democrats in the legislature passed a bill to join the compact, but it was vetoed by Gov. Steve Sisolak.

Sisolak wrote in his veto statement that the compact, "could diminish the role of smaller states like Nevada in national electoral contests and force Nevada's electors to side with whoever wins the nationwide popular vote, rather than the candidate Nevadans choose."

Legislative resolutions, however, cannot be vetoed by a governor.

At present, Nevada's six electoral votes go to the presidential candidate who gets the most votes in Nevada, through the Electoral College. This system has been used since the state joined the Union in 1864.

In fact, in 48 of 50 states electoral votes are allocated by state to the candidate who captures the popular vote in each state. Nebraska

and Maine are outliers, allocating electoral votes based on which candidates win each of the state's congressional districts.

The compact would go into effect among participating states only after they collectively represent at an absolute majority of the nation's 538 electoral votes.

At present, 16 states and the District of Columbia have adopted the National Popular Vote Interstate Compact. These states, which include California, New York and Illinois, have 205 electoral votes between them, which means they need another 65 electoral votes.

Under the Nevada constitutional amendment process, the legislature will have to vote in favor of AJR6 again during the 2025 legislative session before it is placed on the ballot the following year to allow Nevada voters to give final approval.

The compact push has gained steam over the past generation because of the election of Republicans George W. Bush in 2000 and Donald Trump in 2016 over Democrats Al Gore and Hillary Clinton, respectively, even though both losing candidates captured more popular votes than their foes.



“This would mean a candidate running on a platform diametrically opposed to Nevada interests would get the state's electoral votes if they received the majority of votes nationwide, regardless of how Nevadans cast their ballots.”

METHODOLOGY

Explaining Nevada Policy's Method for Ranking Lawmakers

At the beginning of this publication, there is a full ranking of Nevada Lawmakers as well as the final grade for Governor Lombardo. Here's a brief explanation of how we arrived at these scores.

NEVADA POLICY'S RANKING METHOD

Because most Nevadans do not have the time to follow the individual performances of their representatives in the Nevada Legislature, Nevada Policy keeps track throughout the session. The following report card provides an objective measure of each lawmaker's voting record on legislation impacting the degree of economic freedom and needed policy reforms.

The grading system is an adapted version of that used by the National Taxpayers Union to grade Congress. A key advantage of the NTU methodology is that it allows bills of greater significance to be weighted accordingly. Thus, each bill impacting Nevada tax rates, either directly or indirectly is assigned a weight of 1 through 100, depending on magnitude of impact.

Also considered are bills that would create hidden taxes through costly regulation and bills that provide targeted tax subsidies to politically favored recipients.

It should be noted that some legislative proposals can reduce the tax burden — either by lowering tax rates directly or by curtailing spending. Lawmakers can gain points by voting for such proposals.

Lawmakers can also gain points by voting for bills that increase government transparency, protect property rights and improve education through structural reform. Lawmakers also see their scores impacted by the key pieces of legislation they introduce that would significantly impact liberty in Nevada.

When a legislator has been excused from or did not vote on a bill, its corresponding points are subtracted from the denominator to reflect his or her absence.

All scores are expressed as a percentage of the maximum possible number of points. Generally, a legislator with a score above 50 is considered to be an ally of economic liberty. Lawmakers with scores above 85+ are considered to be Nevada's most freedom-loving legislators. A listing of the bills used in this analysis, and each lawmaker's voting history on this issues, is available on Nevada Policy's website, nevadapolicy.org.

