

**MINUTES OF THE MEETING  
OF THE  
ASSEMBLY COMMITTEE ON TAXATION**

**Seventy-Fifth Session  
March 19, 2009**

The Committee on Taxation was called to order by Chair Kathy McClain at 1:37 p.m. on Thursday, March 19, 2009, 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/75th2009/committees/](http://www.leg.state.nv.us/75th2009/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](mailto:publications@lcb.state.nv.us); telephone: 775-684-6835).

**COMMITTEE MEMBERS PRESENT:**

Assemblywoman Kathy McClain, Chair  
Assemblywoman Marilyn Kirkpatrick, Vice Chair  
Assemblyman Paul Aizley  
Assemblyman Bernie Anderson  
Assemblyman Morse Arberry Jr.  
Assemblyman Ed A. Goedhart  
Assemblyman Tom Grady  
Assemblyman Don Gustavson  
Assemblywoman Ellen Koivisto  
Assemblywoman Sheila Leslie  
Assemblyman Richard McArthur  
Assemblyman Harry Mortenson  
Assemblywoman Peggy Pierce

**COMMITTEE MEMBERS ABSENT:**

None

**GUEST LEGISLATORS PRESENT:**

Assemblyman John Ocegüera, Clark County Assembly District No. 16  
Assemblywoman Heidi S. Gansert, Washoe County Assembly  
District No. 25

Minutes ID: 586



Assemblyman James A. Settelmeyer, Assembly District No. 39

**STAFF MEMBERS PRESENT:**

Russell J. Guindon, Senior Deputy Fiscal Analyst  
Michael Nakamoto, Deputy Fiscal Analyst  
Mary Garcia, Committee Secretary  
Sally Stoner, Committee Assistant

**OTHERS PRESENT:**

Ross Miller, Secretary of State, Office of the Secretary of State  
Nicole Lambole, Chief Deputy, Office of the Secretary of State  
Scott Anderson, Deputy for Commercial Recordings, Office of the Secretary of State  
Bryan Wachter, Deputy Director, Retail Association of Nevada, Las Vegas, Nevada  
Tray Abney, Director, Government Relations, Reno Sparks Chamber of Commerce, Reno, Nevada  
Veronica Meter, Vice President of Government Affairs, Las Vegas Chamber of Commerce, Las Vegas, Nevada  
Carole Vilardo, President, Nevada Taxpayers Association, Carson City, Nevada  
Tom Clark, Carson City, Nevada, representing Nevada Resident Agents Association  
Paul J. Enos, CEO, Nevada Motor Transport Association, Reno, Nevada  
Jan Gilbert, Northern Nevada Coordinator, Progressive Leadership Alliance of Nevada, Reno, Nevada  
Ray Bacon, Executive Director, Nevada Manufacturers Association, Carson City, Nevada  
Chris Ferrari, President, Ferrari Smith Public Affairs, Las Vegas, Nevada, representing North Las Vegas Chamber of Commerce, North Las Vegas, Nevada  
Dino DiCianno, Executive Director, Department of Taxation  
Bill Uffelman, President and CEO, Nevada Bankers Association, Las Vegas, Nevada  
Stan Wilmoth, President and CEO, Heritage Bank of Nevada, Reno, Nevada  
William Silcox, Private Citizen, Incline Village, Nevada  
Tim Tetz, Executive Director, Office of Veterans' Services, Reno, Nevada  
Mary C. Walker, CPA, President, Walker & Associates, Minden, Nevada, representing Carson, Douglas, Lyon, and Storey Counties

**Chair McClain:**

[Roll was called. All were present.] We have three bills on the agenda today, and we have two hours, so that comes to about 40 minutes each. I would like to invite the Secretary of State and our Majority Floor Leader, Mr. Ocegüera, to present Assembly Bill 146.

**Assembly Bill 146:** Provides for the establishment of a state business portal.  
(BDR 7-972)

**Assemblyman John Ocegüera, Clark County Assembly District No. 16:**

Assembly Bill 146 establishes the Nevada business portal through the Office of the Secretary of State. When I last visited this Committee, the details of A.B. 146 were still being drafted. I am happy to report that, over the past month, the Office of the Secretary of State, various business groups, and other state agencies have been working together to address questions and concerns about the formation of the business portal.

I have been impressed with the level of support this bill has received and the willingness of these groups to work together to see the portal become reality. I am optimistic, as well, about the potential the portal has for increasing efficiency in our state's businesses and making sure the state is able to secure crucial revenues that are currently going uncollected.

The current process is this: Our state has many law-abiding businesses, but numerous entities are still able to circumvent these processes, allowing millions of dollars in taxes and fees to go uncollected. The current estimate on this amount is nearly \$50 million.

Steps to creating a new business are currently not well-defined or apparent to the end user. For example, if someone wanted to establish a business entity in Nevada, he would potentially have to process paperwork with five different agencies. Once he had done that, he would have to go through the whole process again at the city and county levels.

The comprehensive and unified Nevada business portal would provide businesses and government agencies an end-to-end process solution with the potential to save millions of dollars annually by developing a seamless integration of online services. What we are proposing is a solution to much of the confusion and unnecessary replication. The business portal would provide a single secure portal for the transaction of business and would improve efficiency, eliminate redundancy, streamline the establishment of business, improve accountability, and enhance economic development in Nevada.

The goals of the portal are to maintain security of existing information; identify and capture additional state revenue; recover existing penalties and fees; create a single view of the customer; build an electronic relationship with business; enhance communication between state and, eventually, local agencies; and increase the speed of the business process.

There are many benefits. By establishing the portal, the state will see an enhancement in revenue from business license fees for the first five years that is estimated between \$28 million and \$50 million. Because of businesses that have neglected to pay their business taxes, the first-year collections are estimated at between \$10 million and \$16 million. In the following years, we anticipate collecting between \$5 million and \$8 million.

There are also major benefits to the businesses in Nevada. Instead of having to go through the lengthy process of filling out forms, cutting checks, and running to different locations, businesses will be able to take care of all the necessary transactions from the convenience of their own offices.

The purpose of this bill is to provide the Office of the Secretary of State with the authority to establish a business portal. While there will be start-up costs associated with the software, the hardware, and the vendor services, we are confident that we will be able to offset many of those costs with the additional collections of revenue.

**Ross Miller, Secretary of State, Office of the Secretary of State:**

I would like to thank Majority Floor Leader Ocegüera for introducing the bill, and I appreciate his fostering the vision. I believe that if this system were implemented, Nevada would establish itself as a leader in developing one-stop-shop transactions between business and government.

I know you had an informational hearing on this concept a few weeks ago, so I will go straight to the details of the bill. There are really two components of the legislation. The first authorizes the Office of the Secretary of State to establish the portal. The second transfers the authority to collect the Business License Fee from the Department of Taxation to the Office of the Secretary of State.

Sections 1 through 4 give authority to the Secretary of State to establish the statewide Nevada business portal, which, as the Majority Floor Leader indicated, will enable individuals and businesses to transact business with state and local government agencies. It is often referred to as a one-stop shop. The purpose of that is to streamline business establishment and maintenance processes to help reduce some of the complexities involved.

The concept of the portal involves core technology services that allow users of the portal to access information and conduct transactions without having to visit numerous state offices or different websites. One of the goals of the portal is to eliminate the many challenges associated with manual entry of paper-based forms that can often create inaccuracies and redundancies across agencies.

Currently, in order to incorporate a business, a business will likely have to interact with numerous state agencies, including our office, which is the point of origin for most business in the state. Other agencies they are likely to have to deal with are the Department of Motor Vehicles (DMV); the Department of Employment, Training and Rehabilitation (DETR); the Department of Taxation; the Department of Public Safety (DPS), through background checks; and many county or local offices.

The steps to creating a business from a customer's point of view are not well defined or apparent. The customers are often required to use varying methods of payment for processing their fees and paperwork, and often they are required to make physical trips to those different agencies to complete the process.

The portal would establish a proactive electronic relationship with customers by offering a single web-based point of entry where they could fill out their information, log out, and return without having to reenter information. They could then make a single payment for a variety of services with many different government entities. The portal, as we envision it, would be built upon what is called a service-oriented architecture (SOA) technology. That SOA approach allows for interoperability between different system platforms and program languages. It allows for integration of all entered information rather than requiring entities to operate off of separate, distinct silo databases. The benefit of it, obviously, is that the systems do not have to be built from scratch. Entities can use their existing systems, which will feed into the portal.

Probably the best-known example of well-instituted SOA is Amazon.com, where customers enter their basic information, including credit card information, shipping information, and their preferences, and they are able to conduct transactions with any number of businesses. Behind the scenes, the SOA technology allows all the different merchants to maintain their separate databases and separate processes, and they feed into that SOA. The next time a customer visits Amazon.com, he does not have to reenter his information; the system remembers him. This portal would work in a very similar fashion.

I provided a copy of a report from the Division of Internal Audits, Department of Administration ([Exhibit C](#)). They specifically did a cost-benefit analysis. The

return on investment they identified was substantial. In addition to the benefits they identified, there are many soft benefits, including improved employee efficiency and increased customer satisfaction.

Current agency-to-agency communication is difficult due largely to the different system platforms and programming language issues. Agencies are, in large part, unaware of the information and statutory requirements necessary to complete business transactions within the state.

If this bill were authorized, the first step toward making it a reality would be the issuance of a request for proposal (RFP). We issued a request for information (RFP) in January, which has already yielded seven vendor responses. I think that demonstrates the project time line is feasible. We hope to be able to accomplish it relatively quickly.

Sections 5 through 40 deal with the transfer of authority to collect the Business License Fee from the Department of Taxation to the Office of the Secretary of State. They move certain provisions of Chapter 360 of *Nevada Revised Statutes* (NRS) into Title 7 of NRS for the purposes of collection of the Business License Fee and require the payment of the Business License Fee at the time an entity files its annual list or at the time the entity is formed. This would create a standardization of renewal dates, reduce delinquency, and require those who are obligated to pay to comply with the payment of the Business License Fee.

Currently, that Business License Fee is due at the time it is submitted to the Department of Taxation. Therefore, the renewal date can be inconsistent with the date of the annual list that is due at our Office. To address this timing issue, the bill allows the fee to be prorated in the first renewal year, up until the point when it is ultimately mandated by statute.

Businesses such as sole proprietorships and partnerships that do not have an entity on file with the Secretary of State would pay the Business License Fee through our Office, just as they do now with the Department of Taxation. New sole proprietors or partnerships would also pay that initial license fee through my Office.

The Business License Fee would be treated the same as the annual list is currently treated in our Office. If an entity fails to file its annual list, it goes into default. After one year, it goes into revocation. Entities that go into either default or revocation can return to good standing by complying with the necessary requirements and paying all fees, including late fees.

To ensure there is due process with the collection of the Business License Fee, we would also be proposing additional language to provide for a notification process. It is important to note that, under this proposal, the Department of Taxation will retain all the information about each of the state's taxpayers, just as they currently do.

There is a proposed amendment to the bill ([Exhibit D](#)). A significant portion of it would remove some of the provisions that should remain under the purview of the Department of Taxation. For example, NRS 360.787 regarding payment of the Business License Fee by an operator of an exhibition facility related to the confidentiality of records and NRS 360.976 relating to the unlawful hiring or employment of unauthorized aliens are functions that should more appropriately remain with the Department of Taxation.

The amendment also changes the effective dates to speed up the time line and bring it more in keeping with our ambitious goal of getting this in place as quickly as possible. It enables us to design and build the system upon passage and approval. It then establishes October 1, 2009, as the date when businesses can start paying the Business License Fee through our Office. Then, effective January 1, 2010, all businesses would be required to pay that fee through the Office of the Secretary of State.

If this were enacted, I believe it would be revolutionary in the way businesses in the community interact with government. It would significantly improve state efficiencies. Other states have portal models, many of which are billed as one-stop-shop proposals. But they are mainly just links on websites that will take customers to different forms. None of them integrate the systems in the way this proposes, although, as our analysis has shown, the technology is there to be able to implement this.

I hope this proposal will result in significant revenue to the state. According to the figures provided to my Office when we first started looking at this idea, the Department of Taxation collects the Business License Fee from a total of 263,353 businesses. Of that total, 155,000 were identified as NRS Title 7 entities who will file with my Office. About 108,000 were non-Title 7 entities, which included some sole proprietorships, domestic and foreign business general partnerships, and some home-based businesses. That would leave 148,406 entities who are not filing but, in our estimation, should be.

To codify that standard, we also have accompanying legislation to say that anyone who files as an NRS Title 7 entity would have to pay the Business License Fee. If you look at the entities who should file in our estimation and are

not, that would result in about \$14.8 million annually, and those figures are noted in the internal audit report we provided to you ([Exhibit C](#)).

Again, I want to thank you for considering this bill and thank Majority Floor Leader Ocegüera for his leadership. I would be happy to answer any questions.

**Chair McClain:**

I am looking at the mock-up of the amendment. Is this the most recent?

**Assemblyman Ocegüera:**

The mock-up should be dated March 17, 2009. That would be our most recent mock-up.

**Chair McClain:**

You mentioned the exhibitions, so that is something you are leaving in the Department of Taxation's statutes that they will have control over?

**Ross Miller:**

Yes. As it is currently envisioned, the Secretary of State's role with the Business License Fee would simply be to collect the revenue, but the Department of Taxation would retain all its functions in terms of . . .

**Chair McClain:**

They are not really set up as businesses that pay the Business License Fee. Is that why they are staying with the Department?

**Nicole Lamboleý, Chief Deputy, Office of the Secretary of State:**

We do not have any way of knowing who those people are. They may be taxpayers under another tax within the Department of Taxation, so we thought it would be best just to leave them there. There is an estimation and a figuration that occurs based on the number of vendors that may participate at that exhibition.

**Chair McClain:**

My other question is this. We move this language from the Department of Taxation's purview into your chapter, correct? Why are we giving exemptions to motion picture producers? Would this be a good time to get rid of that exemption?

**Nicole Lamboleý:**

I think it would be up to the Legislature to determine, as a matter of policy, whether they should be an exempted entity or not.



**Assemblyman Grady:**

I like the concept. It seems to me that, 15 or more years ago, we tried to do the same thing without the technology we have now. We had an interim committee that actually studied this and developed forms to implement it. It never worked. It was needed then, and it is needed more now. I hope you are more successful.

My question is what is the cost to your Office, Mr. Secretary of State, to do this?

**Ross Miller:**

The fiscal note we have provided is approximately \$5 million over the biennium. The internal audit report reflected a somewhat different figure that considered the greater cost of it. Both of those numbers have been provided to you.

**Assemblywoman Pierce:**

In the line about a business organized pursuant to Chapter 82 or Chapter 84 of NRS, I understand what Chapter 82 is, but what is Chapter 84 about? I read it, but I did not understand it.

**Scott Anderson, Deputy for Commercial Recordings, Office of the Secretary of State:**

Chapter 84 of NRS deals with corporations sole. A corporation sole is an organization that is organized mainly for religious purposes, and that is why they were excluded. They were held in the same light as nonprofit corporations since they are not organized for profit.

**Assemblywoman Koivisto:**

A natural person is not required to obtain more than one state business license. How does that translate to Wal-Mart and Kmart and Macy's—all of these national chains that are required to get only one license for nine million stores?

**Scott Anderson:**

The way this is set up is that any entity, regardless of the number of branches, stores, or outlets they might have, would pay that fee once. For example, if Macy's is a Nevada corporation and has 15 stores in the state, it only files with our Office once. That Business License Fee would apply only to the one entity that files with our Office.

**Assemblywoman Koivisto:**

That is really not a good thing for small businesses when they pay the same Business License Fee as a huge, multinational corporation. That is something I think we need to change.

**Chair McClain:**

Mr. Secretary of State, would Wal-Mart leave if we did that? I am assuming this is just a long-time policy, but, in light of our current economic distress, why not fix it now?

**Ross Miller:**

I think it would benefit from some additional consideration. We could brainstorm the issue and get back to you.

**Scott Anderson:**

When this was originally brought up in the 2003 Session, the provisions were set up as a revenue generator for every entity that was filing with our Office, regardless of how many branches they had. The idea was to capture those entities, whether they were domiciled in Nevada or just had a residence through resident agents. It was not designed to go out and look at all the outlets and retail establishments such as those you are discussing here.

**Chair McClain:**

If you could, just follow up on that and get back to us. It is an interesting dilemma because you have the small store owner who is paying the same as Kmart, which has locations all over the state, and which is not charging us any less than they charge in California. Right, Mrs. Koivisto?

**Assemblywoman Koivisto:**

That is correct.

**Ross Miller:**

Can I add an additional thought to that? There is an initial complexity that is worth mentioning. Our Office does not currently collect any information as to what is known as DBAs (doing business as). So you may have a Macy's store doing business as Macy's at a certain specified address. If this is a policy issue you are willing to entertain, we could look at it. However, as it is currently structured, it may be difficult for our Office to track and ultimately implement.

**Chair McClain:**

I think the Department of Taxation has that information.

**Ross Miller:**

They might, if we were able to integrate those systems. We just have not done the analysis as to whether or not we would be able to obtain that.

**Assemblywoman Kirkpatrick:**

Why could we not do it based on the location? Then the state business license would be based on the location. If I go out and sell Girl Scout cookies, I have to get a \$38 business license based on my location. I have to have licenses in Las Vegas and in North Las Vegas. How is the big box store any different? They have to list their location for their business license. Is there not a way to do that somehow?

**Chair McClain:**

Truly, it is a policy decision that needs to be made at the legislative level. It is an interesting concept.

**Assemblyman Aizley:**

Getting back to the basic idea of this state business portal, web-based forms to fill out are wonderful when they work, but there are often problems with definitions. Will you have a telephone backup system that some person will answer and help people?

**Ross Miller:**

We currently have a hotline service, which many states do not have, where customers can talk to a live individual on the phone who can help walk them through the process. That is something we currently have in place, and we anticipate using it to help walk people through this portal.

**Assemblyman Aizley:**

Would there be a notice of that on the forms?

**Ross Miller:**

Sure; it is promoted on our website and would be part of the portal. If anyone has difficulty using the system, he can call our hotline and have somebody assist him.

**Chair McClain:**

Are there any other questions? [There were none.] I wanted to ask a little more about the distribution of this money. How do you foresee paying for this, and is it actually going to help generate revenue for the General Fund?

**Nicole Lamboley:**

The reason we moved up the effective date on the implementation of the collection of the Business License Fee was to start collecting more immediately from all NRS Title 7 entities that currently are not being captured through the Department of Taxation. I think the bill allows us to begin accepting filings for

the Business License Fee on October 1, 2009. It would then become mandatory on January 1, 2010.

The business portal will have a different effective date in that we have to do the RFP process, review the RFP, do the vendor selection, and then award a contract. That, of course, would require approval of the State Board of Examiners (BOE) before the contract is awarded. There is obviously a fiscal note attached to this.

There are several pieces to insuring we can build the business portal. One is for the establishment of the SOA, which is basically the technology infrastructure to link, say, the Department of Taxation as well as the Secretary of State to the portal. That is how we will create that continuum where the information can be shared. It also includes the collection of the Business License Fee.

We would have to modify our current system, the Electronic Secretary of State (ESOS), which was developed several years ago to process all of the commercial recording filings. It is actually an award-winning processing system that has enabled us to achieve the number-two position, behind Delaware, as a filing state, because it has helped reduce our processing times and helped with the efficiency of the organization.

We would also have to update and modify that system to be able to accept the Business License Fee and transmit the data to the Department of Taxation. We hope to be able to use some of the uncaptured and unrealized revenue, estimated to be somewhere in the neighborhood of \$8 million to \$12 million, as an initial down payment toward the building of the portal and the first demonstration project. That demonstration would be the collection of the Business License Fee and the interaction with the Department of Taxation.

**Chair McClain:**

I am just trying to lay this out in simple language. By having the authority to go collect Business License Fees, you could go directly to those Title 7 entities who have not paid it, right?

**Nicole Lamboley:**

We are actually in discussions with the Department of Taxation to determine whether or not we can do an exact comparison of taxpayers they have with people we have in our system. The systems are a little bit different, and we are trying to find a unique identifier that would be able to tell us if "corporation X" really is "corporation X" and not "corporation XY."

**Chair McClain:**

Okay, but is the assumption of this bill that there is enough money there to get you started building the architecture so you can get this system going?

**Nicole Lamboley:**

Yes. We would need an appropriation from the money committees to do so, but we believe there is. The reason we did the internal audit was to prove there was a benefit, both long-term and short-term, to building the system.

**Assemblyman Grady:**

I notice in your \$5 million fiscal note that you have no input listed from the cities or counties. Did you look for additional costs they would be facing for new technology or whatever may be needed?

**Ross Miller:**

The initial legislation is just enabling in that it authorizes us to create a portal and then try to seek cooperative agreements with other agencies as they may see fit. As part of the initial process of trying to analyze what system needs to be put in place, we try to bring any stakeholders to the table. We did get participation from some county and local governments that definitely showed interest and saw a value in it.

Obviously, this would require some sort of outlay of money on their end to modify their systems to feed into the eventual SOA, but that has not been included as part of this current proposal. I think that, once we are able to implement this, we will demonstrate the benefits by working with the Department of Taxation. We would hope to see buy-in from other agencies and, hopefully, they would either be able to absorb the cost or seek the appropriate funding to be able to feed into it.

**Assemblyman Grady:**

If the cities and counties do not buy into it, the program will not work.

**Ross Miller:**

As this is currently written, we have orchestrated this as the initial step of having the Business License Fee paid through the portal. Just by analyzing that one narrow component of having the ability for transactions with our Office, the Division of Internal Audits demonstrated that having the Business License Fee captured through our Office would result in significant savings to the state. They did not analyze what the financial capture of revenue would be by looking at the benefits of integrating it with the DMV, other state agencies, or any county or local governments.

That one transaction is part of the broad vision of what this could become. This legislation merely authorizes us to put it in place in the hopes that we can eventually get to that broad vision down the line.

**Chair McClain:**

I do not see any other questions. We have several people who have signed in to speak in support of the bill.

**Bryan Wachter, Deputy Director, Retail Association of Nevada, Las Vegas, Nevada:**

First, we would like to thank Assemblyman Ocegüera and Secretary of State Miller for the concept behind this bill and for their hard work. This concept is something we support wholeheartedly. We appreciate the transparency and ease of use. A system like this will help facilitate interactions between the government and various business interests.

We realize this will be a long-term project to be able to bring in more departments than just the Department of Taxation. However, even with just that Department, we feel it will be a useful tool for all of our members. We look forward to being able to go to a one-stop shop. We hope more businesses are able to adequately register with the Secretary of State as well as fill out all the forms and other things required in becoming a business.

**Tray Abney, Director, Government Relations, Reno Sparks Chamber of Commerce, Reno, Nevada:**

We strongly support the concept in this bill. I have told this Committee before about having served as Vice Chair of the City of Reno's Business License Task Force. We are trying to do this at a local level—bring it online, making it easier and more of a one-stop shop just in Reno. Anything we can do to make that process easier statewide and to allow our local governments to tie into it would be great.

**Veronica Meter, Vice President of Government Affairs, Las Vegas Chamber of Commerce, Las Vegas, Nevada:**

I am here in support of the concept behind A.B. 146. We feel a business portal that streamlines the process and makes it more efficient for businesses, both those that are already here in the state and those that might decide to make Nevada home, is a positive step. We appreciate the efforts of Majority Floor Leader Ocegüera and the meetings he held to better understand the details behind the bill. We look forward to working with him and all the stakeholders on the specifics of the bill as it moves forward.

**Carole Vilardo, President, Nevada Taxpayers Association, Carson City, Nevada:**

As I initially testified, we would support the concept of the business portal. We support the concept with the amendment that provides due process. However, Assemblywoman Koivisto raised an issue that concerned me, and I wanted to provide some history behind that.

The original Business License Fee of \$100 started out as part of Senate Bill No. 238 of the 72nd Session, Senate Bill No. 4 of the 19th Special Session, and Senate Bill No. 8 of the 20th Special Session. The original recommendation actually was made from the business community for a \$25 license fee. The reason was many of us had been questioned about lack of notification on certain things.

There might be a case where the Division of Environmental Protection (DEP) needed to notify people. Since the Department of Taxation was using North American Industry Classification System (NAICS) codes, we in the business community felt that was a logical place to get a database of businesses in the state that would be accessible by state agencies.

You will find the first record of that recommendation with the Governor's Task Force on Tax Policy in Nevada, established by Assembly Concurrent Resolution No. 1 of the 17th Special Session. The recommendation stayed at \$25 for that reason. That was the policy decision made at that time. Unfortunately, because of the revenue situation in 2003, \$25 morphed into \$100.

I am well aware of some of the sentiments for big box stores and such. That policy decision is yours to make, but a couple of things need to be understood in making that policy decision. First, the larger metropolitan areas in the state all have business licenses, and we do pay considerably more for those licenses. In effect, we have competition for two types of licenses, but there were different reasons for both.

The original recommendation from the business community for this license was to create a database in the state to make things easier for state agencies. While I realize you reference entities such as a retail operation, does that mean that every AT&T Corporation office would now be paying? You create some very far-reaching conditions when you start doing that, in addition to which you complicate and make more expensive the cost of making the change. That is the reason I testified to provide some history.

It is your decision, but you are not capturing just these big box retailers. You are capturing every business that might choose to have a multiple-location operation. If that is what you do, then I suggest that, for that provision, you

look at an even more delayed effective date. I hope you do not do it, because that was not the original intent or policy discussion.

It was unfortunate that, with the revenue situation, that fee went up to \$100, because you have heard testimony as to what has made it so difficult to collect. It costs a lot of money to collect when someone does not pay the \$100, which is why we had the bill to ask for the Department of Taxation to waive the fees.

**Tom Clark, Carson City, Nevada, representing Nevada Resident Agents Association:**

In the interest of time, let me just say that we, too, fully support this concept.

**Paul J. Enos, CEO, Nevada Motor Transport Association, Reno, Nevada:**

We also support the concept of this bill. We think it is going to streamline business transactions with government. Some of the folks I represent in the trucking industry are going to register with the state—they are going to register with the DMV and the Department of Transportation (DOT). They are also registering, in some cases, with the Nevada Transportation Authority, the Department of Taxation, and all the local governments.

We feel this broad concept is going to be very positive in attracting business to the state and in gaining efficiencies. It will bring the state revenue while saving businesses a lot of time. We want to thank the sponsor of the bill and the Secretary of State for bringing this measure forward. We are willing to work with them in this process to attain that broad vision.

**Jan Gilbert, Northern Nevada Coordinator, Progressive Leadership Alliance of Nevada, Reno, Nevada:**

I had the privilege of visiting with Secretary of State Miller in January at the electoral college. I asked him about his ideas for revenue enhancements, and he told me about the portal. I told him I would be here in support because we are encouraging this type of creative, efficient, and long-range change in our tax structure so we collect more money more efficiently. I wholeheartedly support this.

**Chair McClain:**

We only had one person sign in as neutral. Mr. Bacon.

**Ray Bacon, Executive Director, Nevada Manufacturers Association, Carson City, Nevada:**

We support the concept fully. The only issue we have, and the reason I signed in as neutral, is we think it would probably be worthwhile for the folks who are going to implement this to actually take a look at what Amazon.com and some



of the other major portals do. Their concept is much broader than what we are looking at. Having done major data processing projects, I can tell you that if you design the architecture right, expanding it becomes relatively easy. If you do not, your systems design situation can be like a perpetual treadmill.

Another thing that came up as a sidebar in the Senate Energy Committee this morning, but which I think is important, was the discussion of how we could do a better job of encouraging green firms to take a look at this state. One of the issues to come out of that discussion was that having the NAICS codes in this portal concept could make it fairly easy for the green builders to connect with machine shops and various other things. This concept has potential for ways to grow and enhance the business community because it will involve a centralized database.

The last thing I will mention is just a warning. The federal government passed very stringent requirements on confidentiality and security issues a couple of years ago, which are now in place for everybody. If we design this thing, that will be one of the critical issues. We will be in violation of federal law if we do not get this really tightened down. There are some serious constraints on that. For business, the fine is \$25,000 a day for botching it up. That will be critical.

**Chris Ferrari, President, Ferrari Smith Public Affairs, Las Vegas, Nevada, representing North Las Vegas Chamber of Commerce, North Las Vegas, Nevada:**

We are also very much in support of this concept. The Secretary of State and the Majority Floor Leader were good about reaching out to the business community in advance to answer many of our questions. I know there are some amendments forthcoming, specifically, as Carole mentioned, due process for the business license holder, delineating a clearer time frame in which to respond if they unintentionally become delinquent. We support the bill and would like to thank the sponsors for bringing it forward.

**Chair McClain:**

I am confused now. Are the amendments in the mock-up ([Exhibit D](#)) that everybody is talking about? [Assemblyman Ocegueda indicated that they were.]

**Dino DiCianno, Executive Director, Department of Taxation:**

The Department does support the portal in concept. There is no question that any time you have the ability to give the taxpayer one-stop shopping, that is good for everyone. We are working with the Office of the Secretary of State, as Nicole indicated, to try to match up the entities and make sure what we have in our data system matches up with what they have already captured.

**Chair McClain:**

Does anybody have any questions? [There was no response.] I do not see anybody signed in to oppose the bill, so we will close the hearing on A.B. 146. It will come up on a work session, but not today.

We will open the hearing on the next bill on our agenda, Assembly Bill 275.

**Assembly Bill 275:** Revises the provisions governing certain taxes imposed on financial institutions. (BDR 32-38)

**Assemblywoman Heidi S. Gansert, Washoe County Assembly District No. 25:**

I am here today to present A.B. 275. With me, I have Bill Uffelman, who represents the bankers in Nevada. Assembly Bill 275 has been heard in prior sessions. It basically requires that the Modified Business Tax (MBT) be rolled back for banking institutions to what other industries in the state pay. I will let Mr. Uffelman explain.

**Bill Uffelman, President and CEO, Nevada Bankers Association, Las Vegas, Nevada:**

As was related, Mr. Marvel had this bill for a couple of sessions, and I got a baptism of fire here in 2005 on basically the same topic. As you know, in 2003, the Legislature enacted Senate Bill No. 8 of the 20th Special Session, which included a \$7,000 per branch excise tax on banks. In addition, it imposed a 2 percent payroll tax on financial institutions—more than three times the rate paid by other employers in Nevada. At that time, those other employers paid 0.65 percent. Also at that time, the Legislature and the Governor agreed new revenues were essential for Nevada's future.

Based on actual General Fund revenues in subsequent years, as well as the revenue forecast for this year and the coming biennium, Nevada bankers are asking that you adjust the assumptions that were made in 2003. Until this year, in each full fiscal year since 2004, the MBT on financial institutions has been approximately \$21 million. That includes banks, mortgage brokers, stockbrokers, et cetera. Senate Bill 208 from this session, which was just heard in the Senate Committee on Taxation a few minutes ago, has a fiscal note that says stockbrokers and related people are paying about \$3 million a biennium in their elevated payroll tax. It is estimated that the tax for FY 2009-2010 will be roughly \$18 million, and in FY 2010-2011 it will be slightly more.

At current rates, financial institutions' payrolls range between \$850 million and \$900 million. In past years, the mortgage business was booming, and they, in fact, were generating revenue in this area that they no longer generate.

Financial institutions as a whole are paying almost 9 percent of all payroll taxes in Nevada.

Branch Bank Excise Fee revenues have been approximately \$3 million each full fiscal year since 2004, despite the change in 2005 when the Legislature modified the tax to exempt one branch per bank per county. As new branches have been opened, collections are expected to continue at more than \$3 million per fiscal year. To put the Branch Bank Excise Fee in perspective, the total tax collected is less than 0.1 percent of total General Fund revenues per fiscal year.

These taxes have different effects on Nevada banks. For at least one of the smaller banks, their tax bill is roughly 9 percent of their net income. Their Branch Bank Excise Fee bill was almost 7 percent of their net income. This is in the face of competition from credit unions that do not pay the financial institution payroll tax or the Branch Bank Excise Fees.

Based on the fiscal note, if A.B. 275 is enacted, total General Fund revenues for the next biennium would be reduced by approximately \$31 million, or less than 1 percent of the entire budget. Per year, this is \$15 million that would be available for making educational and charitable contributions, supporting additional lending, and so on. That amount of tax, when you take into account the leverage that is in banking, amounts to \$300 million worth of additional loans per biennium in Nevada.

Community banks are under a lot of stress. All banks are currently under a lot of stress. Take the Federal Deposit Insurance Corporation (FDIC) program, for example. For a Reno-based \$300 million-deposit community bank, in 2006 their FDIC premium was \$10,000. That \$10,000 was paying off the savings and loan bond from the 1980s. In 2007, with no change in the bank, their premium went to \$150,000. In 2008, it was still \$150,000. In 2009, they will pay \$380,000. In addition, they will probably pay somewhere between \$300,000 and \$600,000 of a one-time fee in September to help restore the FDIC fund. This is a bank that did nothing wrong, but it is paying for the sins of others.

This bank, because it has five branches, three of them in Washoe County, is paying \$21,000 in Branch Bank Excise Fees. All of the banks—small community banks as well as large banks—are actively engaged in housing programs for lower-income folks, scholarship programs for Nevada students, and financial literacy programs in the public schools. To all of those things, Nevada banks contribute a lot over and above taxes. Through Interest on Lawyers Trust Accounts (IOLTA), we banks are supporting legal aid in this state. It is not just the taxes banks pay; it is what the banks do.

With that in mind, I would hope that, at some point, Nevada could level the taxes between all employers. Whether it is this biennium or next biennium or whenever, we should do it.

**Assemblyman Grady:**

Credit unions do not pay this tax, is that correct? [Mr. Uffelman confirmed that.] My other question is: in a large county that has a number of communities or other entities where there could be multiple branches, this fee is a real disincentive to open branches in the smaller communities, is that correct?

**Bill Uffelman:**

Yes. If you have an intersection with four corners, you could have a credit union on one corner, a bank that is the only branch in the county on another corner, and banks on the other two corners that are not the only branches in the county. You have \$14,000 on one side of the street and nothing on the other side of the street. It is a disincentive.

A bank thinks twice before doing some of these things. With the failure of a couple of banks earlier this year, those branches have now been rolled into other people's networks. Some of them have closed because they may have been on opposite corners.

It is a \$7,000 aggravation that is obviously not applied equally. In the larger counties, there are community banks whose branches are all in that one county. As I said before, here is a community bank that is headquartered in Reno that is spread across three counties. Two banks could be exactly the same and have entirely different tax bills based on branch locations.

**Assemblywoman Pierce:**

I was not crazy about this idea two years ago, and two years ago, banks had a good image. Now the headlines are about the executives who have taken money from the Troubled Asset Relief Program (TARP) and who are getting rewards for destroying their own institutions, not to mention the global economy. Even if I were inclined toward this—the idea that I could push the green button and do something really nice for banks—with the headlines the way they are, that is a problem. A lot of these banks have TARP money, and I do not think anybody is going to mind if we get some of that back.

**Bill Uffelman:**

You have presented a number of issues, and I will start with TARP and American International Group, Inc. (AIG). To begin with, AIG is not a bank; it is off in its own world doing its own thing. The money AIG got is separate and apart.

I represent the FDIC-insured banks. I do not represent investment banks. The investment banks that did their own thing are virtually unregulated in many cases. The irony of the acquisition of some of those investment houses by banks is that they are now regulated. They had to, in fact, increase their capital. Banks have basically a 10-to-1 ratio of lending to capital, where that could be 20-to-1 or 30-to-1 in an investment bank. When those investment banks got in trouble, they really got in trouble.

With the banks that have been taken down in Nevada, such as the Silver State Bank and the First National Bank of Nevada, much of the lending they were doing—at least the ones that were public—was for real estate development. In fact, they were lending to the developers who were developing the real estate, putting up the housing, employing the people who were working in the construction market. The FDIC-insured banks were generally not the mortgage lenders in this state. To begin with, they were outpriced by the mortgage industry that sent those mortgages straight to the securitizations at the investment banks.

It is like the local banks were here in the middle, and everybody else was around them. They were caught up in the storm. The irony is because they were regulated, they were the ones that did not get to do some of those things—not that they necessarily wanted to do them. But now the surviving banks have to pay to pick up the pieces.

In Nevada, banks that have gotten TARP money would be the big national banks such as Bank of America and Wells Fargo. City National Bank out of Los Angeles; Western Alliance, which is Bank of Nevada; First Independent Bank of Nevada in Reno; and Nevada State Bank, which is part of Zions Bank out of Utah received the only TARP money that has come here.

The Reno banker I mentioned turned down the TARP money because of the cost of it. Banks are literally mandated to pay 5 percent interest on that money for the first five years and then 9 percent if they have not paid it off. Right now, even if they have that money, they cannot loan it out and make the money to pay the money, because it is after-tax money. It is something a lot of banks do not want to participate in.

**Assemblywoman Pierce:**

I appreciate what you have to say, but let us be clear. The banks are not picking up the pieces; the American taxpayers are picking up the pieces. I would also like to say that my constituents are the carpenter, the waitress, the average person. My district is average people.

There are no bankers living in my district. We were not in a position to say to anybody in the last five years, "Oh, hey, credit default swaps are about to suck under the economy of the United States."

It is hard for me to believe that somebody that you represent was not in a position to look around and say, "You know, there is some really bad stuff going on, and this stuff is going to kill us in a couple of years." It is hard to believe they were not in a position to pick up the phone and call the head of the U.S. Securities and Exchange Commission (SEC), the U.S. Department of the Treasury, or somebody. Your people were in a position to see that we were about to be in an economic train wreck, not my constituents.

My constituents are picking up the pieces on this, and I do not think they are in a mood right now to say, "Oh, gosh, are any banks being treated unfairly?" I am pretty sure that is not their mood.

**Bill Uffelman:**

I do know, through the American Bankers Association (ABA) and at the national level, that there was a lot of concern over what was going on and that it was expressed at various times. I heard Congressman Frank talk about it two years ago in meetings I attended.

I wonder if, in your district, you in fact have people who are bank tellers, the people whose payroll is taxed at 2 percent. I suspect you may have one or two.

**Assemblywoman Pierce:**

I am pretty sure the Chairman of the SEC does not take calls from bank tellers.

**Bill Uffelman:**

He does not take them from me, either.

**Chair McClain:**

Are there any other questions? [There were none.] I would like to compliment you on one thing. Last session there was a bill, Assembly Bill No. 87 of the 74th Session, about training bank tellers to recognize elder exploitation and fraud. A wonderful job has been done of implementing that.

We have some people signed in to support the bill. Mary Walker has signed in as neutral.

**Tray Abney, Director, Government Relations, Reno Sparks Chamber of Commerce, Reno, Nevada:**

We strongly support A.B. 275 and thank Assemblywoman Gansert for bringing it forward. In our *Agenda for Economic Vitality in Nevada*, we state our belief that one specific industry should not be targeted by any tax. We also state our opposition to any type of tax assessed per business branch location.

Our financial institutions should pay the same rate as every other business and should not be penalized for being successful in expanding their service into the community. I urge the Committee to support this bill.

**Carole Vilardo, President, Nevada Taxpayers Association:**

While I would like the bill to go through, I realize the political reality is that it is probably going to run into rough seas. However, from day one, I sent letters saying this was not good policy. I hope some day you are able to phase it out because it truly is not good tax policy.

**Chair McClain:**

I have a problem seeing the difference between charging business license fees on big-box locations as opposed to bank branches. That is the policy dilemma.

I do not see Ms. Walker, so we will take testimony in opposition. Ms. Gilbert.

**Jan Gilbert, Northern Nevada Coordinator, Progressive Leadership Alliance of Nevada, Reno, Nevada:**

We opposed this measure last session, and we will oppose it this session. It was said that this is a \$7,000 aggravation to the banks for each of their branches. They determine where they put their bank branches, and they make decisions on policy that is going to raise money for them. I think they would not put a branch in a location that was not profitable.

Granted, we are in hard times, but to say it is an aggravation to them . . . I sit in the money committees and listen to the families who talk about the real aggravation of people who cannot access health care because we have capped the Nevada Check Up program.

In fact, there is a mother with two children who has been calling a lot of us and who wants to get in the program. She is working. She cannot afford health insurance, and it is not offered with her job. She cannot get into Nevada Check Up because it is capped, so she is on a waiting list for her children. That is aggravation.

I hope you will defeat this bill and any other bill that tries to repeal existing taxes on businesses who I feel have a responsibility to us to provide as they have been, and as they continue to be. I sympathize with the small banks, but they make determinations on profits on their own. I have not seen any of them reduce our bank fees when times are tough. A lot of people out there are having tough times with bank fees.

**Chair McClain:**

Thank you. Is there anybody in the audience who would like to weigh in on this?

**Stan Wilmoth, President and CEO, Heritage Bank of Nevada, Reno, Nevada:**

First of all, we are picking up the pieces. We are paying almost \$1 million of this debacle that is happening in the United States. It is a bad situation, but right now we have 1,400 loans and 1,400 families who are coming to our bank every single day and having problems making their payments.

We are trying to make accommodations for those families every single day. They are providing jobs for other families. Someone in the family of the woman who is calling you might be employed by one of the debtors to our bank. We are trying our best, but it is tough. It is a tough market right now, but we are doing our best to get it done.

We were the ones who turned down the TARP money. It is not aligned right to lend. We cannot lend money out at 9 percent plus and still make a profit for the bank.

Again, we are picking up the pieces throughout the United States. We are going to have to pay almost \$1 million this year in FDIC insurance, where it was zero in 2005.

**Chair McClain:**

Thank you. We appreciate some of our Nevada-grown banks and businesses because I think they realize we are all in this together and we all have to stick together for everyone to come out whole in the end.

**Assemblyman Goedhart:**

In light of increasing premiums from the FDIC, obviously you have to increase the spread between what you get the money for versus what you charge your customers to cover the cost.



**Stan Wilmoth:**

We can attempt to, but we cannot always pass that along to the customer. The customers cannot afford to make some of those payments. We are trying to go back with every one of our customers and renegotiate rates and terms to make it more possible for them to pay.

It is difficult. Families are struggling out there. It is up to us to make it more palatable. We cannot always pass that cost on. We try to match payments with ability to pay.

**Assemblyman Aizley:**

Have you reduced the salaries of any of the top officers at the bank?

**Stan Wilmoth:**

No, we have not, but let me address that. We are at the bottom percentile of our peer group right now. If we had raised the salaries of our executives to what our peers were making and then reduced it by 25 percent, it would sound like we were doing a great job. No, we have kept our salaries down and our costs in line. Our overhead is 2.5 percent of our total assets, which is well below our peer group. We feel we can still provide a well-priced product for our customers. That is important to us for our 1,400 borrowers.

**Chair McClain:**

I do not see any other questions. If nobody else wants to weigh in on this, we will close the hearing on A.B. 275 and open the hearing on Assembly Bill 295.

**Assembly Bill 295:** Allows a person who qualifies as both a veteran and the surviving spouse of a veteran to claim both veterans' exemptions from property taxes and governmental services taxes. (BDR 32-572)

**Assemblyman James A. Settelmeyer, Assembly District No. 39:**

I want to thank Chair McClain for allowing me to sit on the Seniors and Veterans Interim Study Committee (Issues Relating to Senior Citizens and Veterans, Assembly Concurrent Resolution No. 35 of the 74th Session). It was an experience, to say the least, realizing all the issues and problems that are facing our seniors and veterans in Nevada.

The genesis of this bill is very similar to most of our bills that originate with our constituents. I received a letter from a gentleman by the name of William Silcox. When I read the letter, I could not believe it was true. It described how currently, under Nevada law, we discriminate in many respects against veterans who are married to another veteran. This bill is all about trying to remove that discrimination.

Currently, in Nevada state law, under NRS 361.090, if you are a veteran, you are allowed a reduction of \$2,000 off the assessed valuation for property tax purposes. Under NRS 361.091, we also added many years ago the concept that if you were service disabled, depending on the level of your disability starting at 60 percent and going up to 100 percent disabled, you were actually allowed, instead of the \$2,000, a reduction of anywhere from \$6,250 up to \$20,000 of assessed valuation. Again, that depended on the percentage of disability and the year it was filed. The veteran must also have been honorably separated from the service and must be a Nevada resident.

Under that law, the widow or widower of a disabled veteran who is eligible for this exemption at the time of his or her death may also be eligible to receive this exemption, but not if they are entitled to the exemption under NRS 361.090 that I just mentioned. That is where my constituent ran into a problem. He has a very fascinating story and, if the Chair will indulge me, I would like to have Mr. Silcox come up and tell the story of his and his wife's military service. It is so moving and so involved, and I would hate to get any of it wrong.

**William Silcox, Private Citizen, Incline Village, Nevada:**

I went into the United States Army Air Forces (USAAF) in 1942. I flew with the USAAF in Europe. I got out in November of 1945. I went to school and graduated, and was then recalled for the Korean War. I spent 3 1/2 years in the service there, 1 year of which was in Korea.

My wife graduated from Queen of Angels Hospital as a registered nurse and immediately went into the service. She served in California and was then shipped over to the China Burma India Theater (CBI), where she was stationed at a hospital in the jungles of Burma. They sprayed her with dichlorodiphenyltrichloroethane (DDT), and when she got out, she had problems with her lungs.

She went to the Veterans Administration, and they started doing physicals and tests. They did not get very far. Then she went to the Disabled American Veterans (DAV) and they helped her. She ended up with a 10 percent disability and got a \$13.80 disability payment.

She stayed in the active reserve, as did I. She was recalled for the Korean War, waived her disability, and went on active duty. She was stationed at Lake Charles Air Force Base, Louisiana, as a nurse in their hospital. It was a B-29 training base.

We got married between wars. Actually, I was on my way to catch the boat to Korea when we got married. She stayed in until about a month before I got back from Korea.

In Korea, I was working on radar and flying courier for the 4th Fighter-Interceptor Group. I spent my last six months in Korea on an island in North Korea building a radar site to control the F-86s fighting the MiGs. When I got back, I was stationed at Wright-Patterson Air Force Base in the Air Research and Development Command. I had a project of shooting F-84 fighters off of a trailer.

I got out in July 1954, so my total military time was six years on active duty, two years of which was overseas, and thirty years in the reserve. I flew a total of approximately 5,000 hours. My wife served eleven years active and reserve duty, with six months in Burma and India.

We moved to Nevada in 1969 because my wife could not breathe anywhere else we had tried. She knew an old Army nurse buddy in Las Vegas who set her up with an allergist down there. We raised five children, but, as time went by, she ended up with 100 percent disability. It eventually killed her in 2001.

We moved up to Incline Village and were paying taxes on our house. I think all we were getting was a combined disability. When she passed away, my exemption dropped to zero for about four years. Then I got to thinking maybe I was due some, with all the equal rights for men and women.

I went to the Washoe County Treasurer's Office in Reno. They told me that, as a survivor, I was eligible for her disability exemption. At the same time I was told I ought to be getting my disability exemption too. I started getting disability exemptions on my property tax for about three years.

The last year, I got a cut in my property taxes. I went to the Washoe County Assessor's Office to ask why and was told it was because of NRS 361.090 and NRS 361.091. I could not get two exemptions. The person I talked to in the Assessor's Office went to the District Attorney's Office, and they sent me documents that proved I could not get the exemptions.

What it amounts to is, after 30 years of reserve and 6 years active duty time, and 11 years for my wife with 4 years of active duty, I was not eligible for my own exemption. If I had been a draft dodger or been classified 4-F, I would be getting the same exemption on my property taxes. In other words, my years of reserve and active duty service did not count for anything. It was just taken away from me. I do get her exemption, which is significant; why can I not get

my own? I wonder how much money the State of Nevada and Washoe County are actually getting by cutting me out of my \$2,000 exemption.

**Assemblyman Settlemeyer:**

To me, this is not just an issue of policy; it is an issue of parity. In the Assembly Committee on Commerce and Labor, we have had discussions on other bills dealing with heart/lung and saying that all individuals who are Category I are equal. To me, that is what this issue is.

If Mr. Silcox had not been in the military, he would not have this issue. It seems we are punishing individuals somewhat for marrying other people in the military. My local county assessor has discussed this issue with other county assessors across Nevada. They indicated their fiscal note would be de minimis. They feel it would probably only apply to eight people in the entire state. They determined that if it were reversed and Mr. Silcox were not taking the \$20,000, it would amount to about \$800.

**Chair McClain:**

I wonder how many people would actually qualify for this. Do you have a number?

**Assemblyman Settlemeyer:**

That was my question to the Douglas County Assessor. Because the double exemption is not currently granted, people have to decide which exemption to put in for. Traditionally, they will put in for the one for disabled individuals. However, the data the Douglas County Assessor got back from the other county assessors indicates it would probably only amount to eight for the entire state.

**Chair McClain:**

I am sure it would not be too many.

**William Silcox:**

If you read NRS 361.091, the whole thing is written with "he" and "his." Women are completely excluded. Women are not even considered as being possible veterans. Somebody ought to rewrite that.

**Chair McClain:**

I agree with you, but our staff has just informed me that is normal statutory construct.

**Tim Tetz, Executive Director, Office of Veterans' Services, Reno, Nevada:**

I come before you today to testify on behalf of A.B. 295. We are aware of three loopholes within the two sections of NRS on veterans' exemptions relating to property tax and the vehicle registration tax. This bill addresses one, and another bill in this session addresses another.

As Assemblyman Settlemeyer said, this is the right thing to do, and it affects very few people. I would urge your passage.

**Mary C. Walker, CPA, President, Walker & Associates, Minden, Nevada, representing Carson, Douglas, Lyon, and Storey Counties:**

We rise in support of A.B. 295. I think it is a very reasonable bill. It supports our veterans. We think it is a good piece of legislation.

**Chair McClain:**

Do the people from the American Legion want to stand up and say, "Yea?" [A number of men in the audience, all wearing American Legion hats, stood up.] I actually have one person, Rob Joiner, signed up to speak in opposition, but I do not see him here. Does anybody have any questions on this bill? [There was no response.] Dino, do you have a comment?

**Dino DiCianno, Executive Director, Department of Taxation:**

[Submitted fiscal note ([Exhibit E](#)).] Given the fact we were a little late getting the fiscal note done, the only thing I can tell you, based on our analysis, is that it is de minimis.

**Chair McClain:**

We will close the hearing on A.B. 295. What is the pleasure of the Committee?

ASSEMBLYMAN MORTENSON MOVED TO DO PASS  
ASSEMBLY BILL 295.

ASSEMBLYMAN MCARTHUR SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

**Chair McClain:**

Thank you, everybody. Does anybody have any public comment? We are going to adjourn, but be aware that we will be busy for awhile now. We have four or five bills scheduled for every meeting, so we are probably going to have to squeeze work sessions in where we can. We are adjourned [at 3:08 p.m.].

RESPECTFULLY SUBMITTED:

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Mary Garcia  
Committee Secretary

APPROVED BY:

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Assemblywoman Kathy McClain, Chair

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

**EXHIBITS**

**Committee Name:** Committee on Taxation

**Date:** March 19, 2009

**Time of Meeting:** 1:37 p.m.

<b>Bill</b>	<b>Exhibit</b>	<b>Witness / Agency</b>	<b>Description</b>
	A		Agenda
	B		Attendance Roster
<u>A.B. 146</u>	C	Ross Miller	Handout: Report from the Division of Internal Audits, Department of Administration and chart, "Proposed Business License Fee Collection"
<u>A.B. 146</u>	D	Assemblyman Ocegüera	Mock-up of proposed amendment
<u>A.B. 295</u>	E	Dino DiCianno	Fiscal note