

**MINUTES OF THE  
SENATE COMMITTEE ON TAXATION**

**Seventy-fourth Session  
May 1, 2007**

The Senate Committee on Taxation was called to order by Chair Mike McGinness at 1:05 p.m. on Tuesday, May 1, 2007, in Room 2135 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

**COMMITTEE MEMBERS PRESENT:**

Senator Mike McGinness, Chair  
Senator Randolph J. Townsend, Vice Chair  
Senator Dean A. Rhoads  
Senator Mark E. Amodei  
Senator Bob Coffin  
Senator Michael A. Schneider  
Senator Terry Care

**GUEST LEGISLATORS PRESENT:**

Assemblyman Jerry D. Claborn, Assembly District No. 19

**STAFF MEMBERS PRESENT:**

Ricka Benum, Committee Manager  
Tina Calilung, Deputy Fiscal Analyst  
Gloria Gaillard-Powell, Committee Secretary

**OTHERS PRESENT:**

Kevin B. Christensen, Las Vegas, Chair, State Apprenticeship Council  
David Kersh, Government Affairs Representative, Carpenters/Contractors  
Cooperation Committee, Incorporated  
Danny Thompson, Nevada State American Federation of Labor-Congress of  
Industrial Organization  
Steve Holloway, Associated General Contractors Las Vegas Chapter  
Randi Thompson, Associated Builders and Contractors Sierra Nevada Chapter  
Carole A. Vilardo, Nevada Taxpayers Association

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CHAIR MCGINNESS:

I will open the hearing on Assembly Bill (A.B.) 110.

**ASSEMBLY BILL 110**: Repeals the prospective expiration of the exemption from the property tax levied on the real and personal property of certain apprenticeship programs. (BDR S-75)

ASSEMBLYMAN JERRY D. CLABORN (Assembly District No. 19):

I would like to introduce A.B. 110. Certain state laws provide for an exemption of taxes levied on real and personal property from certain apprenticeship programs. The exemption on the bill will sunset on July 1. This bill would repeal the sunset. I encourage you to support this legislation. It is very important to all of our apprenticeship programs.

CHAIR MCGINNESS:

When was this passed? Is a ten-year sunset going away?

ASSEMBLYMAN CLABORN:

It had a ten-year sunset that ends July 1.

KEVIN B. CHRISTENSEN (Las Vegas, Chair, State Apprenticeship Council):

I am in favor of A.B. 110. I have served as the appointed chair of the State Apprenticeship Council for 23 years. We have had the opportunity to work with a variety of labor commissioners. The removal of the sunset request relates to *Nevada Revised Statute* (NRS) 361.106. I was involved with the original draft of that legislation. I have watched it evolve over the years. To continue this legislation without a sunset and an expiration date is appropriate. It establishes an exemption for both personal and real property. There are approximately 250 approved apprenticeship programs in Nevada with about 10,000 apprentices indentured through an agreement with the state. There are a variety of different trades and professions represented. There are operating engineers who drive expensive, large equipment. It is also expensive to train individuals on the heavy equipment. A large carpenters' facility in southern Nevada has over 1,500 apprentices. There are diverse training facilities including child care, electrician and apprenticeship facilities. At one time, there was a program in the prisons. There has always been a critical issue of needing funding for the program. The funding comes through negotiated agreements with the supporting employers. If it is a multiemployer plan, labor and management try to figure out how many cents per hour they will contribute to a trust fund that

runs the apprenticeship training program. In the unorganized industry, there are the same types of trust funds. They are required to teach each apprentice 144 hours every year in the classroom. Usually it is a 1- to 5-year program, and they have on-the-job training through participating employers that usually involves 2 to 10,000 hours. These are detailed programs, and the standards are approved by the Nevada State Apprenticeship Council. Audits are conducted every year by the U. S. Department of Labor. The carpenters are looking at over 1,000 applicants for the coming year. Classroom instruction is expensive as they sometimes pay for space from the community colleges and borrow their instructors. There are limited sources for funding and donations. Most of the money comes from contributing contractors. The typical contribution rate is 5 cents to 25 cents an hour. The exemption we are asking you to preserve and extend is the lifeblood of a number of these programs. Without it, they would lose hundreds of thousands of dollars in Nevada each year.

DAVID KERSH (Government Affairs Representative, Carpenters/Contractors Cooperation Committee, Incorporated):

Assembly Bill 110 is a show of support for one of the most successful and important training programs of this century. It will make permanent the real and personal property tax exemptions for apprenticeship and training programs. Since the 1950s, labor and management have privately funded these programs across the country. It has been the backbone of the construction industry and many other industries to provide a highly trained and skilled workforce necessary to keep and attract workers in our industry and keep them safe. In Nevada, these programs generated millions of private dollars of training without one penny being spent by the state or federal government. There are many different types of programs. They all provide a great benefit to our communities and the industries we serve. Currently, the Apprenticeship Council has 52 categories of programs with hundreds of active programs in Nevada. The carpenters have two facilities, one in Las Vegas and one in Reno. The two combined programs have over 1,800 registered apprentices. We have the largest training program in Nevada. We also upgrade training for over 1,000 journeymen a year. The programs provide skilled training, safety training, remedial math, English as a second language classes and college credit for some courses. Our apprentices engage in thousands of hours of charitable work for our communities. The demographics have changed as well. In Las Vegas, our 1,640 apprentices are comprised of 6-percent female and 62-percent minorities. The training and education programs are privately funded, and they deserve the

permanent exemptions. Many have been serving their communities for almost 50 years.

It is our understanding that educational facilities along with veteran organizations, churches, seminaries, lodges and fire stations also have a permanent property tax exemption. We are proposing what is in sync with existing statutes. I urge the Committee to pass this bill.

DANNY THOMPSON (Nevada State American Federation of Labor-Congress of Industrial Organization):

We represent all of the union programs, and they would be affected by this sunset being eliminated.

STEVE HOLLOWAY (Associated General Contractors Las Vegas Chapter):

I am in support of this bill. As the largest trade association in southern Nevada, my members fund most of the training programs in the building trades industry. For many of our students coming out of high school, this is an alternative to going to college. It is one of the few alternatives students have. We sponsor six vocational programs in Clark County high schools. In the year before last, there were 18 graduates in the program. We were able to place 17 of the students in the carpenters' apprenticeship program so they could go on in their chosen field. I hope you are able to support this bill.

RANDI THOMPSON (Associated Builders and Contractors Sierra Nevada Chapter):

I am here to give our support to this program. You received an e-mail from the president of our company. This program helps in the market-based education; we truly think it is a good idea and continue to support the program.

CAROLE A. VILARDO (Nevada Taxpayers Association):

I am not here to support or oppose this bill. I am asking you to put another sunset on this bill. I would suggest 15 years for this exemption. There is a bill coming from the Assembly for a constitutional change. The amendment puts a couple of requirements into the Constitution relative to exemptions. The exemption should serve a public good and has public benefit; it does not impact revenue, particularly bonding, and it provides any granted exemption have a review date. I take no position on the apprenticeship program. I ask that you amend it to have a 15-year sunset review.

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SENATOR COFFIN:

The exemption would only last as long as this property tax funds the apprenticeship programs. It could go away if they did not have an apprenticeship program.

Ms. VILARDO:

Yes, that is correct. On the reverse, you have some apprenticeship programs that do not apply for the exemption because they lease space and do not own the property.

SENATOR COFFIN:

They could negotiate.

Ms. VILARDO:

You would need to ask your legal counsel if that would be permissible under the terms of the bill.

CHAIR MCGINNESS:

Ms. Calilung says the resolution is Assembly Joint Resolution 16 of the 73rd Session, and we have it posted in this Committee on Thursday.

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CHAIR MCGINNESS:

I will close the hearing on A.B. 110. The meeting of the Senate Committee on Taxation is officially adjourned at 1:58 p.m.

RESPECTFULLY SUBMITTED:

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Gloria Gaillard-Powell,  
Committee Secretary

APPROVED BY:

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Senator Mike McGinness, Chair

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