

**MINUTES OF THE
SENATE COMMITTEE ON TAXATION**

**Seventy-fourth Session
February 22, 2007**

The Senate Committee on Taxation was called to order by Chair Mike McGinness at 1:37 p.m. on Thursday, February 22, 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 Dean A. Rhoads
Senator Mark E. Amodei
Senator Michael A. Schneider
Senator Terry Care

COMMITTEE MEMBERS ABSENT:

Senator Randolph J. Townsend, Vice Chair (Excused)
Senator Bob Coffin (Excused)

STAFF MEMBERS PRESENT:

Tina Calilung, Deputy Fiscal Analyst
Russell J. Guindon, Senior Deputy Fiscal Analyst
Julie Birnberg, Committee Secretary

OTHERS PRESENT:

Mary C. Walker, City of Carson City; Douglas County; Lyon County; Storey County
Phyllis Hunewill, Chair, Board of Commissioners, Lyon County
Joe Sanford, Undersheriff, Lyon County
Robert Hadfield, Interim Manager, Lyon County
Dan Holler, County Manager, Douglas County
Doug Johnson, Chair, Board of Commissioners, Douglas County
John McCormick, Rural Courts Coordinator
Marv Teixeira, Mayor, Carson City

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Frank Adams, Nevada Sheriffs' and Chiefs' Association
Vinson W. Guthreau, Nevada Association of Counties
Bjorn Selinder, Churchill County; Eureka County Board of Commissioners
Greg Hess, Vice Chair, Board of Commissioners, Storey County
Gaylyn Spriggs, Nevada Taxpayers Association
Nancy McDermid, Board of Commissioners, Douglas County
Lewis Feldman, Lake Tahoe Development Company, Limited Liability Company
Mike Bradford, C.E.O. and Owner, Lakeside Inn and Casino
Patrick J. Kaler, Executive Director, Lake Tahoe Visitors Authority
John P. Sande, III, Harrah's Entertainment, Incorporated
Blaise Carrig, Chief Operating Officer, Senior Vice President, Heavenly Mountain Resort
Skip Sayre, Executive Director, Carson Valley Chamber of Commerce and Visitors Authority
Thomas McAleer, District Manager, Aramark Corporation, Zephyr Cove Resort Snowmobile Center, Lake Tahoe Cruises, MS Dixie and the Tahoe Queen

CHAIR MCGINNESS:

I call this meeting of the Senate Committee on Taxation to order. We have three bill draft requests (BDR) for Committee introduction. We will start with BDR 32-360.

BILL DRAFT REQUEST 32-360: Revises provisions governing distribution of tax revenue to library districts. (Later introduced as [Senate Bill 153.](#))

SENATOR CARE MOVED TO INTRODUCE BDR 32-360.

SENATOR SCHNEIDER SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS AMODEI, COFFIN AND TOWNSEND WERE ABSENT FOR THE VOTE.)

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CHAIR MCGINNESS:

Bill Draft Request 32-712 provides an exemption from the taxes on transfers of real property between a business entity and its owners if the transfer to each owner is proportional to the respective ownership interest in the business entity.

As I was told, this concerns companies transferring from one subsidiary to another.

BILL DRAFT REQUEST 32-712: Revises provisions governing taxes on transfers of real property. (Later introduced as [Senate Bill 154](#).)

SENATOR RHOADS MOVED TO INTRODUCE BDR 32-712.

SENATOR SCHNEIDER SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS AMODEI, COFFIN AND TOWNSEND WERE ABSENT FOR THE VOTE.)

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CHAIR MCGINNESS:

The final bill, BDR 32-939, is a constitutional amendment to change the sales tax provision.

BILL DRAFT REQUEST 32-939: Proposes to exempt sales of certain ophthalmic or ocular devices or appliances from sales and use taxes and analogous taxes. (Later introduced as [Senate Bill 152](#).)

SENATOR SCHNEIDER MOVED TO INTRODUCE BDR 32-939.

SENATOR RHOADS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS AMODEI, COFFIN AND TOWNSEND WERE ABSENT FOR THE VOTE.)

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CHAIR MCGINNESS:

We will open the hearing on Senate Bill (S.B.) 74.

SENATE BILL 74: Revises provisions governing expenditure of money in infrastructure fund of certain counties. (BDR 32-255)

MARY C. WALKER, (City of Carson City; Douglas County; Lyon County; Storey County):

My executive summary ([Exhibit C](#)) addresses S.B. 74 which allows rural counties to expend revenues from the tax infrastructure for certain additional types of infrastructure projects. *Nevada Revised Statutes* (NRS) 377B allows a rural county commission to impose a 0.25-percent sales tax for flood control, solid waste, water, wastewater and cultural historic facilities. Senate Bill 74 expands the use of the funds to include street and road projects as in NRS 373.028 and for facilities relating to public safety, judicial or recreational functions. You have an amendment which adds cultural and recreation functions. This bill expands the usage of revenue in Nevada's rural counties. It does not implement a new tax or a fee. *Nevada Revised Statutes* 377B was established to allow counties the ability to fund certain needed infrastructure projects. Because this limited use did not address the most critical rural infrastructure problems, most rural counties never implemented the sales tax for infrastructure, while their urban counterparts in Clark County and Washoe County did. This is one reason why the urban sales taxes are higher than rural sales taxes.

The most pressing infrastructure needs in rural Nevada are roads, public safety, judicial and recreation facilities. Senate Bill 74 expands the use of this sales tax for infrastructure to areas of critical importance to rural Nevada, to provide greater self-sufficiency in rural counties. Senate Bill 74 provides a mechanism to allow rural counties the ability to best serve their communities by addressing their most pressing infrastructure needs.

PHYLLIS HUNEWILL (Chair, Board of Commissioners, Lyon County):

Lyon County has an immediate challenge to find funding to meet the need for a new enlarged, modernized jail and public safety complex. We have had a team of county and city officials, judges and sheriff staff serving as a justice system task force for over two years studying, evaluating and confirming our need for this facility and determining how we might meet that need. We are one of the nation's fastest-growing counties. The recently released 2005-2006 county growth figures show a 10.6-percent increase of our population to an estimated 54,061 people. Our county dollars are already stretched to meet that growth. Like other counties coming before you this session, we find that our budget's projected revenues are not coming in this fiscal year as predicted by our county or the state. The incoming 2007-2008 fiscal year budget figures from the state indicate a shortfall in revenues. We have little ability to increase our revenues

because of various tax caps and abatements. Therefore, we must find other sources to meet our pressing and critical infrastructure needs.

What we address today with S.B. 74 is the existing sales tax revenue source of 0.25 percent available to counties for needed infrastructure projects for flood control, solid waste, water, wastewater and cultural historic facilities. Senate Bill 74 expands the use of those particular sales tax revenues in rural counties such as Lyon County, to help us meet our needs for facilities relating to public safety and judicial functions. The important thing is that this bill does not implement a new tax; we just need the Legislature to expand the usage of this infrastructure fund to help rural counties such as ours.

SENATOR SCHNEIDER:

What type of cultural buildings are in Lyon County? Are they historical buildings?

MS. WALKER:

Lyon County's needs are jails and large community centers that cannot be built using the residential construction tax which is for certain subdivisions and smaller parks. These larger things like recreation and community centers are what some counties wish to impose.

JOE SANFORD (Undersheriff, Lyon County):

Our infrastructure is lacking, and that is not unique to any other rural agency in the State of Nevada. Without exception, we have relatively few funding sources and limited resources within our county to assist with the development and implementation of a new law enforcement center. We are always exploring alternative funding resources, and this bill adequately assists in providing funding for our needs. Our law enforcement complex was built in 1972 and added onto numerous times. Our daily capacity is 54 inmates. We routinely run double that capacity, which may place us under federal oversight or subject to major litigation. The present facility has 8 offices for which we have 13 command staff; one of those offices is a closet, expanded to house a captain. We had to eliminate our conference room and interview rooms, so we have no place to meet and nowhere to interview victims of crime—we are failing our citizenry in that aspect. Our design is simply outdated.

ROBERT HADFIELD (Interim Manager, Lyon County):

We are working on our budgeting for next year. We are not exempt from the same challenges that the state and many other counties are facing. The problem in rural counties is that we cannot have a single revenue source large enough to do the job. Property tax will not do the job; abatement has caused us to take revenues normally put into capital construction to continue funding basic services of county government. We need a combination of revenues to build needed facilities. It is a challenge to keep operations going. Without additional flexibility and revenue sources for local governments, we have to choose between providing basic services of government and replacing facilities subject to issues we do not like to talk about with the American Civil Liberties Union etc. We ask the Committee to allow local government the opportunity for local elected officials to implement and use existing taxes in ways that more accurately and adequately meet our changing needs.

CHAIR MCGINNESS:

This bill mainly talks about the rural counties. Are all of them imposing this tax?

MR. HADFIELD:

No, not all of them impose the tax. We have such a diverse economy, many counties do not collect sales tax on anything. As long as Internet sales tax goes uncollected, and more people purchase off the Internet with no nexus for their purchases, our tax base narrows down. Our opportunity to expand those tax bases is limited due to the change in buying preferences of the public.

You do not have the critical mass of various businesses throughout rural Nevada to offset the 3-percent residential tax cap, pick up the advantages of the 8 percent tax and also generate the sales tax. Growth has locally driven revenues of the State of Nevada for a long time. We are entering a phase with more stabilized growth. The one leg of property tax we counted on to bond capital projects does not generate the same amount of money in the same manner; it is no longer a viable source of increased revenue.

CHAIR MCGINNESS:

Does Lyon County collect the tax?

MR. HADFIELD:

No, it does not meet our needs.

CHAIR MCGINNESS:

Ms. Walker, NRS 373.028 gives you the authority for projects on construction or maintenance or repair of streets and highways; subsection 2 talks about acquisition, maintenance, repair and improvement of street, avenue, boulevard, alley, crosswalks, sidewalks, grades, regrades, gravel, oiling and rights-of-way, catch basins and drains. That list is inclusive. Could we change that language to include projects that are described in subsection 2 of NRS 373.028?

MS. WALKER:

Mr. Chair, that is an excellent suggestion.

SENATOR RHOADS:

Who takes a hit on this?

MS. WALKER:

We already have the authority to implement the 0.25-percent sales tax; it is no new tax. We are changing the use.

MS. HUNEWILL:

It is a challenge for us to find the funding to keep up with that growth. We also have roads, and that is a challenge. Right now, this jail is one of our biggest needs.

SENATOR SCHNEIDER:

From what I hear, you do not have a business base out there. Businesses you do have are losing their business to Internet sales.

MS. WALKER:

True, but to add to that, the businesses follow rooftops. We are seeing a lot more commercial development in Lyon County because they are following those rooftops. That is a good measure for Lyon County.

SENATOR SCHNEIDER:

There is a moratorium on taxing Internet sales; maybe it is time for the federal government to lift that moratorium. Several years back, Assemblyman David Goldwater and I found third parties in place that can tax every Internet transaction, right down to the specific city or county. Someone should step forward and question federal elected officials about this practice. It is killing the industry.

MR. HADFIELD:

For a number of years, the National Association of Counties has been working with various industry groups. We have volunteer compliance from different industries where we also have nexus. It is not an all-or-nothing situation, but they have been trying to come up with an agreement to implement this. The State of Nevada is a partner in that overall agreement to make this work. It was said they could not drill down to the local level with the taxing rates charged at various levels. It is still a challenge because there are those who believe taxing Internet sales across the board—as you would if you visited the same store—would hinder that growth, but if you look at the numbers, the volume of those sales is increasing substantially. There is an impact on traditional stores that neither have nexus nor participate voluntarily.

SENATOR SCHNEIDER:

That is correct. It would not be a new tax.

MS. WALKER:

Nye County was not able to be here today, and I left you a letter ([Exhibit D](#)) indicating that they support S.B. 74. Elko County also supports this bill.

CHAIR MCGINNESS:

I have a letter of support from David Pound of White Pine County ([Exhibit E](#)), and will make sure all these are entered into the record.

DAN HOLLER (County Manager, Douglas County):

As my letter in support of S.B. 74 ([Exhibit F](#)) says flexibility to utilize that 0.25-percent sales tax is critical, I will not repeat the same testimony. The same challenge funding some of these infrastructure projects that have seen substantial increase in costs need a dedicated revenue source so you are not tapping your operating revenues at the same level. This becomes critical in terms of being able to make the financial decisions to be able to fund. We are strongly in support of the bill and the amendments as presented.

DOUG JOHNSON (Chair, Board of Commissioners, Douglas County):

I am here in full support of S.B. 74. This is not a new tax; it just gives us the ability to expand taxes that we may implement now, and address dire needs of our community like the community center and the jail.

JOHN MCCORMICK (Rural Courts Coordinator):

I am here today representing the Judicial Council of the State of Nevada. The Judicial Council, which represents judges from all levels of the court system, supports S.B. 74 because it allows rural counties—particularly White Pine County which has a dire need—a way to fund new courthouses and court facilities.

MARV TEIXEIRA (Mayor, Carson City):

This bill illustrates the diversity we have from county to county; the needs change. For instance, there are needs for jails and courts. Carson City has a brand new courthouse and jail. We are building a \$12-million administration building for the sheriff's office without raising taxes. We are using revenue streams approved out of this Legislature. Last Session, the Legislature gave Carson City the authority to fund the V&T Railway project. Senator Rhoads asks who takes a hit. We take the hit. When you did that, it allowed me to implement a 0.25-percent sales tax without a vote of the people. This is how it worked in Carson City; on the final night we had approximately 75 people show up, with 74 in favor of the project and 1 against. We can do things and take care of our communities. If I am going to increase sales tax, I want to increase sales to create more sales tax. That is my economic engine which is missing a few cylinders because of the down turn in automotive sales. You take that coupled with the cookie-cutter, 3-percent tax cap, and you have a serious problem. Give us the flexibility. Let us do the job the people elected us to do.

SENATOR AMODEI:

Please elaborate on the statement "cookie-cutter 3-percent tax cap" after explaining the Angle Property Tax Restraint Initiative that was staring this Legislature in the face before that cookie cutter thing was done and indicate your preference between those two cookie cutters.

MAYOR TEIXEIRA:

Neither. In the north, people at Incline Village were rattling the cages and beating the drums. The south has the majority of new residents, and taxes are going up. Maybe we can do things if the Legislature says, okay Washoe, fix your problem, here are the parameters and time frame to complete the job. When I go to the public in the spring with surveys asking what the biggest problems are, 67 percent of the people say illegal drug use. Taxes were 20 points behind drugs. I get capped at one of the lowest tax rates in the State of Nevada.

SENATOR AMODEI:

I appreciate you trying to categorize what happened with the tax cap. I recall extensive input from the Nevada League of Cities and Municipalities, Nevada Association of Counties (NACO), and folks around the state, including Incline Village and Tahoe Basin. The real estate market went north in a hurry throughout the state.

FRANK ADAMS (Nevada Sheriffs' and Chiefs' Association):

I speak for my rural sheriffs and chiefs who S.B. 74 really affects. We have struggling counties and police departments in need of help with regard to facilities. Let me give you some examples: Churchill County Sheriff's Office, 1972; Pershing County, 1976; White Pine County, 1979; Carlin Police Department, 1920s—built in 1907 and still in use. We stand in support of this bill.

VINSON W. GUTHREAU (Nevada Association of Counties):

I am speaking in support of S.B. 74. Any time there are allowances for counties to do what they feel is appropriate, NACO has a general policy of supporting those, and we make that provision to support S.B. 74.

BJORN SELINDER (Churchill County; Eureka County Board of Commissioners):

I am here to urge your favorable support for S.B. 74. Churchill County has implemented the 0.25-percent sales tax for water resource management and development. As time goes on, there will be other needs. The beauty of expanding the uses of the revenue source is it allows local government to set its own policies and utilize those resources in areas most needed.

GREG HESS (Vice Chair, Board of Commissioners, Storey County):

Storey County implemented the 0.25-percent sales tax in the year 2000. Since then, we put several roofs on the middle school, and replaced about \$1 million worth of pipeline that fuels the water system for Virginia City from a different basin. We have the duty of taking the pipeline from underneath the freeway all the way under Virginia City. This 0.25-percent sales tax has benefited that project. Alternative issues for our 0.25-percent sales tax include justice courts, and legislative buildings, as well as the pipeline. Storey County has a window of opportunity with the Tahoe-Reno Industrial Center creating quite a boom for Storey County. This 0.25-percent sales tax helps the County. As one of the oldest cities in the state, a lot of buildings we have were put up in 1875 are still operating. This gives us the ability to help those buildings.

SENATOR SCHNEIDER:

With Senator Amodei as my co-sponsor, I have a bill requesting \$25 million to help restore some of those buildings.

GAYLYN SPRIGGS (Nevada Taxpayers Association):

We support the amendments to S.B. 74. Since 19 pieces of legislation allow all of these things—from roads to mass transit to policemen—for rural counties, from 0.25 percent to 1 percent, maybe it is time for the Legislature to designate one bill that says whatever the counties need to do, they have 1 percent of the sales tax. Instead of trying to cover all these different things and changing them every session, just have one bill that says do whatever you want with your 1 percent.

CHAIR MCGINNESS:

We close the hearing on S.B. 74 and open discussion on S.B. 94.

SENATE BILL 94: Revises provisions governing the occupancy tax imposed on lodging in Douglas County. (BDR S-39)

Mr. HOLLER:

We request your support for S.B. 94 which allows an increase in transient occupancy tax, also referred to as the TOT or room tax. This bill has impacted two special acts in Douglas County, the Tahoe-Douglas Visitor's Authority Act and the Douglas County Lodgers Tax Law. Those acts lay out the way occupancy taxes are levied in Douglas County and how those proceeds are utilized. The request before you today is to increase the rate of tax under those two special acts from 8 percent to 10 percent. We have some amendments in a handout ([Exhibit G](#)). These amendments are necessary to maintain the allocation formula of room tax revenues between the county promotion of tourism and other activities.

The first amendment changes the amount from 5 percent to 5.25 percent on page 2, line 11 of the bill. Anything above that is committed to promotion. We need to add an amendment to section 2 of S.B. 94 allowing the Tahoe-Douglas Visitor's Authority Act to change the proceeds from 12.5 percent to 10 percent to properly reflect the allocation of revenues. The final allocation of taxes between the county and Visitor's Authority is split 35-to-65 percent; we recommend a split of 30-to-70 percent with 70 percent going to promotion. In terms of allowance and use, the current tax allows the planning, construction

and operation of a convention center in the Tahoe Township. We request this be amended to reflect the Lake Tahoe South Shore Community including the Tahoe Township and the City of South Lake Tahoe.

We brought this bill forward starting with an industry request from our hotels, motels and casino industry and how they move forward to meet challenges in the county relating to the promotion of tourism. In some areas, we see a decline and future threats to our tourism industry. We have a number of representatives here from the various properties. The Visitor's Authority can speak to that in detail. We recognize a challenge as it impacts the tax rate increase in our occupancy tax and bring it forward based on requests from our community and the people who collect, pass on or absorb the tax into our room tax rates.

SENATOR CARE:

Where does the Governor stand on this bill? Why would anybody vote for a tax increase if the Governor is going to veto it? That underlies much of what this Committee does, and that same thing has already arisen in other committees. Some things we do every session would be best left to the counties and cities. I am inclined to say why not let counties do what they want with the revenues they generate, but we are not there and have to deal with the position of administration. That is a concern for everybody here.

MR. HOLLER:

We understand that issue in working with the Governor's Office on concerns they have raised over the increase in taxes. It would be dynamite if we could get fiscal home rule. We would support you 100 percent. We have had discussions with the Governor's staff; we have raised the same concerns because of their comments related to no tax increases. Preliminary discussions with them have a positive indication related to the bill. Their primary concerns at the time were: this is an industry requested bill and the industries in Douglas County are requesting to be taxed; Senate Bill 94 relates to a visitor's tax versus a residential; and it deals with two pieces of legislation applying to Douglas County only. This tax would not be imposed throughout the state or within other counties. We have gone through the public process within the county with public hearings that have not drawn opposition to the tax. The question remains whether the Governor will support the bill; we are working closely with his staff to make sure that issue gets addressed affirmatively. Initial indications are that we have support for the bill.

MR. JOHNSON:

We have a couple resolutions in Douglas County, one at Lake Tahoe and one at Carson Valley, and both of them passed in support of this bill. This is an unusual bill; it is a win-win situation for all and the people from the industries subject to the tax are here to speak in support of this bill.

NANCY McDERMID (Board of Commissioners, Douglas County):

My district includes the Tahoe Township. This is an industry requested tax. A partnership has emerged in the Tahoe Basin that is blurring the state line. The Chamber of Commerce in the City of South Lake Tahoe and the Tahoe Douglas Chamber of Commerce have merged and formed one chamber. About 400 businesses on the Nevada side and about 600 businesses on the California side are working within the Tahoe Regional Planning Agency (TRPA) that governs the Tahoe Basin. I sit on the governing board of the TRPA. They unanimously approved the convention center project. This is a \$400-million project in which the Douglas County component would give Tahoe Township 2 percent of the TOT amounting to about \$15 million.

A Shingle Springs Indian gaming casino is under construction on Highway 50. The supervisors of El Dorado County, California, which also includes South Lake Tahoe, cut a deal to drop their lawsuit against the tribe to the tune of \$200 million for the coffers of El Dorado County. That casino is getting ready to open, and they are putting an interchange in on Highway 50. Tahoe has been a drive-up market, and this is going to significantly cut into our share of that market. Room tax revenues in Douglas peaked in fiscal year (FY) 2001-2002 and are just now getting close to that point. The sales tax this year has declined in the first five months, to 9.6 percent less than 2006. That infamous cookie-cutter property tax is important to certain taxpayers, but it does limit local revenues. We need support for S.B. 94 to counteract what is happening; and it is going to cut into our gaming revenues and retail sales tax as well as our TOT tax. This convention center would work in the shoulder season. For the first time, California employees could come up to the Tahoe area. They cannot cross the state line to spend the night, but they can come over to game and eat and recreate. There is a great deal of history of what happened to the Reno market when the Thunder Valley Casino opened. We know what happens when an Indian casino is built on a highway that leads to Nevada.

CHAIR MCGINNESS:

You indicated the sales taxes were down 9 percent?

MS. McDERMID:

Sales tax declined this year 9.6 percent behind last year.

CHAIR MCGINNESS:

What about the room tax revenue?

MS. McDERMID:

I do not have those figures, but we are getting close to the figures from FY 2001-2002.

MR. HOLLER:

Room tax revenues peaked in 2001-2002. Through December 2006, we are approaching that peak.

CHAIR MCGINNESS:

Does some of the problem have to do with the lack of snow?

MR. HOLLER:

Yes, more snow this year would have been beneficial, but in the gaming market, the amount of traffic and head count has declined from a drive-up market. The sales tax numbers for our eating and drinking attraction, which used to be about 30 percent of our sales tax base, are down to about 22 percent. A continual erosion of that piece of the sales tax reflects both the lack of people and increased competition for that dining dollar.

SENATOR CARE:

The Las Vegas Convention and Visitors Authority maintains an office or offices in Europe and Hong Kong, largely to generate junkets or collections for gaming and tourism. We used federal highway dollars in California for the widening of Interstate 50 in Victorville and Barstow to assist getting people to Las Vegas. U.S. Congressman Jon C. Porter, Sr. got approval to widen the highway from Laughlin with some of that money for California. Is there any precedent using tax revenues generated in Nevada outside this state?

MS. McDERMID:

Yes, you are correct; much of the TOT tax goes towards promotion, marketing and advertising. Of the \$200 million the tribe plans to pay El Dorado County, about \$104 million is to widen Highway 50 in that area. Once you get past Placerville, you are on a two-lane road to Lake Tahoe. It would be great to get

that widened, but I do not see that happening. Those monies would promote the convention center and our side of the state line.

SENATOR CARE:

Is there anything on the scale of a convention center that is paid by tax dollars collected in Nevada but expended outside the state?

MR. HOLLER:

I am not aware of that type of project; some of the industry folks may know if we do that. We pool dollars for promotional activities of events that cross the state line on a regular basis—the Fourth of July celebration, New Year's celebration etc.; we do a lot of joint-dollar activities that way. I am not sure about an actual facility being funded. This is right at the state line, the width of a street and next door to Harveys.

SENATOR CARE:

Who owns the land?

MR. HOLLER:

Representatives here can address that.

SENATOR CARE:

The Lake Tahoe Visitor and Convention Bureau would lease it?

MR. HOLLER:

There would be a partnership with the City of South Lake Tahoe. The city will own the convention center. We are looking at a \$400-million project; we would do some bonding work up to \$15 million in support. Though we are a minor player, we need to do something to boost our tourism at Tahoe.

MR. JOHNSON:

It is unusual to cross a state line, but we do not have the availability for a convention center in Lake Tahoe on the Nevada side. This is our way of working with the businesses in California and Nevada, taking a bold step, and trying this route because it will generate incomes from both sides of the state line. It is not easy for me to vote on using our taxpayers' money to fund something across the state line, but the benefits far outweigh the disadvantages.

SENATOR SCHNEIDER:

This facility touches the Nevada hotel casinos and seems like corporate welfare. It will directly benefit those hotel casinos. Because it is in their best interest to have a walking ramp to a facility, should they not put up the money? A lot could be done with the taxpayers' money in Douglas County. Although it seems like corporate welfare, these casinos are not losing money; every month they are setting record profits. If they want to bolster the bottom line of a particular facility, it looks like they have the resources to directly benefit themselves and not somebody living in Minden or Gardnerville. Our Committee has to look at this.

MR. JOHNSON:

Your point is well-taken. This is why we negotiated the return of 0.25 percent to county funds; that does help our general fund budget. It is a sharing of corporate welfare. The more we look, it is still the best for all of us, and we support it. We have one entity that owns three casinos. They have 40-plus other casinos across the nation and the world; it is hard to compare apples to apples when you talk about Lake Tahoe.

NANCY McDERMID:

I want to respond to Senator Schneider. Anywhere else except in the Lake Tahoe Basin, which is governed by the TRPA, that might ring truer, but in the Basin, public-private partnership is about the only way we get new things done. The mountainside redevelopment project across from the convention center site took 12 years to complete. This project on the lake side has been in the works a long time, but results on the mountain side of the street made the regional agency support the project to benefit lake clarity and the national treasure of Tahoe. All of this is working together. It becomes impossible if we do not work together.

SENATOR CARE:

Through the community college system, the Board of Regents has approved a campus in Macau, intended to teach students in Macau to work in the resorts there.

SENATOR SCHNEIDER:

The somebody who owns three casinos is probably Harrah's Entertainment, Incorporated (Inc.); they have a lot of property. Harveys has a huge parking structure, a lot of land and surface parking. They could choose to build a

convention center above all that with their private dollars. In Las Vegas, the big hotels have added their own convention centers of 1-million square feet or more. They still support enlargement of the local convention center, but they go out to enhance their own properties and invest their own dollars. I have a hard time with this whole thing. Did you bring someone from Harrah's?

MR. HOLLER:

Representatives from the Lake Tahoe Gaming Alliance, which includes Harrah's, will speak to the bill. To build the convention center on the property under TRPA rules would probably be a 10- to 20- year process to get the commercial floor area. The amount of square footage housing structured gaming they can actually build in Tahoe is restricted. A debate that they can move any gaming outside the existing buildings goes back to TRPA concept. Harveys' parking lot is on land leased from the Park Cattle Company; they do not own it outright. Some of the other properties are on leased land. If they want to do something in that area, the time frame for the permitting process to move through the agency would take numerous years.

LEWIS FELDMAN (Lake Tahoe Development Company, Limited Liability Company): The Lake Tahoe Development Company is the proponent trying to advance the project located at the state line in South Lake Tahoe, California ([Exhibit H](#)). I started working on this project in December 1994 and was engaged by a family-owned casino called Harveys. Since that time, the landscape has remained remarkably stale with one notable exception: the redevelopment project directly across the street from the 11.5-acre site depicted in this site plan. A \$400-million undertaking is proposed with about \$65 million in contributions from the City of South Lake Tahoe, and the balance in private funding, excepting the \$15 million we constructively applied with Douglas County to advance S.B. 94. We did not know the great risk of this economy when the project was conceived.

The land has been assembled by the Lake Tahoe Development Company at a cost of \$65 million, or \$6 million an acre. The convention center element as depicted on Stateline Avenue is 50,000 feet of net rentable. Convention centers are generally loss leaders, and not profitable, but they generate other benefits. The independent review commissioned by the City of South Lake Tahoe has forecast this project, when constructed, would generate \$78 million per year of new revenue to this market. Of this, one-third in new room revenue, 60 percent would be absorbed in the hotels on this site with the balance to neighboring

hotels, predominately the 2,250 rooms located in the casino core. Discretionary spending of \$50-plus million would fortify the food and beverage sales tax realized from that as well as gaming revenue and other recreation and sales tax for retail goods in the market.

This is a critical piece to realize: the reinvention of this drive market to become a destination market. We have severe shoulders in the spring and fall, and we do not have a meeting facility to accommodate those groups. This 50,000 feet of meeting space would accommodate groups that cannot convene on the Nevada side and also provide a venue for entertainment events to seat as many as 4,500, which our market only captures during a short summer season in the Harveys' parking lot.

As a land use attorney practicing law in Zephyr Cove for the last 30 years and working almost exclusively on projects involving the TRPA, I wanted to respond to Senator Schneider's observation about the casinos undertaking this type project. Senator Amodei is aware the TRPA was created by an act of Congress and the TRPA Compact narrowly defines structures housing gaming. These structures have not changed much in the last however many years because they are constrained by the TRPA Compact which is beyond our authority. That is the preemption clause of the *Constitution of the United States of America*. These casinos do not have the opportunity to create this kind of facility within the confines of their existing regulatory environment. Those of us in the trenches of this market in the last decades know that for better or worse, South Stateline is not the economic engine driving the casino industry. Competition for capital reinvestment in that market has been brutal. The city has stepped up in a big way. We are asking you to embrace unprecedented legislation which is a collaborative effort blurred by a state line that benefits residents of Douglas County and the City of South Lake Tahoe. In addition to the economic base is a monumental environmental upgrade to this area where Nevada, California and the federal government have agreed to spend almost a billion dollars to try and save Lake Tahoe. This project will treat storm water, reduce traffic, increase recreation, and advance many goals of TRPA. The environmental community supports this as well as the Chambers of Commerce, Lake Tahoe Gaming Alliance and lodging associations.

CHAIR MCGINNESS:

Are there any major properties at Lake Tahoe that do not endorse this project?

MR. FELDMAN:
No.

SENATOR CARE:
Would you explain the legal arrangement, real property ownership, leases and length of the projected leases?

MR. FELDMAN:
The 11-acre site contains 2 hotels. The hotel adjacent to Stateline Avenue has 50,000 feet of attached meeting space that will be owned in fee by the City of South Lake Tahoe and leased to the hotel operator. This party will operate the hotel and convention facility, absorbing facility operating costs in collaboration with the Lake Tahoe Visitors Authority and the Tahoe-Douglas Visitor's Authority. The spirit of partnership pervades this enterprise.

SENATOR CARE:
Even though you pointed out that convention centers are not always profitable, they nonetheless generate some revenues. Assuming they would be profitable, there would be taxes. Tax on revenues generated in California would be subject to California taxes. Is that correct?

MR. FELDMAN:
It is correct, although the City of South Lake Tahoe has pledged tax revenues to bond their \$65-million contribution.

SENATOR RHOADS:
How many rooms are on the South Lake Tahoe, Nevada side and how many on the California side?

MR. FELDMAN:
In the casino core, the Nevada side has 2,250 rooms. Of about 6,000 rooms throughout the city of South Lake Tahoe, at least half are functionally obsolete.

SENATOR RHOADS:
For a big convention, where would everybody stay?

MR. FELDMAN:
Many communities that construct convention facilities do not have the bed base, but we have 2,250 rooms next door on the casino side, a 400-room

Embassy Suites directly across the street and 2 new Marriott Hotels with 750 rooms. We have 3,400 rooms within walking distance before the 488 rooms are constructed at this location. We will have almost 4,000 rooms within walking distance of not only the casinos and convention center, but the gondola to Heavenly Mountain Resort.

MIKE BRADFORD (C.E.O. and Owner, Lakeside Inn and Casino):

I am here to represent the Lake Tahoe Gaming Alliance. Our Alliance is composed of the gaming properties at South Shore which includes Harrah's, Harveys, Bill's, Montbleu Resort Casino and Spa, Horizon Casino Resort and Lakeside Inn and Casino ([Exhibit I](#) and [Exhibit J](#)). I am also a board member of the Tahoe-Douglas Visitors Authority. This entity uses the TOT dollars collected from our visitors to Lake Tahoe for the promotion of tourism and marketing; it is the organization that would pass these funds through for bonding the convention center. You heard how the City of South Lake Tahoe, Douglas County and the businesses are cooperating in a public-private partnership. It is important to understand that public-private partnership has been driven more by survival than through our well-meaning efforts.

Our community is under pressure from California Indian gaming. Contrary to your optimism about profitable properties, the gaming revenue market has been flat and in decline over the last ten years. We have maintained our profitability through productivity and efficiency, but that will no longer protect us over time with declining volumes. The competitive pressures from California Indian gaming are only going to increase.

The unique dimension of Lake Tahoe is the regulatory environment in which we live. It is clear from questions by Senator Schneider there is a belief that Lake Tahoe resembles the rest of Nevada, and we are not at all like any other place. Our regulatory environment makes it difficult for us to do anything. For example, my casino cannot expand by more than 15 percent. Entitlement costs are almost prohibitive, and the idea of a convention center in the casino core is inconceivable from a regulatory point of view. We are experiencing competitive threats likely to vest themselves soon, as with the Shingle Springs Casino mentioned by Commissioner McDermid that could easily take 10 percent or 15 percent out of our market. In our flat market, that could be fatal to many businesses some of which are in Nevada.

What we propose to do here is creative, and it requires a broad understanding that is not common. In the last year during our efforts to merge the Chambers, a lot of people have resisted public-private cooperation and willingness to work with our partners across state lines. The only way we can accomplish great things at South Lake Tahoe is if we enter into these partnerships. In this case, we have a creative way that permits the gaming properties and Douglas County to contribute a relatively small portion—\$15 million is what we are talking about bonding with this 2 percent—to achieve a \$400-million project contiguous with our county and our businesses. That project is going to directly benefit gaming properties in Douglas County along with residents of Douglas County and the City of South Lake Tahoe who are either employees or owners of these businesses in that area. Our tourism economy basically depends on the City of South Lake Tahoe; the rooms on the California side are necessary to support our casinos. Casino rooms alone are not sufficient. Over the years, we rely more and more on our relationship with the City of South Lake Tahoe. This convention center would be funded largely by the private monies described.

MR. BRADFORD:

We are struggling to survive and doing everything we can to improve our business performance. The transient occupancy tax we collect is spent for marketing purposes. This tax is not in the context of normal tax. We collect it from our visitors. It is not a levee on the general citizens of Nevada or local residents. We use that money to leverage more visitors to improve our performance; in most cases, that money is spent outside Nevada. We use it for marketing in San Francisco, Los Angeles and many other places. It is collecting monies from our visitors outside the state. The TOT is generally spent outside our area. Using it to bond the construction of the facility is not as unusual as it may sound.

Increasing the TOT effectively increases the room rate we charge to our guests, and that is the right thing for us to do. The leverage we get from this increase is going to multiply the revenues more than the cost of this increase. In order to help fund this project, the City of South Lake Tahoe increased their transient occupancy tax rate from 10 percent to 12 percent.

We continue under tremendous pressure. Our vision in changing our product to be successful requires us to become a resort destination. Some of the vision Las Vegas has demonstrated is what we must also do. The drive-up market is going to Indian gaming facilities, and we have to redefine our product. Our

regulatory environment makes it virtually impossible to evolve quickly enough and become contemporary to compete with a lot of other locations where our visitors choose to go. We have brought you our greatest opportunity towards evolving the South Shore community to improve the competitive capability of the Nevada gaming properties and in turn, improving the economy of our area which benefits Douglas County and the State of Nevada. If we neither succeed with this project nor get the funding support to make this project happen, it will not happen. It is critical to get your support for this. As one of the businessmen who owns property there and struggles day to day to make this succeed, the people who participate in this effort have done so with the recognition that this is the next step for our community.

PATRICK J. KALER (Executive Director, Lake Tahoe Visitors Authority):

I ask your support for S.B. 94 in my letter ([Exhibit K](#)), to increase the occupancy tax within Douglas County from 8 percent to 10 percent. The organizations I manage are working with local private and public leaders on the construction of a new convention center for Lake Tahoe, South Shore. The addition of a convention center is yet another phase of the overall redevelopment project in Lake Tahoe adjacent to the Lake Tahoe gaming facilities. Additional funds for the convention center will enable the Lake Tahoe Gaming Alliance, Tahoe-Douglas Visitor's Authority and Lake Tahoe Visitors Authority to diversify its tourism marketing and promotions beyond the leisure tourist. Continuation of the diversification of Lake Tahoe's South Shore marketing and promotion is critical to the economic and social environment of the Lake Tahoe community. The competition for destination travelers is growing immensely. The gaming industry has grown tremendously in the United States with 48 states offering gaming opportunities to the public.

It is important to consider S.B. 94 with the onset of the casino in the Shingle Springs area, about 80 miles outside the Lake Tahoe Basin. This casino is already having a huge impact on our tourist destination. The new convention center will allow our casino properties and community to thrive and prosper with these onsets of new threats.

SENATOR CARE:

I am interested in getting information from the Shingle Springs Indian casino studies on visitor volume projections, revenue projections, anything that shows a detrimental effect or a study on diversions or the origin of visitors who come to South Lake Tahoe right now.

MR. BRADFORD:

In terms of the impact of Indian gaming, the results from southern Nevada are not relevant to South Lake Tahoe. We cannot evolve our market. What Las Vegas did so brilliantly was to recreate that destination continually for 20 years. Doing that in Lake Tahoe is inconceivable because of our regulatory environment. The idea of a monorail is outside of the realm of consideration in Lake Tahoe. Our properties cannot be changed or expanded to provide experiences that other destination resorts achieve due to our environmental regulations. The Las Vegas comparison does not exist for us because we cannot compete that way. The projected impact of the Shingle Springs Casino is recognized anecdotally through the Thunder Valley Casino opening when Reno took about a 10-percent hit on casinos during an adjustment period. Again, there is a lack of comparability because Reno—over a longer period of time in anticipation of California Indian gaming—did a good job diversifying its economy, becoming more light industry-based and growing from a residential point of view. At Lake Tahoe, we do not have those avenues available to us; we are much more constrained. The experience of Thunder Valley and Reno is comparable for Tahoe and the 10-percent numbers are generally conservative.

The casino proposed near Placerville is approximately the size of Harrah's and Harveys. The detriment to the drive-up market by California Indian gaming at Tahoe has already created this decline in the gaming revenue market. Inflation-adjusted, that market has gone from about \$400 million to about \$350 million over a 10-year period. Those numbers are right out of the gaming abstract. You can look and see what is happening to our market. We are shrinking, not growing. In absolute dollars, the detriment is huge. Translated into what the State of Nevada loses and what the residents of South Lake Tahoe and Douglas County lose in terms of employment, we are closing schools in our area. We live in a difficult environment. Solutions that work in other places are not available to us.

SENATOR CARE:

I understand your choices are limited. I would like to look at anything you can get in numbers, dollar figures and projections.

MR. FELDMAN:

I worked with the University of California, Davis, that has been conducting research at Lake Tahoe for the last 30 years to find a location to construct their environmental center. After exhaustive efforts, we could not identify a site and

construct a facility to further special-related research at Lake Tahoe on the California side and ended up partnering in Nevada with the University of California (UC), Davis, as one partner and Sierra Nevada College as the other partner. That facility has since been constructed. The UC Davis facility and the State of California are emblematic to some degree. We cannot build the convention center in Nevada. We have found something as close to Nevada that is physically possible to benefit Nevada.

SENATOR SCHNEIDER:

I understand some of your restrictions up there and realize this is not the Las Vegas Strip where the only limitations are the pocketbook and imagination. What concerns me is costs to build this 50,000 square foot convention center, which is not big by Las Vegas standards. How much have the casinos invested to get this? It appears \$15 million. How much does it cost to build a convention center space—\$300 a square foot, \$400 a square foot? Out of the 50,000-square feet, Nevada is building 40,000-square feet.

MR. FELDMAN:

The 50,000-square feet is net rentable; it is 100,000 with back of house.

SENATOR SCHNEIDER:

We are building half of the convention center. What is private industry putting up? My challenge to you is that we live in Las Vegas, our constituents read the papers there and every month the gaming industry sets record profits, and that includes Harrah's Entertainment, Inc. That is why this appears to be corporate welfare. The casinos all say yes, we are in agreement. Senator Care and I can agree to someone building a nice chalet in Lake Tahoe for us to use during the winter whereas somebody else builds it, pays for it and we just use it. We will have unanimous agreement if we do not have to put up any money. That is why I have to go back, look my people in the face in Las Vegas and say you people are giving away more corporate welfare up there. You could help me out by telling me how much you are investing and who is behind this.

MR. BRADFORD:

Our objective is to make this investment by self-assessing our properties with the TOT that adds a cost to our guests. The law of supply and demand moves that price point, which to some extent makes it less desirable for our guests. We are enduring an economic detriment to make this happen. One reason that we do not have the kind of investment in Tahoe that they do in Las Vegas is

because the returns are not there. This activity at Tahoe costs 15 percent more than anywhere else with a lower return on investment. A company like Harrah's has sizable investments at Tahoe compared to opportunities elsewhere that demand capital investment. We walk a fine line to generate resources. Senate Bill 94 is good for the area and for me. Our community is suffering; unless we stimulate our economy, schools will continue to close, people will continue to move out of the area and we will end up with no one to enjoy a beautiful environment. We are bearing the burden of the convention center by increasing our room rates, and we do not take that lightly.

MR. FELDMAN:

Speaking for the Lake Tahoe Development Company, there will be \$320 million of private funding in this project. We are grateful to the Gaming Alliance for their support because without this final hurdle, we would not be able to implement this project. I do not look at it as corporate welfare, I look at this as a partnership that is good for the area. We appreciate your support and hope you can embrace it as well.

JOHN P. SANDE, III (Harrah's Entertainment, Inc.):

In 1978, Bill Harrah died; I was fortunate as a young attorney to handle the estate. Back then, Harrah's only had two properties, one in Reno and one in Tahoe. Harrah's Tahoe was built in the early 1970s when banks would not make loans to casinos in Nevada, so it was built on six-month notes. Because Las Vegas was not a big force, Bill Harrah got people like Frank Sinatra, Bill Cosby and Sammy Davis Jr. to regularly appear. When the estate needed money to pay taxes, Holiday Inns, Inc. acquired Harrah's Hotel Casino Company in 1980. A lot of things have happened since then. Phil Satre joined Harrah's as general counsel, became the chief executive officer and built it into a major entity. Las Vegas has changed the whole environment, and back in 1978 everybody was going to Atlantic City. There is a lot more competition.

The TRPA made expansion difficult and costly at Lake Tahoe. As a result, Tahoe has struggled, and Harrah's earnings from Tahoe over the years are not as good as elsewhere. This convention center is similar to what they did downtown in the Reno Events Center that has been successful. Even though there was opposition, all the casinos have all taken advantage of it. On behalf of Harrah's, I am here to support this legislation.

BLAISE CARRIG (Chief Operating Officer, Senior Vice President, Heavenly Mountain Resort):

Despite Lake Tahoe's beauty, it faces severe competitive challenges from destination businesses across the country and closer to home from the Indian gaming threat in Shingle Springs. The community is also deteriorating. There has not been much investment because business has declined. In 2000, the Heavenly Village and the Heavenly Gondola opened up, which went a long way to revitalize the physical condition and business climate in South Lake Tahoe. That project is half-baked. The remainder is Project 3 ([Exhibit H](#)), this convention center and the hotels across the street. Reconditioning the physical asset will provide environmental improvements and go a long way to provide a much needed resort and marketing attraction for the area. This is a somewhat unique taxing situation where a group of competitors have come together to support taxing their own visitors for a project that will help redefine the South Lake Tahoe marketplace both physically and from a market standpoint. It will improve the condition of the community, create a vibrant economic engine, tax visitors to grow revenue and create jobs in our community.

We have a saying in our company that we operate destination resorts, and we were attracted to Lake Tahoe because of its potential as a major destination attraction. We operate resorts all across the Western United States. We have another saying that we have to move our business at the speed of thought; that is, how quickly can we think of things and implement them. We have come to a whole new redefinition of that term in Lake Tahoe. As we look at our projects, we are in the third year of a master plan— project approval takes about twice as long as it takes in most other communities. This convention center project has been baking for a decade, and timing is imperative. If this project does not get the tax support it needs and is delayed a couple more years, it will probably fall by the wayside. I am familiar with building resort convention facilities at our own resort in Keystone, Colorado, and another at a competitor's operation at Snowmass in Aspen, Colorado. Both of those convention facilities are built and supported by TOT tax dollars.

SKIP SAYRE (Executive Director, Carson Valley Chamber of Commerce and Visitors Authority):

As you have heard, S.B. 94 was initiated by business interests and the community at the South Shore of Lake Tahoe. Dan Holler came to us in Carson Valley to gauge our interest in participating in this process involving the East Fork Township portion of Douglas County to support this increase. What

we did as both a Visitors Authority and Chamber of Commerce is go to our constituents, both in the business community and tourism industry, to determine their interest in what to do with this kind of revenue increase should we realize something from an increase in the transient occupancy tax. Our Chamber of Commerce represents more than 540 business owners and operators in Carson Valley; our Tourism Marketing Committee is the governing body in our organization for expenditure of available TOT funds. We asked them what they thought about increasing the TOT from 8 percent to 10 percent, both from a business perspective as well as from the lodging industry in Carson Valley. Support for this increase was overwhelmingly positive for a number of reasons, itemized in my letter to your Committee ([Exhibit L](#)).

Carson Valley has experienced unprecedented growth over the last few years. We need to develop a marketing program and a site or attraction that provides visitors a compelling reason to come to Carson Valley. Our room nights have declined consistently over the last three or four years. This opportunity for marketing and promotion of tourism is something to help reverse that trend.

We spent the last couple years in comprehensive research and development of a branding campaign for Carson Valley called the "Magical Carson Valley." In June, we will bring together a series of special events under the banner of a two-week celebration of our community called "Magiko," which is the Basque word for magical, to promote visitor-friendly activities and amenities that we offer in our area. Additional funds generated by an increase in the occupancy tax would expand these kinds of special events, promote the destination and reinforce the brand.

By resolution of the Douglas County Board of Commissioners and as called for in the legislation, 87.5 percent of this increase goes toward the promotion of tourism. As we deal with questions of growth in Douglas County and specifically Carson Valley, our business community and tourism industry believes tourism benefits can help alleviate some challenges by being a catalyst for economic growth and employment, demonstrating the need to preserve our natural resources, helping local businesses and supporting special events, sports, arts and culture. To maximize these benefits, we require an ongoing investment, and this is a partnership with local governments, specifically Douglas County. The tourism industry continues to be increasingly sophisticated and competitive. These resources help us deal with those challenges and grow a

critical component of the economy in the Carson Valley portion of Douglas County.

SENATOR CARE:

Mr. Carrig, you gave two examples of other convention centers you work with.

MR. CARRIG:

I am familiar with those two, yes.

SENATOR CARE:

They were built with room tax dollars similar to what is proposed here, is that correct?

MR. CARRIG:

That is correct.

SENATOR CARE:

Where was that again?

MR. CARRIG:

One is Keystone, Colorado, and the other is Snowmass in Aspen, Colorado.

SENATOR CARE:

Were those convention centers built because the tourism industry was in decline or built for expansion? I do not want the Legislature to tell you to do this, then it is done and does not put a dent in the numbers. Everything remains flat. Please fill me in if you know why those convention centers were built and the results.

MR. CARRIG:

The main reason for both properties was to take communities that had a single-season tourism dimension, in winter—Lake Tahoe is a different because it has a strong summer dimension—and develop multi-season occupancy and revenues. They were built to bring business meetings into those communities other than the peak business times; they are primarily used in spring, fall and summer, and successful in growing the occupancy rate and economy of those communities.

THOMAS MCALEER (District Manager, Aramark Corporation, Zephyr Cove Resort Snowmobile Center, Lake Tahoe Cruises, MS Dixie and the Tahoe Queen):

The development of a convention center would help lessen our community dependence on weather and bring more people to our community to drive revenues during soft shoulder seasons. This is a good thing for an area that has seen a decline in marketshare from the northern California market which represents 90-plus percent of my business for the many activities we offer. To address an earlier point made by Senator Schneider, this benefits the outlying residential areas by providing additional jobs. Many in the labor pool at the Tahoe Basin reside in Carson Valley, where I get a majority of my employees. That said, I urge support of S.B. 94.

CHAIR MCGINNESS:

This meeting is adjourned at 3.30 p.m.

RESPECTFULLY SUBMITTED:

Julie Birnberg,
Committee Secretary

APPROVED BY:

Senator Mike McGinness, Chair

DATE: _____