

**MINUTES OF THE MEETING
OF THE
ASSEMBLY SUBCOMMITTEE ON COMMERCE AND LABOR**

**Seventy-Fourth Session
May 23, 2007**

The Assembly Subcommittee on Commerce and Labor was called to order by Chair Marilyn Kirkpatrick 7:25 p.m., on Wednesday, May 23, 2007, in Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/74th/committees/. In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: publications@lcb.state.nv.us; telephone: 775-684-6835).

COMMITTEE MEMBERS PRESENT:

Assemblywoman Marilyn Kirkpatrick, Chair
Assemblywoman Debbie Smith
Assemblyman Garn Mabey

STAFF MEMBERS PRESENT:

Brenda Erdoes, Committee Counsel
Dave Ziegler, Committee Policy Analyst
Patricia Blackburn, Committee Secretary
Gillis Colgan, Committee Assistant

OTHERS PRESENT:

Michael Alastuey, representing Clark County
Kyle Davis, Policy Director, Nevada Conservation League
Joe Johnson, representing Toiyabe Chapter, Sierra Club
Kevin Sullivan, Senior Vice President and Chief Administrative Officer,
Echelon Resorts
Hatice Gecol, Director, Nevada State Office of Energy
Trevor Hayes, representing Molasky Companies
Seth Floyd, representing the City of Las Vegas
Michael Mathis, Vice President and General Counsel, Echelon Resorts

Minutes ID: 1405



Dan Parks, representing World Jewelry Center
Terry Graves, representing World Jewelry Center
Jeff Fontaine, Executive Director, Nevada Association of Counties
Robert Tretiak, representing International Energy Conservation

[The roll was taken and a quorum was present.]

Chair Kirkpatrick:

We will open the hearing on Assembly Bill 621.

Assembly Bill 621: Makes various changes in the provision of tax abatements and exemptions based upon the use of energy and repeals certain prospective energy requirements for public buildings. (BDR 58-1512)

Chair Kirkpatrick:

[Distributed Proposed Amendment mock-up ([Exhibit C](#)).] I would like to go through the bill, section by section. I want to work on the percentages last, because I want to start with the technical areas. I know there are some clarifications we need to put on the record. We will start with Section 2. Are there any concerns with this section? I see none.

In Section 2(a) we talked about the two-year instead of the five-year history. One of the questions that was brought to me is, if Leadership in Energy and Environmental Design (LEED) has a new program coming on that includes single-family residential homes, would it be included, or do we want to clarify what the intent is?

Brenda Erdoes, Committee Counsel:

I would suggest that where you know there are issues, and you can clarify the intent, that is always your best bet. I do not think this wording would have locked you in anyway, but it is a good idea to put forth your parameters. As to the two-year standard, that would be interpreted by the agency and then applied to the LEED version that they adopt in each case.

Chair Kirkpatrick:

For instance, we are giving the Director of Energy the opportunity to set regulations, and they set version 2.3 (which does not exist), but two years later they would adopt version 2.4, which would include single-family residential homes. Would the Office of Energy have the opportunity to address it, or do we just want to say the intent of this piece of legislation is not to include single-family residences?

Brenda Erdoes:

When there are things you know for certain that you want or do not want, then we put those parameters in this bill for the agency because otherwise, it will be unclear.

Chair Kirkpatrick:

Are there any questions on Section 2, subsection (b)? If you feel I have forgotten something, please come forward to the witness table.

Michael Alastuey, representing Clark County:

The question we have is in regard to reasonable exceptions based on size of the area occupied in the building or other structure. We recognize there are certain features of Assembly Bill No. 3 of the 22nd Special Session providing for regulation-making authority to a specific standard. I submit that we need some clarification as to what reasonable exception might be contemplated and what the broadest possible scope of a regulatory decision or administrative decision might be.

Brenda Erdoes:

I am not sure that we do want to address that. The whole point in giving regulatory power is to be able to anticipate things as they come up and react to them, adopting regulations more quickly than the Legislature can act, which would be every two years. I suggest that you put in here whatever absolutes that you have. You may not wish to put standards out there for this particular item. I base that on the fact that in the discussions I have had, I have not heard very many, if any, specifics as to this issue.

Chair Kirkpatrick:

Are there any further comments on that section? I see none. We will move on to subsection (c), "must provide 2 points of additional credit for energy." Is there any clarification that we need?

Kyle Davis, Policy Director, Nevada Conservation League:

As far as this section is concerned, we wanted to clarify "must provide 2 points of additional credit for energy conservation." Would those 2 points be on top of the already certified standard or a part of the points for that standard?

Joe Johnson, representing Toiyabe Chapter, Sierra Club:

We had presented testimony on putting in a tiered system for additional requirements based upon the category of the LEED certification requested. Is this evolved, supplemental, or additional? I think the issue of 2, 5, or 8 was our request on the additional credits that had to be from energy efficiency for the certification, but the issue that came up today was whether this is

supplemental to or could be reached to the minimum standards. I think that is critically in need of clarification.

Assemblywoman Smith:

In all of our discussions, our intention is to try to ramp up the energy conservation piece of this whole program. What we were trying to get to was somehow adding 2 points. We are not sure we have it down in the language, but that is what we were trying to get to. We want more energy conservation in this program.

Kyle Davis:

I think we understand that point. For example, if we have a building that is going for certification for silver, which would be 33 points, do we want to say the owners need to get to 33 points and then an additional 2 points beyond that, or do we want to say within those 33 points, at least 2 points need to come from energy conservation? We thought to say "of your 33 points, 2 points must come from energy conservation."

Kevin Sullivan, Senior Vice President and Chief Administrative Officer, Echelon Resorts:

In the testimony that we provided in the Senate this morning, we took an opposing view. From a developer's perspective, we liked it as written. Our understanding was that this was an additional bonus 2 points. In order to get to LEED silver, as a prerequisite, at least 2 points of the 33 points must come from energy conservation. If you change that, it would make it a very different program, going from 6 prerequisites plus 33 points to essentially 8 prerequisites. I think this changes the program and denies developers, such as ourselves, the ability to pick and choose. You have to let the developers pick which of the 60 points they are going to try for. To mandate this would make it a prerequisite. No one, nationally, has ever done that. I think there was a misunderstanding of what this meant, and I do not believe that was your intention. I think you were trying to reward developers and also have an additional 2 points that could be achieved. I suggest you keep it as is.

Chair Kirkpatrick:

My goal is to become more energy efficient. We could sit here all day and debate sustainability and energy efficiency. I could put up a bicycle rack, I could be a half mile from a transit station, and I could offer a car pool situation, but how energy efficient is that, and could the consumer see that it is energy efficient? Section 2 allows the Office of Energy to set regulations in place. I am going to ask the Office of Energy to come up and see if there is a way to do this.

Hatice Gecol, Director, Nevada State Office of Energy:

First, you need to determine what the intention is. I would love to see the energy conservation, and I would like to see the 2 points be included in the 33 points so that the builders can include energy efficiency in their programs. After all, in Nevada, we are purchasing \$6 billion in energy a year. Our goal is to make Nevada energy independent. I would like to see the 2 points be the minimum points within the 33 points.

Assemblywoman Smith:

I guess I am misunderstanding your position. If you had the 2 points within your 33 points, would that not be easier than adding extra points over the 33 points needed?

Kevin Sullivan:

I would like to have the choice to use those 2 or any points I wish to get to my 33 points. What I hear being said is that it is no longer a 33 point program with 6 prerequisites, it is now a 31 point program with 6 prerequisites plus 2 energy points. One of the prerequisites is to go to a level above code and get to a very high energy level. It is beyond that level that there are 10 energy points available. You should let the developers figure it out. Again, a prerequisite is to go much higher than code anyway.

Chair Kirkpatrick:

Could you give us an example? I believe energy efficiency sometimes means building orientation, or sometimes it means changing light bulbs. An example would be the Community College of Southern Nevada, which changed all of the light bulbs to more energy efficient ones. The college increased its energy savings by 26 percent and saved \$29,000 a year on energy costs. Where could you go to be more energy efficient with the Office of Energy?

Assemblyman Mabey:

You two have been working on this for weeks, and I appreciate your work. I am trying to keep up with you, so I am not going to ask as many questions or state as many points.

Chair Kirkpatrick:

Does anyone have a scorecard we can use? [Distributed ([Exhibit D](#)).]
Mr. Davis, would you like to help us clarify?

Kyle Davis:

My confusion is with the language in the bill right now: "must provide 2 points of additional credit for energy conservation." I am trying to figure out exactly how that would work. As it reads right now it gives the Office of Energy

discretion to say it would require 1 or 2 points of additional requirements above the 33 points. Our proposal would make this easier for the Office of Energy to evaluate by making those 2 points a mandatory part of the 33 points.

Kevin Sullivan:

I specifically recall your own testimony, and I believe you meant this to be bonus points. It was actually due to a misunderstanding on the part of the Senate where it stated "this means some requirement," and then the conversation spun out of control. I thought your intention was very clear on this side. It became "let us require it." It is coming back into their testimony as a requirement. Up to 10 points are available; I think your intentions are great, let us make it up to 12 points. It is a sliding scale. Of course, there is a new baseline. One point is 10.5 percent, 2 points is 14 percent up to 42 percent. Perhaps it would be 44 percent for 11 points, perhaps 47 percent for the 12 points.

Joe Johnson:

I am not sure that our problem is not in language. I wanted clarification between what I understood was the goal and what we heard in hearings this morning. In clarifying "must provide 2 points in additional credit," we had assumed that this was an addition beyond the minimal qualification that you would also have to have. My understanding of Mr. Sullivan's testimony would be that the only time you would get the 2 points in this would be after you have gotten the other 10 points, which is really very aggressive, and I think we would go along with it. But I do not think we are ready to go with 31 points and 2 points for something that is not in the LEED certification. If you did those, you would get the 2 points, and you would not be concerned about what is in the regulation.

Assemblywoman Smith:

So, if we were looking at this as a bonus, what would you perceive the bonus would get you?

Kevin Sullivan:

In the design of the program, you are making it clear that there is a LEED program out there where you are going to get points, and you are directing the Director of the Office of Energy to make 2 bonus points available. This is a direction to the Director of the Office of Energy to adopt a program for LEED and offer 2 bonus points. You still need to get 33 points, but you might want to get it through the energy side. Right now, the most anybody needs is 10 bonus points and then another 23 points from other means. But you are saying, in this State you can get 12 points out of your 33 points in energy. You are not topped out at 10.

Chair Kirkpatrick:

Do we agree with this language?

Kevin Sullivan:

If the language reads "must provide 2 additional bonus points" or something like that, it would be acceptable.

Joe Johnson:

I believe your original language is correct. These 2 points would be issuable, at the option of the Office of Energy, above the 10 points. We would not be in opposition to that.

Kyle Davis:

We would not be in opposition either. What would those 2 points get you; how does that work into the incentive program and abatements?

Kevin Sullivan:

It would be the developer's choice how to get to the 33 points. Currently, we would be topped out at 10 points; here we would be able to go up to 12 points on energy. Instead of saying "must provide 2 additional points," why not say up to 12 points are available for energy.

Chair Kirkpatrick:

My concern would be if LEED progresses and moves over the years, would that become a problem?

Kevin Sullivan:

I think what has changed is not the point system, it is what the standards are to get these points. The standards keep raising the bar. The basic structure would remain the same, so I think this would survive.

Hatice Gecol:

You are right, LEED is changing. We need to consult with them because they will be adopting a new version in June. I would like to see the points picked up from energy efficiency and energy conservation. How much energy efficiency and conservation are we achieving with the LEED silver?

Chair Kirkpatrick:

I would prefer to have someone from the State who has not consulted on anyone else's project. If you could find me a LEED person like that, I would be willing to talk with him.

Assemblywoman Smith:

We keep going around in circles. If our goal is to give incentives to the developers to add more energy conservation, this language does nothing to add to that goal.

Kevin Sullivan:

You are increasing the bonus pool. You are making a pool of 12 points available for energy. People, who want to go all the way on energy, will not top out at 10 points.

Assemblywoman Smith:

But, if they do not want to do that, are we doing anything to give them more incentive? Perhaps they would because they would be saving energy dollars.

Kevin Sullivan:

That is a very good answer.

Assemblywoman Smith:

But, on the other hand, we are already seeing projects that are not as energy efficient as they could be.

Kyle Davis:

It does seem we are going in circles. If we go with the bonus point system, and someone really did not want to go for the energy efficiency, all he would have to do is make that third prerequisite on LEED, which would get to American Society of Heating, Refrigeration and Air-Conditioning Engineers (ASHRAE) standards.

Assemblywoman Smith:

I guess the bottom line is if we really want to do it, we need to add the bonus into the bill.

Kevin Sullivan:

There are, of course, financial benefits through the cost savings. Perhaps that could speak for itself.

Joe Johnson:

I think we need specific authorization to add the bonus points above the 10 points because in Section 2 we have narrowly restricted our authorization to the LEED standards. If we do something outside, we should specifically state that we are authorizing the Office of Energy to develop criteria for the development of an additional 2 points.

Chair Kirkpatrick:

That is where my confusion comes in. I thought that was exactly what we had done. Section 2 talks strictly about the regulations that we would like to see the Office of Energy put in place.

Brenda Erdoes:

I am not sure. I need to understand this in order to draft the bill. If there are 10 points in LEED for energy, would the Office of Energy have to come up with the other 2 things to make the 12 points available? Could they be anything? I do not think there is anything in this bill explaining what the Legislature wants for those 2 points. We can clarify it if that is your intent.

Joe Johnson:

You would then have the Legislative Commission oversight.

Chair Kirkpatrick:

We do have a new regulation process that would allow pre-workshops as well as workshops and the Legislature would see it twice.

We should move on to Section 3 up to line 38. We will cover the rest of that section after we have gone through the rest of the bill.

Trevor Hayes, representing Molasky Companies:

The most important part from our perspective is subsection (a), lines 15 through 17. The Molasky Corporate Center that has been built with LEED standards will be opening in about two months. It has been built in downtown Las Vegas in a redevelopment area. Part of the inducement to build that development was that the land was sold at a reduced rate or donated to the developer. We did build and intend to achieve LEED gold certification. We assume we will get 38 percent efficiency. Disallowing the incentive for local governments to provide land as an encouragement to develop in areas where developers would not otherwise go would discourage people from building to LEED standards in those areas.

Chair Kirkpatrick:

Are there any questions from the Committee?

Assemblyman Mabey:

If the land was sold to you at a lesser price, would you receive funding? You just got a better deal, but that does not mean you received any money.

Trevor Hayes:

In our situation, the land was given to us. The Internal Revenue Service building was built and next to it there was an option to build on the adjacent parcel, but the City was not sure it could be developed. The decision was made to build an energy efficient building in that area. It will bring jobs and growth to the downtown area.

Assemblyman Mabey:

They could have sold it to you for \$2.

Chair Kirkpatrick:

Let me clarify with Ms. Erdoes. This would not affect the project that is within the 60-day time frame would it? We are talking about going forward.

Brenda Erdoes:

I think it would affect it unless they had been issued an abatement. Otherwise, they would come under this section, going forward.

Chair Kirkpatrick:

I specifically asked Mr. Molasky if his project was in a redevelopment area. The company got the land for next to nothing, it got a brownfield federal abatement, and then it is going to get LEED benefits. What is the community getting out of this? Do not tell me jobs; I am not buying that. There is no investment for 40 years. Downtown has been there for 100 years. I live there, I drive through there every day, I want to see it grow, but at what cost? It is frustrating to have to say to a business, "I am going to give you the whole farm and in 5 years you bring the jobs and in 40 years you pay taxes." What about the rest of us who are paying taxes every day, who are getting jobs, and who are committing to our schools? I believe you are in a particular predicament, but going forward, I specifically will not bend on that part. I asked the City of Las Vegas if it was its intent to give away the farm. They said no, our intent has never been to give them redevelopment funds plus LEED. You brought jobs to the community, but now we do not have the services because we do not have the dollars. I am frustrated because I was not told that when I specifically asked the question about that particular project.

Trevor Hayes:

I am not sure it is in a redevelopment area. It is not in the 61 acres that was obtained from the Union Pacific Railroad. I can find out for you. It is getting federal brownfield money. That area has been there, undeveloped for 40 years, and it does need something to spur developers. Mr. Molasky put \$108 million into that project to help spur the development that the City has been trying to

accomplish for a long time. Sometimes it takes a little jump-start, it is part of the redevelopment that cities do.

Chair Kirkpatrick:

Are you telling me that the jump-start is not enough?

Trevor Hayes:

It would be enough to build the buildings to LEED standards and be more energy efficient. Having the abatement for LEED allowed them to build to that level. They could have built the building for about \$8 million less. To go the extra mile and meet the LEED standard, they needed the abatement.

Chair Kirkpatrick:

I am going to pick on the City of Las Vegas. It is into redevelopment; it is into Union Park design standards. This is the big deal that has to keep going forward. It says the intent is to utilize sustainable design techniques and promote practices that show the project is responsible to the future environmentally, economically, and socially. Nowhere does it say that we have to give you the farm. I could debate this all night with you. I will ask Ms. Erdoes if there is a way, by going forward with the projects that are already in place, that they would not be affected.

Trevor Hayes:

I do not know if we are in the redevelopment area. The Union Park area is to encourage buildings that are energy efficient but not fully to the LEED standards. Mr. Molasky went above and beyond those standards.

Seth Floyd, representing the City of Las Vegas:

It is not our intent to give away the farm. Our Union Park design guidelines show that our intent is for projects to be built to a certain level of energy efficiency, and that they can recoup their costs. That is in our planning documents.

Trevor Hayes:

I have a few more points in Section 3. I recognize there was a change made in today's draft from 10 percent to a significant change. I wonder if there is some way to clarify that. What is a significant change? The other point is where you talk about an independent contractor's authorization. By whom would this person be authorized?

Chair Kirkpatrick:

With local government, clearly it says you have to come back if your plans change. I heard in Senator Townsend's committee this morning that there are

concerns with that because no one knew what the 10 percent applied to. Is it construction costs? Can you help me figure out what language is used in local government when you start with a tentative map?

Trevor Hayes:

I do not know. I can give it to you later tonight or tomorrow morning.

Chair Kirkpatrick:

My concern is if an office project starts out at 10,000 square feet and in six months it changes to 20,000 square feet, that changes our abatement process, and that changes where we allow local government to plan its budgets. What type of language do you believe the local governments use to make the developer come back for further approval?

Seth Floyd:

That depends partly on the type of change that you are talking about. If the building footprint changes by more than 10 percent, the developer would have to come back to the city with a new site plan showing the changes. If it is something a little more abstract, that would be at the discretion of the director to make the call to require a new tentative map.

Chair Kirkpatrick:

I thought we were trying to be flexible here so the director would have the ability to make regulations. I think it is common language that we use all the time.

Assemblywoman Smith:

I would like to ask Brenda Erdoes a question. We have similar language that we use in the Interim Finance Committee (IFC) on changes in scope for public works projects. So I thought it was clear that we had a 10 percent threshold.

Brenda Erdoes:

There is language that we can use that talks about the IFC standard, which actually is in the regulation of the Public Works Board and is 10 percent of the size or the cost. This ties it to the regulation requirement that appears later in this same section. We were not sure in these types of projects whether that 10 percent standard would work or whether you wanted a regulation standard.

Assemblywoman Smith:

The significant change we made was that it would be developed by the Office of Energy in their regulations?

Brenda Erdoes:

At the time we added the significant change language, we noted that later in that section it talks about requiring the Office of Energy to prescribe the criteria for determining when there is a significant change.

Assemblywoman Smith:

That answers our question, thank you.

Chair Kirkpatrick:

Are there any other questions? I see none.

Kevin Sullivan:

I would like to draw your attention to Section 3, lines 15 through 17. We want to get something on the record for our project. It says here that no funding is provided by any governmental entity. One part of our project, the essential energy plant which heats and chills the water and provides the cooling for our systems, has come to the State and will be using private activity bonds. These bonds are sold to outside investors who put their money into the central energy center but use state tax exempt authority for which the State gets a fee. They will be paying a fee to the State; however, the actual money is coming from outside investors not from the government itself, but the State is giving a tax exempt quota to the investor. We just wanted to say that this section does not apply to private activity bonds. At least, I think that is not your intention.

Chair Kirkpatrick:

I am not sure what a private activity bond is. Could we get clarification on that?

Brenda Erdoes:

I think if you do not intend to include that kind of financing, we can decide what to put into the bill. There are some other financing mechanisms in the statute. If you do not want those included, we can certainly craft that standard. Currently, none of those things with public financing would be able to be included in this bill. We would be happy to draw the line wherever you want it.

Chair Kirkpatrick:

I believe we will consider that.

Kevin Sullivan:

We are entering into a 25-year agreement for the services from the central plant. The agreement is based on winning the contract that was pre-negotiated with the State. It is a very small aspect of the overall project. The money is

not coming from the State; they are giving tax-exempt authority for a fee. That should not forbid our getting a LEED certification.

Michael Mathis, Vice President and General Counsel, Echelon Resorts:

I have two different points to make. One relates to line 26, talking about the equivalent of the silver level or higher. I think there may be some confusion on the issue. I wanted to add a phrase after "higher" to say "consistent with Legislative Counsel Bureau file number R170-06." You may recall that was the regulation that was passed by the Office of Energy on March 23, 2007, that made Question 5 on the smoking issue consistent with our LEED equivalent standards. Based on Question 5, which was the more stringent standard requested on the referendum, there were restrictions on tobacco smoke that did not apply to the casino. For our projects we wanted to make that law consistent with the LEED standard, and that regulation does that.

Brenda Erdoes:

We can figure out a way to make it consistent, but for the record, so you are not looking for that, we do not refer to regulations, even the codified regulations in a *Nevada Revised Statutes* (NRS) citation, because they change. This is actually one step removed from consistency. It is only a temporary number for it. I think the way to get this permanently in the statute, if that is the Committee's choice, would be to actually refer to that standard. If you mention the regulation, and the agency changes that regulation, there could be a conflict.

Michael Mathis:

I appreciate that comment. I think it was language that was worked out by the stakeholders when that issue was heard and could be "cut and pasted" into this provision.

Chair Kirkpatrick:

If they have already applied and have their standing with LEED, their application is already moving, correct?

Brenda Erdoes:

Certainly their application would already be in, and they would already have it. It is up to the Legislature at this point. Based on our opinion, we would tell you that you can start again and have different requirements. If you are not going to put all the projects through the same requirements, then we need to add some language to the bill that draws a line or makes it clear how it will work from now on. The point we need to look for is to treat all the people who are in the process equally. As long as you draw that line in the sand for everyone, I think you will be fine.

Chair Kirkpatrick:

I do not know if that answers your question, Mr. Mathis, but it answers mine.

Michael Mathis:

We will be happy to help with the language. If some kind of accommodation can be made because we relied on the previous wording, it would be great.

Going back to the significant change language, I understood the prior 10 percent language to be related to the old sunset clause, so that if you had an application that was submitted prior to June 30, 2009, an applicant could not significantly increase its project and still take advantage of timely filing. Now that we have removed the sunset clause, is there still a need for a significant change standard? The project would not be complete when the application was made. When the project is completed through the certification process to the United States Green Building Council (USGBC), the actual "as built" condition of the project would be submitted for LEED certification. At that point, the application would reflect the actual conditions of the project. I want to be sure there is no confusion created by the requirement for significant change.

Chair Kirkpatrick:

When you go to Clark County and submit your plans for your project, no matter what it is, would you not run into the same issue if you change your plans?

Michael Mathis:

I do work in front of the Clark County Commission, so I am familiar with what you are attempting to do with the 10 percent language. I think the distinction is in a use permit or building department process. You need the entitlement to construct prior to constructing. In this process, you have 36 months after applying for abatement to receive the abatement. A project such as ours could take up to four or five years for construction. It would not be a prerequisite to file that application when we start construction. If it were, then the 36 months would not be a long enough duration. We would submit our application at the end of our project so that we knew exactly what we were applying for. It would not require any significant change. That would be what we were certified by LEED for, and it takes care of itself.

Chair Kirkpatrick:

I think you and I are on two totally different islands. People have to be able to plan their budgets. We thought that you had to apply with the Office of Energy, and then you had 36 months to put your project together. If your project should change during that time, we need to have you come back, refill out the

application, so that we could resubmit it to the County Assessor and County Treasurer so that they could put that in their budget.

Michael Mathis:

I understood that was your intent. There are a few issues raised by that. It was not clear from our reading that there is a prerequisite to starting a project that you have filed with the Office of Energy. If that is the case, we have a separate concern that our actual construction schedule would be 40 months. That is a real construction schedule, not a dream. We would not make it in the 36 months. If the intent is that the application needs to be filed up front, we need to reevaluate the 36 months.

Assemblywoman Smith:

This is an area we need to take a look at. I wonder if we could have a two-tiered approach to accommodate larger projects. We were trying to keep everything aligned, and that is one of the things that we found. Perhaps we can tweak some of the provisions.

Kevin Sullivan:

We totally agree. The solution would be to go to a longer schedule for the larger projects. We would like to suggest five or six years for the largest projects just to help size it.

Chair Kirkpatrick:

I think that five or six years is a long time out for local government to plan. Could we provide for updates? You could build a hotel faster than a school in Clark County.

Kevin Sullivan:

But that would not reflect the size of our project. It would help the planning for local governments to know the exact schedule. We are helping them by knowing the exact schedule. I think very large projects would want at least six years to complete.

Assemblywoman Smith:

What if we put 48 months in the bill with a waiver to be evaluated by the Office of Energy or something similar? You would then have the ability to deal with the extremely large projects.

Kevin Sullivan:

I think there is a way it could be done.

Assemblywoman Smith:

That might be a good way to go. I suggested that we give the Office of Energy the ability to grant a waiver on certain projects that are so large. Perhaps the Director could grant a waiver based on the actual construction schedule.

Chair Kirkpatrick:

We need to ask the Director of the Office of Energy how she feels about that because we keep giving her more and more things to do.

Dan Parks, representing World Jewelry Center:

Perhaps you could ask the developer to submit a schedule with his application to the Office of Energy. Then the time frame could be built around that. It seems to me that the developer has every incentive to complete the project as soon as possible. Why the need for a 36-month window?

Chair Kirkpatrick:

We need this window in order for local governments to plan their budgets.

Dan Parks:

I would then go back to the earlier comment about having the schedule built into the application process. It should not be a one-size-fits-all proposition.

Chair Kirkpatrick:

What happens if things change? What if there is not enough concrete? How does local government adjust to that?

Dan Parks:

Local governments would have building inspectors on the job. Some of that could be worked out with internal communications. I do not know if you need to formalize everything.

Chair Kirkpatrick:

I am trying to give you the flexibility. I am trying to help you, but I still want to be sure the local governments can plan for the adequate services.

Dan Parks:

In the context of this bill, we are talking about the payment of these tax abatements. The abatement does not start until the project is completed.

Chair Kirkpatrick:

So, if we take out the 36 months, I want to make sure that this does not come back in three or four years when things do not go as planned.

Terry Graves, representing World Jewelry Center:

Construction of these larger projects is not any different from construction of conventional projects. What is important is to keep the Office of Energy apprised of your schedule.

Chair Kirkpatrick:

I agree with that to a point, but this is public money, and we are giving you something back. It is easier to have a surplus in your budget than to have a deficit. We should ask the Office of Energy if they have the staff to do these things.

Michael Mathis:

I think the 48 months with a waiver is something that would be acceptable to our project. I have a question on lines 22 and 23. The language about significant change says that the application would expire. I wanted to see if it could be clarified. I understand the intent is not to deny the abatement because the project grew, but just your need for notification. Would it be appropriate to say the application would need to be amended?

Hatice Gecol:

I would like to find out the Legislature's intent. What are you trying to achieve? Are we requiring the developer to come forth with a new version of LEED or the same version originally applied for?

Chair Kirkpatrick:

For me, the intent is for your office to be the major record keeper for the whole project. Your office would make sure the county assessor and country treasurer and the Commission on Economic Development are notified.

Assemblywoman Smith:

I do not think we are trying to make the developers rise to a different standard if something changes. We are trying to help local governments know what is happening by having some timelines, amended applications, and some accountability along the way.

Hatice Gecol:

For example, a developer applied and their square footage was higher on their application than what was built. They started the plan for silver and then completed it with gold.

Chair Kirkpatrick:

That would be our point. That kind of change affects the budgets. Instead of a 35 percent abatement they came in with a 50 percent abatement. On a larger project, that would be huge.

Assemblywoman Smith:

I think we have two issues. We have a question of what if they do an amended application in the middle of the project and the LEED standard has changed, what are our expectations? The other issue is if the developer changes his standard, local governments need to know. We need to clarify those two things.

Hatice Gecol:

I think that would work.

Michael Alastuey:

[Distributed ([Exhibit E](#)) to the Subcommittee.]

This follows some remarks I made earlier today and I think it provides a good step toward a solution about notification of local government. Given the provisions that are not yet within the scope of consideration, if the Subcommittee is going to deliberate and consider different alternatives as far as advisement of local government, I would submit that the local government should be part of the approval process in conjunction with the other approvals that local governments routinely do.

It is my understanding that the Office of Energy issued regulations for a modified LEED standard to accommodate those features of LEED having to do with the treatment of tobacco smoke.

Chair Kirkpatrick:

I am informed that nationwide states are looking to Nevada for some of their standards. Local government already sees the designs. Would there not be a fiscal impact for a LEED staff person, and would that not further add to the deficit in revenue?

Michael Alastuey:

Yes, potentially it would add to the deficit. I think it is a matter of general policy. Local governments bear 90 percent of the impact, and they should be part of the approval process.

Chair Kirkpatrick:

Is there an agency that would oversee this?

Michael Alastuey:

For major projects, the developers would require all manner of planning, zoning, and land use approvals in addition to the process of building permitting and inspection. Part of the approval process should be a specific statutory recognition, made on behalf of the governing board, of coordination between those two departments.

Assemblywoman Smith:

What you are recommending looks similar to what is in place for other projects.

Michael Alastuey:

They are not dissimilar. That is for a certain type of debt financing and a certain form of security. It relates to sales tax increments.

Jeff Fontaine, Executive Director, Nevada Association of Counties:

I have not had the opportunity to see Mr. Alastuey's proposed amendment, but based upon the testimony I heard, I would agree. I question what the approval actually is. Once an independent contractor submits a particular finding to the Office of Energy, the Office of Energy then issues this abatement. What review, if any, does the Office of Energy conduct? Do they have any review authority to determine that these findings are accurate?

Chair Kirkpatrick:

That is why we require the audit so that we can collect information over time. This will make the Office of Energy the record keeper. There needs to be a LEED certification person, who meets county codes and gets all the building permits, so I think there are different checks and balances.

Kevin Sullivan:

People do not understand that in order to get LEED certified we have to make application to the USGBC. They, independently, issue a points letter. We have to submit interim reports all during the time and meet with them constantly; they are independent of everyone in the State. That is the system. I think requiring the Office of Energy to have an independent contractor is unnecessary.

Chair Kirkpatrick:

Perhaps we could ask if this independent LEED person is connected to any other project in the State. We do want to see if it is cost effective for Nevada. I think we are done with this section.

I would like to wait for the testimony on the points system. We should continue with page 3, subsection (b), lines 13 through the end of the page. Are there any comments?

Trevor Hayes:

I have a question about the annual statements to the director of the Office of Energy. Do you have any thoughts about the content of that statement?

Chair Kirkpatrick:

It was my intention that it would be an energy audit. It should show how much water and power is saved, the success of the car pool plan, and different things like that. I believe there will be a workshop and a regulatory process. We want to be able to say in five years that Nevada invested, and it paid off in energy efficiency through this program.

Trevor Hayes:

I have one concern, would there be a need to recommission the whole building? That could cost \$50,000 to \$100,000 a year. I guess that will be left to the regulatory process to find a cost-effective way to do the audit.

Assemblywoman Smith:

What would you have to do that would cost you that much money?

Trevor Hayes:

We would incur those costs if we needed to go through an entire recommission process in order to certify that everything was done.

Assemblywoman Smith:

We talked about this earlier, and I spent quite a bit of time talking about our intention because Assemblyman Anderson had asked about this earlier. Our intention is to gather information so that five years from now we can know what this program did for the State. We have been told by the LEED specialist that once you are LEED certified, you stay LEED certified. There is no recertification process. If we are going to be giving money every year in the form of an abatement, maybe we should require something back like proof that a building is still energy efficient. We found out that the LEED certification stays once it is granted. It would be appropriate to require an annual report if the Office of Energy could develop a report.

Chair Kirkpatrick:

The other point would be that we might find out in a few years that LEED does not work, and we could either scrap the program or find an alternative. I do not think we are creating a new job for LEED because they are doing quite well in Nevada, but I do not know that in the future we might want to add some other alternatives. The Office of Energy asked us whether or not in the first year the project would have to have an energy audit. They would have no basis for comparison.

Kevin Sullivan:

I wanted to second the gentlemen's remarks about the big cost to do a recommission. They have to look at all the energy in the building, and it is an expensive process. I would like to offer that we do the process every two years.

Chair Kirkpatrick:

We just need to make sure the energy efficiency is there.

Robert Tretiak, representing International Energy Conservation:

We think you have come up with an excellent idea to verify these periodically. If you purchase a car that is getting 30 miles per gallon, if you do not do the appropriate maintenance on the car, it may degrade to 25 or 20 miles to the gallon.

My company is perhaps a little farther along with LEED certifications because we work with existing buildings.

Chair Kirkpatrick:

I would like to stick to the merits of the bill; if you are trying to offer an amendment

Robert Tretiak:

I simply wanted to state that there is a very rigorous process that this goes through and also a 90-day verification process that has to be done on energy before it is submitted to USGBC.

Chair Kirkpatrick:

Is that before the final certificates?

Robert Tretiak:

That is correct. After you install everything, or even after you verify that things are in place, a 90-day monitoring verification has to be done before it is submitted to the USGBC, and USGBC takes another month on top of that. Then, it is generally conceded within the community that you have to "oversubmit" because USGBC seems to always disallow something. As Mr. Sullivan indicated, it really is a crapshoot. Will you really get what you have applied for? The answer is generally you do not get everything you ask for. It gets worse than that because if you are not sure, you can ask them for a credit information request, and they will tell you they think that something will pass muster; however, it is nonbinding. When you actually submit that credit they may still disallow it.

Chair Kirkpatrick:

Thank you. Does anyone else wish to speak about this page? I see no one.

We will go to Section 15, subsections 4 and 5. This talks about the retrospective as well as the sales tax, which I think we need to clarify.

Kevin Sullivan:

I apologize because I do not know these NRS statutes. I do recognize the dates as being a very narrow three-month period. Under my reading of that, only the materials purchased during those three months would qualify for the sales tax abatement. We suggest that the concept of any three-month period like that not be there. During our project there is a start date and an end date, and it would be during that time period we should get the abatement. If you had the intent to construct or were under construction at least during that time period, your project qualified. Every applicant has been taking the position that the sales taxes that this would apply to would cover the full period of your project.

Trevor Hayes:

It was also our understanding that the three-month window was not to purchase all our goods, but to apply during that time period for the building, and it would apply to that project. We received a resale certificate during that period which we were told by the Department of Taxation would be sufficient in order to qualify for this. They did subsequently determine that a deferral certificate was the method to use going forward; however, we were already told by the Department of Taxation that we could do it that way. The Office of Energy said it was okay, and we had a letter sent to them three days before the December 22 letter that said to use the deferral certificate.

Brenda Erdoes:

This is a policy decision for the Legislature to make. We can ascribe whatever you want here. I would caution you to remember that the sales tax authority that was in Assembly Bill No. 3 of the 22nd Special Session was simply a three-month window for what you purchased then. There was no additional language that said anything about intent to construct, or if you had a contract, or if you had a bid. Those types of provisions we have seen before. They were included in many of the sales tax provisions that this Legislature has passed. We can find examples of those for you. They say if you have a bid on the project, and you cannot change your bid, that you can continue. If you have contracted and you cannot change that contract, you can go forward. The problem is that those provisions were not included in the Assembly Bill No. 3 of the 22nd Special Session provisions. This Legislature can change that. You need to be careful how you do that because we are parties to the streamline sales tax agreement, and the time for having the two

different sales tax rates has passed. We will draft whatever you want to do. Please note that those provisions were not in the original bill, so they are not out there for referral at this time.

Trevor Hayes:

If it was just a three-month window when everything had to be purchased, and Assembly Bill No. 3 of the 22nd Special Session was passed in June 2005, this is a long process. It would have been meaningless to have a three-month window when the only things that would qualify for the exemption would be those purchased at that time. Most of these projects were still in the planning stages at that time. It would have offered an exemption to almost no one. The Molasky Group would have received some, but it would not have been an incentive for most groups. It is our belief that the bulk of what we were going to get was through the sales tax exemption. Since that time, we have been paying 2 percent of the sales tax that was not included. We were not paying the 5.75 percent that we thought we were exempted from.

Chair Kirkpatrick:

I guess you now know why there was a \$250,000 fiscal impact.

Assemblywoman Smith:

That would be the other side of that argument.

Chair Kirkpatrick:

I do not know if we are going to make any progress. What about Section 4, NRS 361.0775 that refers to the other energy abatements that are currently within statutes, and how those tax abatements are done. I think that is where the Economic Development Commission has the ability to grant abatements for economic energy.

Brenda Erdoes:

This particular reference is to Assembly Bill No. 3 of the 22nd Special Session, but it is Economic Development granting it. If you look at line 40, it is actually repealed by this bill and just reenacted at that place.

Chair Kirkpatrick:

We will take a six-minute break and continue with the percentages on our return.

[There was a 16-minute recess. The meeting was called back to order at 9:39 p.m.]

We are going to go back to Section 3, line 38, and page 3, line 11.

Robert Tretiak:

[Distributed document ([Exhibit F](#)).]

Chair Kirkpatrick:

What does this document have to do with Section 15, subsection 4?

Robert Tretiak:

It clearly shows the importance of financial incentives in getting people to do energy efficiency measures. One might think that cost-effective or environmental issues are important, but, far and away, this study by the California Energy Commission shows that financial incentives are the number one reason for compliance.

Chair Kirkpatrick:

I am going to cut you off. First of all, California is broke. Nevada is not. What does this have to do with Section 15?

Robert Tretiak:

It is very important that incentives that people have relied on be in place on a retrospective basis in order to maintain confidence in any ongoing program.

Chair Kirkpatrick:

Now we are going to go back to Section 3.

Kevin Sullivan:

We suggest balancing. Adverse effects on the school systems were unintended consequences of Assembly Bill No.3 of the 22nd Special Session. In conjunction with exempting 44 percent of the property tax credit—which is the pro rata portion for schools—as a balance to offset that for the developer but still protect the schools, the time should be extended from 10 years to 20 years. You would be helping the schools, but also giving back to the developer an incentive more or less commensurate with what they were getting before.

Chair Kirkpatrick:

How do you feel about the difference between silver and gold, upping the ante on gold?

Kevin Sullivan:

I definitely believe there should be a gradation and a higher gradation so that gold is recognized by the State. The developer is spending more money for each higher level, and it gets progressively more expensive. We request that the 35 percent tax abatement be reinstated. If that abatement was reinstated

to where it was with Assembly Bill No. 3 of the 22nd Special Session and the land and the 44 percent were taken out, the net incentive to developers on this property tax portion would be an effective rate of 16.2 percent.

Chair Kirkpatrick:

Can you explain without percentages, but using a \$100 example instead?

Kevin Sullivan:

If you have a \$100 project, \$17 of that valuation is in land and \$83 dollars is in buildings and improvements. If you are not given any credit on the land, you are taking away \$17 out of the \$100 from the equation. Instead of applying the whole benefit against that, we are going to exclude the schools, so \$46.23 would be left over from the \$83. If we received the 35 percent abatement on that \$46.23, the tax abatement would be \$16.18. What started at \$100 would end up being a \$16.18 benefit. Our request is that we double the term of the abatement. What was 35 percent was halved down to 16 percent.

Michael Alastuey:

We have a significant issue with the proportionate financial responsibility between the State and local governments. That remains unresolved. We also have issues with government regarding county commission and city council approvals. I believe I followed a significant portion of Mr. Sullivan's remarks. Essentially what he is trying to describe is a process modification by which some semblance of the abatement that would have been calculated under Assembly Bill No. 3 of the 22nd Special Session is restored in various steps, by restoring an amount equivalent to what would have been gained by virtue of land value and giving back the school carve-out, and by modifying the percent, in effect, restoring the 50 percent.

This would be a resumption of a level of abatement that, by our estimation, was excessive. Some of the solution had to do with extending the period over which the abatement is paid in order to enable the developer to recover. The extension of this makes what would have been a 10-year abatement a 20-year abatement, and in effect, doubles the amount of abatement, 90 percent of which would fall to the county. In terms of balance, from the developer's point of view is a restoration of the amount the developer perceived to be available. Every one of these property taxes arises from a specific section of the NRS, is directed to a specific purpose, and is governed by specific caps, calculations, et cetera, for the police, fire, and city and county operating funds. All of these are capped, we cannot raise them like the State can. In effect, the State excuses itself from financial responsibility through its school funding mechanism and takes only 10 percent of the cost.

If Assembly Bill No. 3 of the 22nd Special Session was excessive, and in hindsight we believe it was, we would not support, even remotely, any appearance of restoration of the level of abatement either by extension, change, or modification of percentage, any surrogate for the restoration of land value, or any kind of features that the developer has suggested.

Chair Kirkpatrick:

I need to ask a question and I will probably end up muddying the waters. If you take \$5 more off that \$16, would that cover the costs? If the voters approve a tax, we need to be sure it is there. Would that be similar to how Tax Incentive Financing (TIF) funds are currently distributed?

Michael Alastuey:

I think you are asking a question that arises from some discussion in Government Affairs regarding tax increments of financing and voter approved taxes. It is true that a significant portion of tax increments are voter approved, roughly one-third. It is also true that there are specific public safety driven portions that are every bit as important to their specific purpose as are the voter approved portions. We worry about funding the ten-cent indigent money; the consolidated Clark County/City of Las Vegas Library District; and other specific levies that are allowable for the District Court. These are things that we have sought not to visit.

Chair Kirkpatrick:

Yesterday we were very prospective; today we are aggressive. Is there something similar that could be done for LEED?

Michael Alastuey:

All manner of mechanics are available in resolving or treating issues of tax policy. You have accurate information to do that. I would submit that the State has elected to almost entirely insulate itself financially from the impact of these abatements, and on behalf of the Clark County Commission, we would seek the same protection the State sought for itself.

Chair Kirkpatrick:

So, would the \$5 cover the extras you get?

Michael Alastuey:

I followed much of Mr. Sullivan's arithmetic in multiples of \$10 or percentages of abatement gained or lost in various parts of the process. I have lost the reference to the \$10 or \$15 number you are talking about now. I do not know if that could be the case. Once again, if the State feels it cannot go forward to fund abatements, the County is no better off than the State.

Kevin Sullivan:

I have been saving one point for this moment. We are talking about the abatements. In general terms, I want to discuss what my project is going to throw off incrementally to the State. Assume that we got every abatement that was possible under Assembly Bill No. 3 of the 22nd Special Session. What more money is coming into the State? We keep forgetting that there is actually a lot more money coming from these projects. For our project alone, over ten years, we will be paying the taxes on the 65 percent, we will pay Clark County gaming taxes, state gaming taxes, license fees, and slot machine fees at much higher levels than the Stardust has. Over ten years it would be \$1.6 billion. The Stardust alone over that same period would have paid \$250 million. By razing the Stardust and building this, even assuming we got the abatements, a net \$1.3 billion dollars would come into the State. That \$1.3 billion could be available for services provided by the counties.

Chair Kirkpatrick:

Would you be willing to stake your abatement on the guarantee of \$250 million? I worry that sometimes we could fall into a time when the Strip would lose money. Are you confident that if something terrible should happen, we would still be in a better position than we are today?

Kevin Sullivan:

Absolutely, given what we had before. Going from \$250 million to \$1.6 billion allows for a lot of bad things to happen, and you would still be better off. That is only in a ten-year period. The numbers I gave you reflect the true and accurate internal projections of what we project we will be doing. This is what we think we will be doing.

Trevor Hayes:

I wanted to point out that changing the tax abatement that was in Assembly Bill No. 3 of the 22nd Special Session to any other structure will change the amount of taxes that we pay. One of the consequences of that is shown in a letter the Molasky Group received from J. P. Morgan when we were set to close the financing on our construction loan. The LEED tax rebate was a key line item and its removal or modification would detrimentally impact the loan pricing and possibly other key loan terms. We are trying to close this loan in 30 to 45 days and any change to this project that was started in 2005 and is now getting ready to be completed, may throw all the financing out of kilter. This is a change that retroactively and substantially changes what they would be getting in abatements over the next ten years.

Robert Tretiak:

There is a flip side to this position. The developers are doing a great thing, and it is going to impact the amount of energy that will be needed in the future and the number of power that will need to be generated. We and colleagues of ours in the energy efficiency industry are working in the here and now to reduce the energy waste in existing buildings. Things that we do today will reduce part of the \$6 billion that is flowing out of Nevada currently. It will reduce the amount of peak demand that the utility has to pay triple rates for. We are looking to reduce those, but on a much smaller scale. We have been told by engineers that retrofitting an existing building is significantly more expensive than putting energy efficient things in during the planning stage.

In addition, to give you an idea of the scope, the types of projects that we work with are 0.5 percent, 1 percent, and 1.5 percent of the size of the Echelon project. The smaller the project, the more engineering it takes per dollar or per credit attained.

Chair Kirkpatrick:

Are you for the bill the way it is with the 2 percent, or would you like to see it stay where it was?

Robert Tretiak:

We are absolutely against the 2 percent. That would be insignificant and would not provide enough of an incentive for customers to do it.

Michael Alastuey:

Many of these projects will "throw off" ample economic gains. Our issue here is not economic gain, our issue is tax revenue. The question is, do we collectively believe that the net gain in terms of overall tax revenue that would be realized by virtue of projects such as the Boyd project, offset the cost of abatements? If you do, then you should be able to open up your school fund again, bump up your revenue estimates both in sales and property and say yes, we are going to protect schools, and we are going to do it at State expense because the State is going to have enough money, net. If that level of faith is not there, you would perhaps find yourselves in the County's shoes. Overall growth does not quite pay for growth. The impact of these projects on government, despite their incredible scale, luxury, and worldwide appeal, is not necessarily in the projects themselves. Tourists come and spend their dollars, but the impact is in the other rooftops that will be necessary for the tens of thousands of workers who would be needed when all these resort projects are fully developed. That is where the real impact lies. There will not be a lot of school kids or crime coming out of these developments; that will be in the other neighborhoods. Please recognize the County's position.

Assemblywoman Smith:

I am not sure where I want to start. This is an interesting picture. I am sitting here listening to the concerns of the County and what the County is saying is that we are impacting them, but the State bears little or no risk. Indeed we do bear risk. I sit in those budget hearings every day and listen to the fact that our budget for mental health and Medicaid and other services has grown in the last few bienniums. So the decisions that the County makes when it approves projects certainly impacts the State. The decisions that the local governments make affect schools because those projects that are built bring more children, and schools need to be built and teachers need to be hired. It is a giant domino effect that we are all involved with and all connected to. We are trying to figure out the balance. We are all thinking that the other person is responsible. How much, Mr. Sullivan, is enough? If we say we can meet your costs for building to LEED standards, and that apparently is not quite enough, then what is enough, and how do we determine on a fair basis what really is enough? Is it \$10 million, is it \$50 million, or is it \$100 million? That is what I am struggling with.

Kevin Sullivan:

It is a thoughtful question and I will try my best. I respect the speaker from the County. He has done a wonderful job. He debates the basic premise of Assembly Bill No. 3 of the 22nd Special Session. Some companies applied for those benefits, but now we are trying to completely change it. We are concerned about what to do with the people who in good faith have applied and are spending money with a set of rules that were valid when they started. If we were starting all over again, perhaps you would change things. There are two groups of people out there. People who are thinking of doing something, and those who have already started the process.

But, LEED is now very expensive and the early adopters should get the benefits. Maybe over time the benefits will change. We would like to have a line in the sand that says the developers already on line get something close to what was promised. For the future, change the benefits.

Chair Kirkpatrick:

I do not know what direction to go next. I received two emails from one of my constituents, the first one was pro-green-building and the second was complaining about the costs for schools. So, the same person has two perspectives on this issue. Where is the balance and how can we bring you two to the table to make sure that we constructively grow and plan ahead?

I am going to let you sleep on it. I do not know that we are going to come to a conclusion tonight. All local governments and all developers should get

together and tell us how each believes we can resolve this. I see both sides. I do not think we have a recommendation to take back to the full Committee. Please come back and give us your consensus tomorrow.

Assemblywoman Smith:

I think it is about balance and figuring out what we can do which will work for everyone. I do have a comment about struggling between the sales tax exemption and the property tax abatement. The big advantage to just staying with the property tax abatement, certainly for local government and schools, is that the property tax abatement kicks in at the same time the project comes on line, so we will start seeing some revenue from that project. At least there is something coming together at the same time versus the sales tax that just takes it all up front and leaves a big hole. I would like you all to think about that and how we can balance these issues.

Assemblyman Mabey:

It is my suggestion that we return this bill to the full Committee without recommendation.

[The Subcommittee agreed.]

[The meeting was adjourned at 10:26 p.m.]

RESPECTFULLY SUBMITTED:

Patricia Blackburn
Committee Secretary

APPROVED BY:

Assemblywoman Marilyn Kirkpatrick, Chair

DATE: _____

EXHIBITS

Committee Name: Committee on Commerce and Labor

Date: May 23, 2007

Time of Meeting: 7:25 p.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
AB 621	C	Assemblywoman Marilyn Kirkpatrick, Clark County Assembly District No. 1	Proposed Amendment mock-up
AB 621	D	Assemblywoman Kirkpatrick, Clark County Assembly District No. 1	LEED checklist
AB 621	E	Michael Alastuey, representing Clark County	Proposed Amendment
AB 621	F	Robert Tretiak, representing International Energy Conservation	Staff report from California