

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

**Seventy-Seventh Session
February 21, 2013**

The Committee on Taxation was called to order by Chairwoman Irene Bustamante Adams at 1:29 p.m. on Thursday, February 21, 2013, in Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4406 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, 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 nelis.leg.state.nv.us/77th2013. In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: publications@lcb.state.nv.us; telephone: 775-684-6835).

COMMITTEE MEMBERS PRESENT:

Assemblywoman Irene Bustamante Adams, Chairwoman
Assemblywoman Peggy Pierce, Vice Chairwoman
Assemblywoman Teresa Benitez-Thompson
Assemblyman Jason Frierson
Assemblyman Tom Grady
Assemblyman Crescent Hardy
Assemblyman Pat Hickey
Assemblyman William C. Horne
Assemblywoman Marilyn K. Kirkpatrick
Assemblyman Randy Kirner
Assemblywoman Dina Neal
Assemblyman Lynn D. Stewart

COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

Assemblyman Paul Aizley, Clark County Assembly District No. 41
Assemblyman Michael Sprinkle, Washoe County Assembly District No. 30

Minutes ID: 253



STAFF MEMBERS PRESENT:

Michael Nakamoto, Deputy Fiscal Analyst
Gina Hall, Committee Secretary
Gariety Pruitt, Committee Assistant

OTHERS PRESENT:

Dave Dawley, Assessor's Office, Carson City
Daphne DeLeon, Administrator, Division of State Library and Archives
Carole Vilardo, President, Nevada Taxpayers Association
Joshua Wilson, Assessor, Washoe County
Kyle Davis, representing the Nevada Conservation League and Education Fund
Barry Smith, representing the Nevada Press Association
Jennifer J. DiMarzio, representing the Nevada Press Association
Andrea Engleman, Private Citizen, Carson City, Nevada
Chris Nielsen, Executive Director, Department of Taxation
Terry Rubald, Chief, Local Government Services, Department of Taxation
Dan Gouker, Executive Director, Division of Apprenticeship Studies, College of Southern Nevada
Constance J. Brooks, Ph.D., Director, Government Relations, Nevada System of Higher Education
Stephen G. Wells, Ph.D., President, Desert Research Institute, Nevada System of Higher Education
Dennis Perea, Deputy Director, Department of Employment, Training, and Rehabilitation
Maria C. Sheehan, Ed.D., President, Truckee Meadows Community College
Thomas C. Piechota, Ph.D., P.E., Vice President for Research and Dean of the Graduate College, Division of Research and Graduate Studies, University of Nevada, Las Vegas
Tray Abney, representing the Chamber of Commerce of Reno, Sparks, and Northern Nevada
Carol A. Lucey, Ph.D., President, Western Nevada College
Collie L. Hutter, President, Click Bond, Inc., Carson City
Jeffrey S. Thompson, Dean, Professor of Physics, College of Science, University of Nevada, Reno
Tyson K. Falk, representing the Nevada Institute for Renewable Energy Commercialization
Douglas W. Sonnemann, Assessor, Douglas County
Yolanda T. King, Director, Budget and Financial Planning, Department of Finance, Clark County

Joyce Haldeman, Associate Superintendent, Community and Government
Relations, Clark County School District
Ray Bacon, representing the Nevada Manufacturers Association

Chairwoman Bustamante Adams:

Good afternoon everyone. I will call to order the meeting of the Assembly Committee on Taxation. [Roll was taken.] I would like to open the hearing on Assembly Bill 75. Assemblyman Aizley, please proceed.

Assembly Bill 75: Revises provisions governing the publication of property tax rolls. (BDR 32-486)

Assemblyman Paul Aizley, Clark County Assembly District No. 41:

I am here today to introduce Assembly Bill 75, which proposes to provide certain county assessors an alternative method for publishing the property assessment tax rolls each year. County assessors are required to prepare a list of all the taxpayers on the secured roll with the total valuation of their property. The list must be published in the newspaper in the county on or before January 1 of each year. County assessors are required to provide this list to each taxpayer in the county by one of three methods: deliver the list, mail the list, or publish the list in the newspaper of general circulation. In addition county assessors are required to post the list in a public area: public branch libraries, the county assessor's office, on an Internet website maintained by the county assessor, or on a website maintained by the county if one is not maintained by the county assessor. The assessors' offices in Nevada counties with populations of 100,000 or more, and of course those are Clark and Washoe, currently maintain an Internet website to which the list can be published. In the current economic climate this is a cost-effective measure, as publishing the list on an Internet website reduces the cost of physically publishing the list and distributing it to each taxpayer in the county.

Assembly Bill 75 would provide an alternative method for counties with a population of 100,000 or more to publish the property tax rolls. Section 1 allows the county assessors of counties with a population of 100,000 or more to publish the list on a website maintained by the county assessor. Section 2 states the effective date of the measure is July 1, 2013.

Providing the local governments a way to reduce expenditures is a prudent economic decision. Saving the counties the money that they are spending on publishing this in the newspaper is my main motivation.

I brought with me the full publication from Clark County for one biennium of two Decembers, 2012 and 2011. The total cost was \$580,000 each time, for

more than \$1 million to publish these tax rolls. They were already on the website and available. In Clark County the numbers were \$41,000 in 2011 and \$35,000 in 2012, for a total of \$76,000.

I have heard a lot of comments, and some objections, from the Nevada Press Association. They have a very good concern in the bill. There is no public notice mentioned in the bill. I will amend the bill according to their recommendations so there are at least two notices in newspapers that the list is available on the Internet.

Aside from saving money, another reason I am doing this is that it just seems to be a waste to have this amount of newspapers [refers to large stack of newspapers on the table] going into the landfills throughout the state. My neighbors come to me and say this is a waste. The county assessor in Las Vegas, Michele Shafe, has the same experience with her neighbors asking why they continue to do this when there are better ways to do it. We as legislators get criticism for spending the taxpayer's money. Here we have a way to save a million dollars for Clark County, and lesser amounts in the other counties.

I am available for questions and I thank you for your time.

Assemblyman Kirner:

It seems to me that the Nevada Press Association has a number of concerns. Would you address the other concerns they have and what your thoughts are on those? I do not have them in front of me. I thought maybe you might.

Assemblyman Aizley:

One of the standard arguments is the availability of the newspaper versus the Internet. I think that we are going in the direction that the Internet is more available. Newspaper subscriptions have dropped in the four years I have been trying to do this. I think the numbers have dropped 100,000. You can argue that the newspaper is going away anyway and that it is all going to be on the Internet. Availability is the main one.

In the smaller counties a person could go to a library and use their computer service. I think they are available throughout the state, so they are accessible. It is accessible when it shows up at your front door in December, but if you want it in July or September, I do not think you will have saved it.

Assemblyman Hickey:

What would you understand to be the intention and the purpose originally for publishing property tax rolls? What service does that perform to the public?

Assemblyman Aizley:

People make comparisons with similar residences to see that they are being treated fairly. I think that is the main reason.

Assemblyman Hickey:

I would agree. That is certainly one reason for it. An outcome of that might lead them to challenge an assessment of their property. I am sure there is plenty of evidence of seeing some of those things reassessed and reconciled so it has a value. Currently in the larger counties this does exist, not only in print form but on the Internet. It is available for people to utilize it. It could certainly be argued that some folks do not routinely either have access to the Internet or do not choose to look at those things. Being a journalist I would certainly agree with you that newspaper circulation is not what it once was. There is no doubt about that. It does seem when one receives those in your newspaper you do tend to take a look at it. I wonder if as many people would bother to do that and avail themselves of the possibility to take a second look at their or their neighbor's assessment when they receive public notices in the newspaper.

Assemblyman Aizley:

You seem to be analyzing people in a way I cannot respond to. If their motivation is strong enough they will find the data, wherever it is. If it is available on the Internet they can find it any day of the year, not just in December.

Chairwoman Bustamante Adams:

Assemblyman Hickey, we do have someone from Connect Nevada in the State Library and Archives who can answer that question. They have done a study on accessibility by county. We may have them come up later.

I have a question. I know in the past this has tried to be brought forth statewide. Your focus, at least from your initial presentation, is on Clark and Washoe Counties. Is that correct?

Assemblyman Aizley:

Yes.

Chairwoman Bustamante Adams:

Your amendment would help find the middle ground of the transition we are trying to make as we embrace technology. The amendment would allow us to still post something in the newspaper as far as notification. Is that correct?

Assemblyman Aizley:

Yes, but the criticism of the current A.B. 75 is that it does not tell the population that this is available. The way to do that is to place a notice in the newspaper.

Assemblyman Hardy:

Is there a chance that the amendment could be attached for the rural counties? I believe it probably has a greater financial impact on those counties than it does on Washoe and Clark Counties.

Assemblyman Aizley:

I would be very willing to do that if I thought that it would get support from the rural counties. In the past they have been reluctant to support the bill.

Chairwoman Bustamante Adams:

Assemblyman Hardy, we do have an amendment from the rural counties regarding that. At this time I will have them come up and propose their amendment. I would also like Ms. DeLeon from Connect Nevada to come up.

Dave Dawley, Assessor's Office, Carson City:

First off we would like to thank Assemblyman Aizley for bringing A.B. 75 to you. I do believe it is a good bill. This is something that really needs to change and will help everyone. I do have a friendly amendment.

For years we have been required to publish this in the newspaper. In the 1970s and 1980s it really needed to be in the newspaper because we did not have the age of technology. It is important to keep government transparent. We absolutely want to do that and are not trying to stop that at all.

The amendment that I am proposing ([Exhibit C](#)) simply states that counties with less than 100,000 in the county have the option of either printing the information in the newspaper if they do not have a website, or publishing it on the website. We in Carson City have published it on our website for the last seven years, as well as having sent out for publication in the newspaper.

The amendment itself also states that if we put it on the website we would actually have enough copies so if taxpayers called us we could send it to them free of charge. We would also publish a notice in the general circulation twice, to let the taxpayers know of the time and place that they can actually inspect the roll.

Most of the counties actually have more information on their websites than just the list of this information. Many of us actually have every single improvement

on that particular property. We believe we are trying to get as much information out there as possible.

Assemblyman Hickey:

Since you already have experience of getting the rolls out there in two different ways, through the paper and on the Internet, do you have any feedback as to the calls you have gotten with either questions or concerns? Have they come more often than not as of late through the Internet or through the newspaper? Can you tell us or do you monitor that, how people found out and got back to you?

Dave Dawley:

We have never tracked that information. Many of the questions we get when it is published is questioning ownership of a property. When asked the name they might say "Smith Family Trust." Well, there are many Smith Family Trusts so it will show more than one property. It has been published by name, not by address. We have publications all the way back to the 1970s which have it listed by name.

Assemblyman Hickey:

Is it going to be any different when it is published on the Internet? Are you going to do it by property? You might still get the same questions regardless.

Dave Dawley:

That is correct sir. We may still get the same questions. The difference is that we have the parcel number and you can go straight to additional sites that will break down the property for you. You can see exactly what is on that particular property and what the assessments are.

Chairwoman Bustamante Adams:

Our fiscal team has a comment to make.

Michael Nakamoto, Deputy Fiscal Analyst:

Mr. Dawley's amendment can be found on Nevada Electronic Legislative Information System (NELIS). The members of the Committee also have a paper copy of the amendment in their binders behind the A.B. 75 tab.

Chairwoman Bustamante Adams:

Ms. DeLeon, could you go over your graphs as well. Members of the Committee you have this information and it is also available on NELIS.

Daphne DeLeon, Administrator, Division of State Library and Archives:

I am chair of the Broadband Task Force and Administrator for the Nevada State Library and Archives. I also represent the Connect Nevada project today.

What you have before you is a handout ([Exhibit D](#)) that looks at availability for broadband. What that means is that there is a connection available if the individual chooses to pay for it. The Connect Nevada project has looked at the percentages in two ways. One includes mobile access and one does not include mobile access.

Specifically for Washoe and Clark Counties, if you do not factor in mobile coverage, 95.68 percent of households have broadband available to them. If you factor in mobile coverage it in fact goes up to 98.85 percent of households have broadband available to them. The way that they define broadband, according to the Federal Communications Commission, is the ability to have a download speed of 768 kilobits per second at any one time.

If you look at the availability percentages in Clark County without mobile coverage it is 95.4 percent of the households that have broadband available to them. With mobile coverage it goes up to 99.36 percent of households that have broadband available to them.

If you look at your spreadsheet you can see that Clark and Washoe are highlighted in yellow. The first sheet looks at the 768 kilobits per second download. That is what is mandated right now in terms of the definition for broadband at the federal level. If you look at the second sheet, and I apologize for not having county names follow along, but now if you look at the top, the speed has gone up. They are looking at the national level to redefine broadband as three megabits per second. You see the percentages slightly drop. If you look at Clark County, without mobile access at the three megabits per second download, it drops to 97.89 percent of households that have access.

We all know that having access to broadband and whether you adopt it, it is really the confluence of availability and adoption that allow you to go on and access the Internet.

If you look at the second handout ([Exhibit E](#)) we have put together some adoption percentages. I want to point out that this was a phone survey from 2011. This was a statewide survey so the sample sizes are small for Washoe and Clark. You can see the respondent numbers at the top.

In Washoe County 70 percent of the household responded that they have adopted broadband; they have broadband access at home. In Clark County it

was 67 percent. If you put together the percentages that said they have broadband access at home or they access broadband in another place other than their home it goes up to 85 percent. In the next spreadsheet ([Exhibit F](#)) we compiled a list of all the library sites in the Las Vegas-Clark County Library District and the Washoe County Library System. We noted the hours they were open and the number of public access computers they have available, at no cost to their constituents. We also noted if wireless Internet was available. Something that we have seen increasing over the years is if the library site has a wireless connection available, many times it is available even outside the building. If the library is closed at times you might see someone using their own laptops, sitting in the parking lot, using the library's wireless high-speed Internet. The Washoe County Library System has a total of 209 public access computers available. The Las Vegas-Clark County Library District has a total of 452 computers available to the public.

Assemblyman Hickey:

This does not have anything to do with you having to stack all those newspapers on the shelves, does it?

Daphne DeLeon:

Certainly not. I think the idea of how accessible broadband is to Nevadans throughout the state, and particularly in Washoe and Clark Counties for this bill, is something of interest. It is important to note that the community and current institutions are providing many times this access point locally, and nine times out of ten it is the library.

Assemblyman Hickey:

Of course it is. You are someone who collects and records things that are important to the public and to its history. What is wrong with having both measures such as we currently do, where people can access it through the Internet or in the newspaper? Is more information necessarily a bad thing?

Daphne DeLeon:

Certainly not. We believe in multiple access points. We think it is a good thing to have multiple ways information is available to our citizenry.

Assemblywoman Neal:

My question is concerning the Clark County broadband adoption chart. How were the households selected?

Daphne DeLeon:

What I know from Connect Nevada is that it was a random dial survey. I could certainly get more specific information in terms of how that survey was conducted and forward it on to you.

Assemblywoman Neal:

If you are going to do that I would also like to know what the income levels of those sampled households were, because this is a very small sample for Clark County. I think the income of the household certainly has relevance in terms of the high percentages that you are noting.

Daphne DeLeon:

We will get that information to you.

Assemblywoman Pierce:

We have been working on this for a long time and I will support it again. There has been some discussion about getting information. If you want to know about your neighbors the Clark County assessor's page is a gold mine. If you put in your own address or your neighbors' addresses you can find out how many bathrooms your neighbor has, what they paid for their house, or even the previous five owners. It has much more information than that enormous thing that cracks your driveway every December.

Chairwoman Bustamante Adams:

Are there any other questions from the Committee members? [There were none.] I will move to the support position. Those individuals who support the amendment can also come up at this time.

Carole Vilardo, President, Nevada Taxpayer's Association:

We support the bill and definitely support the amendment. At this point we have consistently supported this bill. I think you have two issues here and I cannot do as good of a job as Assemblywoman Pierce in identifying what is on the assessor's page, because there is just a huge amount of information when you access it. We know that we have more and more people using the Internet. The reason for December being the time this is received has always been so you can evaluate these things for purposes of potentially going to an appeal.

I think there is something else you need to realize. Besides the fact there is more information available, and the fact that more and more people are becoming Internet savvy and using the Internet, there is the issue of cost. You as a legislator are looking to control state costs. I think you have to give this opportunity to the local governments as well.

I will make one more comment on the bill. I feel that notice that is published in the newspaper to advise that this is available should probably be in a display-type ad. I would hate to see something like this buried in the legal notices. A display-type ad tends to get much more attention.

Chairwoman Bustamante Adams:

Are there any questions from the members of the Committee? [There were none.]

Joshua Wilson, Assessor, Washoe County:

I am the Washoe County Assessor and am also here on behalf of the Nevada Assessors Association. We support this measure, as we have in the past. We appreciate Assemblyman Aizley bringing it forward once again. I know the concerns have traditionally been the access to the information of our constituencies. I think it is quite interesting when you look at who is accessing what. The majority of the folks accessing information with our site is through our public website. It is not through the assessment list. Most of the questions I received on the publication of the roll is why are you spending this much money doing it as part of our assessment list; we do put the cost on the front page to advise the taxpayers what we are spending on this.

To put things in perspective, when I took office in 2007 we paid the *Reno Gazette-Journal* to distribute roughly 57,000 copies. Keep in mind our population is 430,000 today and we have 171,000 parcels. The most recent 2012 publication we paid to distribute was 26,483 copies. To put in perspective who is getting the information, it seems to be a very small portion of the county is receiving it through the newspaper when the population is currently over 430,000.

Chairwoman Bustamante Adams:

Are there any questions from the members of the Committee? [There were none.]

Kyle Davis, representing the Nevada Conservation League and Education Fund:

I am the policy director with the Nevada Conservation League. This is always a fun one for me to support because my friends always like to make fun of me for getting a job saving trees in the desert. I now have an opportunity to save at least a few trees, looking at the pile of newspapers next to Assemblyman Aizley. I think it is a good thing to conserve natural resources. Obviously the fiscal savings are good as well.

Chairwoman Bustamante Adams:

Are there any questions from the members of the Committee? [There were none.] Is there anyone in Las Vegas who would like to testify in support? [There was no one.] I will now move to opposition. Those who oppose A.B. 75 please come to the table.

Barry Smith, representing the Nevada Press Association:

I am the director of the Nevada Press Association. As I have before, I am speaking in opposition today. This is not a new issue to most of you.

One thing that tends to happen in the discussion on this bill is newspapers versus Internet. We have always said the Internet is a great place to have this information. The newspaper has traditionally been the place to have all this information. When you cut out the newspapers you are cutting out a portion of the population that gets this information via the newspaper. It is very clear, however you add up the numbers. You are still going to be reducing the notice people get on their property tax assessments. This should not be an either versus or issue. It should not be an us versus them issue. It should be a both. That is what we have always advocated because the purpose of this is a public notice, to get to the public so they can study the assessments and decide for themselves. It is a check and balance. It is the same thing as all our other public notices. That is the reason that it is out there. I wanted to make that very clear.

I do appreciate that the bill would change with an amendment. Initially it was just Washoe and Clark Counties. The amendment would include the other counties as well. That does make a difference because when they are published in the papers of the smaller rural counties they are very well read. People do know their neighbors' names and they want to look at them, check their own listing, check them against other properties, and see if the assessments are fair or whether they need to appeal something. That is the basic reason they exist. I do appreciate that there is good information on the Internet with some of the assessor sites. That is one of the issues I have with the bill—there is no standard. There is no regulation for what the assessors put on the Internet or what information would be available. The goal here apparently is to save money, and yes you could save money by cutting back on the notice. If you are looking to improve the process, get people more and better information, and a better way to use this so it accomplishes the original intent for why this law has been on the books for decades, this bill does not do that.

The other thing that always concerns me is that the publication through the newspaper is the arm's-length, third party, independent verification that this notice was published. When you remove that element you are saying the

government is accountable to itself. Who actually checks when this information was published and that it was published timely? What is the safeguard on it? What is the accountability to anybody other than the county government itself?

To get back to the history of it and why this exists, as far as keeping an eye on the assessors, in December there was an article in the *Los Angeles Times* about the Los Angeles County Assessor who was arrested for trading lower assessed values for campaign contributions. In one case, one property assessment was lowered enough to save that particular property owner \$427,000. If you want to talk relative terms, what we are saving and what we are putting at risk, I think it is quite a bit. It has been my view all along that the reason for public notice is accountability, and transparency is in the long run the best way to save money; to create more transparency, not less.

Assemblyman Frierson:

When I read this bill I thought of it as a simple issue between those who generally use the Internet and those who use the newspaper. It seems the newspaper is no more or less accountable or transparent, and contains no more or less standards about what is placed there, than would be the exact same on the Internet. I want to make sure I do not lose sight of what the distinction is. It seems to me those issues are relevant, but they are applicable, whether they are in the newspaper or on the Internet. This is an issue of the declining number of people who read the newspaper, and whether or not we want to usher them into the Internet or accommodate them for using the newspaper.

Barry Smith:

Yes, and I do not want to mislead you that the newspaper is somehow checking the assessments themselves. It is the fact of publication and public notices in general, where the hard copy exists to be able to check. A hard copy cannot be changed the next day, or two weeks later. I assume Washoe and Clark Counties have fairly sophisticated levels of security for their websites. I suspect the websites in the small counties have less security. I am purely speculating here, but that is part of my concern.

Assemblyman Frierson:

I still share your concern. I am aware of some of the locations for publication and I think the appropriate way to frame it is they are not supposed to change it. There is no more of a prohibition on them changing it at a physical location than on the Internet, for example people tearing it down, so that is always there. We do not encourage that type of behavior, but it could happen no more or less than the Internet site posting it. They are not supposed to change it or provide inaccuracies, but it still would be there no more, no less.

Chairwoman Bustamante Adams:

I have a question for Mr. Smith. I know that in an earlier Committee hearing we had talked about the Legislature having received an award for putting their information on the website and having greater access and transparency so that the public could follow along. We talked about embracing technology and that there could be a transition point possibly regarding publishing notices and things of that nature. I think this would be a perfect transition point and also feel the possible solution would be to post the notices in a certain format in the newspaper indicating this information was available. I would just like to hear your comments on that.

Barry Smith:

You are right, we are in a transition. I think the initial bill that talks about Washoe and Clark Counties is one thing, but when you include all the smaller counties a problem exists. Making something one size to fit all is the real problem in how to address this, how it is made available, how it is being used, and so on. The answer for Clark County may not work for Lincoln County.

Assemblyman Grady:

I come from a rural area. I receive four newspapers that include circulations. In almost every one of those, I get a reminder that I could receive my newspaper in its entirety over broadband. My question to you is, if I receive my newspaper in its entirety, does that mean that your members will be doing the tax roll if this bill were not passed and publishing that in their newspaper in its entirety so I can have the advantage of receiving the whole newspaper?

Barry Smith:

That is a good question. I do not know. When they promise you in its entirety, I doubt that it includes every insert that is physically put in the paper.

Chairwoman Bustamante Adams:

Are there any questions from the members of the Committee? [There were none.]

Jennifer J. DiMarzio, representing Nevada Press Association:

I am also here on the behalf of the Nevada Press Association. I just wanted to add a couple of comments.

We would like to thank Assemblyman Aizley for his proposed amendment. I think this takes a step toward addressing one of our major concerns, which is that this bill, as written, would provide absolutely no public notice. To expect people to proactively go on the web and look for this information, to know "Oh, it is that time of year and I should go online and look for this,"

is dangerous. It takes away public notice altogether. I agree with Ms. Vilardo's concern of placing the notice in the newspaper. This would have to be very prominent. When you see the size of the roll of taxes as they are printed, it makes it clear that they have arrived and it is time for me to take a look at it. You want to make sure the notice is equally as prominent and gives equal notice.

I wanted to add that another reason why the notice on the particular tax rolls is important is that there is a very short period of time the taxpayers can appeal their property tax assessments. They receive these in December and then have until January 15 to appeal, so it is a very short period of time that this information is relevant.

I would like to add that we have additional concerns with the proposed amendment to add the rural counties for reasons of access and availability of the Internet in those populations.

Chairwoman Bustamante Adams:

Are there any questions from the members of the Committee? [There were none.]

Andrea Engleman, Private Citizen, Carson City, Nevada:

I am testifying on behalf of myself in two perspectives. One is I was the former executive director of the Press Association for many years. Secondly as a citizen of Carson City regarding this amendment that has been proposed.

This originally came into being because of the fact that assessors were giving breaks to their family members and to their friends. That is when the Legislature decided that this should be published. It was originally published in booklet form, which was mailed to everyone, until the assessors came to the Legislature and said that was too expensive. That is how it ended up in the newspapers. It was the idea of the assessors: it was not the idea of the newspapers, and has been that way ever since. A lot of people enjoy reading this in the newspaper because they like to look at their names, just like when they get their new phone book. They look up their names and make sure that their phone number is correct and so forth. There are those who do not have computer access. In the Carson City library you are limited to 20 minutes at a time on the computer. That is the way it is in a lot of the rural areas as well because they do not have enough public computers to satisfy everyone.

From my perspective as a Carson City resident I will tell you that last year in Carson City they raised our property taxes to the maximum, they raised all our fees, and they tried to raise the sales tax. There are cost-of-living raises and

merit increases to the city employees. Now we want to save \$8,000 by denying something to the public that they are used to receiving.

Chairwoman Bustamante Adams:

Are there any questions from the members of the Committee? [There were none.] Are there any others in opposition? [There were none.] Is there anyone in neutral? [There was no one.] Assemblyman Aizley, could you please come back up and give any closing remarks?

Assemblyman Aizley:

I do not have any closing remarks that are really necessary at this time.

Chairwoman Bustamante Adams:

I heard a good middle ground. I really hope you all can get there. I think it would be a great transition point for us.

I would like to close the hearing on Assembly Bill 75 and open the hearing on Assembly Bill 66. Could the presenters please come to the table?

Assembly Bill 66: Revises the circumstances under which the State Board of Equalization must provide notice of a proposed increase in the valuation of property. (BDR 32-301)

Chris Nielsen, Executive Director, Department of Taxation:

Terry Rubald is here with me today. She is the chief of the Local Government Services Division at the Department of Taxation. We are here today to present Assembly Bill 66, which revises circumstances under which the State Board of Equalization must notify taxpayers by certified mail. Again the intent of this bill is to address costs, similar in a certain respect to the previous bill. I am going to turn it over to Ms. Rubald to go over the proposal.

Terry Rubald, Chief, Local Government Services, Department of Taxation

The purpose of A.B. 66 is to clarify State Board noticing requirements in *Nevada Revised Statutes* (NRS) 361.395. Currently, any action by the State Board which results in an increased assessed value requires a notice to the taxpayer by certified or registered mail. [Continued to read from written testimony ([Exhibit G](#)).]

There is a chart ([Exhibit H](#)) if you want to see the breakdown by county.

The basic point is that it becomes very costly to order broad equalization. The language in this bill is designed to continue individual notice by certified

mail to resolve appeals and complaints, but to remove the certified mail requirement for broad equalization actions.

Chairwoman Bustamante Adams:

Are there any questions from the Committee members?

Assemblyman Frierson:

My question involves kind of the grey area. You gave the example of countywide versus individual. I am just wondering if those are the only alternatives. If there is a change in valuation for someone for a reason other than an appeal or a complaint, even though it was an individual, it does not seem to me that they would be notified under this bill as it is written now. Is there ever a situation where there is just a neighborhood or a smaller number, smaller than a county, where there would still seem to be a need for notice?

Terry Rubald:

Yes. Sometimes equalization actions come as a result of an appeal by an individual. I can recall several instances through the years where an individual would come forward and most of the time those resulted in lowering of value so notice was not an issue. It is possible that an increase in value would occur and in that case everyone who was affected by that decision, as a result of the individual case, would have to be notified. As the bill states, if it is to resolve an appeal or other complaint everyone affected would have to be notified by certified mail. The issue that we are trying to bring forward is in the broad equalization action, which might affect one or more counties, where we are trying to equalize whole areas, and in that case certified mail would make it make it very costly to produce, each letter plus the mailing costs. These folks could still be notified by regular mail or advertisement, just not certified mail.

Assemblyman Frierson:

I am not entirely clear as to whether or not there are ever any circumstances where there would be a change in valuation due to a reason other than an appeal or a complaint.

Terry Rubald:

The equalization actions sometimes occur under the earlier part of NRS 361.395. The State Board is required to equalize property valuations. They can do that by examining a body of evidence, things we call ratio studies or performance audits, those types of things, so the information can come forward to the State Board outside of an appeal. If they were ever to decide that an equalization action affected more than just a neighborhood they might have to issue an equalization order. In that case all those affected should be

notified. What we are trying to say is not by certified mail because it would have a chilling effect because of the cost.

Assemblyman Frierson:

I think that I am following you, but is there a place that requires notice, short of certified notice, where we would be certain that those folks would be noticed?

Terry Rubald:

Perhaps we need to clarify that in this bill, to make sure that that is understood. What we were trying to get to was the cost of certified mail. Perhaps we need to expand this to make sure that notice is still there.

Chairwoman Bustamante Adams:

Are there any questions from the members of the Committee? [There were none.] I would like to move to the support position. Could those in favor of A.B. 66 please come to the table? [There were none.] Could those in neutral to A.B. 66 please come to the table?

Joshua Wilson, Assessor, Washoe County:

It is not often that I am at odds with the Department of Taxation. I believe Assemblyman Frierson hit it on the head here. If the State Board is going to propose any increase on any taxpayer in the state, they need to be made aware that they potentially may be liable for this increased tax that may result from the State Board increasing the value.

I stand here today not necessarily on behalf of the Nevada Assessor's Association but more as the Washoe County Assessor who has recently received an order for equalization of an entire region of my county for the 2003 year, 2004 year, and 2005 year. If the reappraisal that was so ordered by the State Board of Equalization in December should result in any increase in any of those assessments those folks need to be made aware of that.

Chairwoman Bustamante Adams:

Are there any questions from the members of the Committee? [There were none.] I will close the hearing on A.B. 66. [([Exhibit I](#))] was presented but not discussed and is included as an exhibit for the meeting.]

I will now open the hearing on Assembly Bill 138. Assemblyman Sprinkle, please come to the table.

Assembly Bill 138: Revises provisions governing the partial abatement of certain taxes. (BDR 32-113)

Assemblyman Michael Sprinkle, Washoe County Assembly District No. 30:

I am excited today to be proposing to you Assembly Bill 138. One of the things that makes me most excited about this bill is that this is a way for us to really move forward as a state, in the private and public arena, where we are looking at relationships that can be built both from industry and within our higher educational system.

Assembly Bill 138 allows businesses that make capital investments in Nevada's institutions of higher education to apply to the Governor's Office of Economic Development (GOED) to receive partial abatements from taxes on personal property that are paid by that business. There are some parameters that go along with this that I will present to you.

To be eligible, the business must make a capital investment of: At least \$1 million in a research program at the University of Nevada, Las Vegas; the University of Nevada, Reno; or the Desert Research Institute; or at least \$500,000 at the Nevada State College or a community college within the Nevada System of Higher Education. [Continued to read from prepared testimony ([Exhibit J](#)).]

Before I wrap up as to why I feel this bill is necessary, I do want to acknowledge that there have been some concerns brought to my attention as far as the effect this is going to have on the counties. I believe you will be hearing another bill that specifically addresses county concerns in regard to abatements, so I will defer that discussion for that bill. What I will say is that there are a lot of pluses for the counties as well. This is going to help build an educated workforce within those local jurisdictions. This is going to help with the local colleges and university systems there. This is also going to build the ability to continue with research at our major universities and Desert Research Institute (DRI).

I believe from that perspective a lot of the benefits outweigh some of the concerns that have been brought to my attention when it comes down to the impact this is going to have on the counties.

A few more points are that while employment has declined, Nevada continues to register the highest rate in the United States at 10.2 percent, and that relates to us getting back an educated workforce and motivating our local industries to hire local employees. It is also an incentive for businesses to invest in the higher education institutions, and by doing that, hopefully keep those

businesses within our local communities. I think that is really important. When having discussions with Economic Development and their departments that was one of the big driving forces for them to be in support of this.

Assembly Bill 138 will strengthen relationships and encourage growing industries in Nevada to look to Nevada higher education institutions as their number one resource for certification, job training, commercialization, and research.

This bill is important, necessary, and I have a lot of support for it. I hope you look favorably upon it. I would be happy to answer any questions.

Assemblywoman Kirkpatrick:

First, I want to commend Assemblyman Sprinkle. This bill has come back in many forces since the 2005 Session. Congresswoman Titus had it first in the Senate. It came back in 2007 [Assembly Bill No. 356 of the 74th Session]. Assemblyman Conklin had it last session [Assembly Bill No. 191 of the 76th Session] and this session. Assemblyman Sprinkle picked it up this session and has probably done more work than anyone else has over the sessions combined.

I am not a big proponent of abatements but what makes this different is that we have to start involving the community within our education system. The community wants to be involved. They want to give back and be part of it but this does not give them the farm for doing something good. This allows them a small abatement of up to 50 percent. It is money that we would not have normally had. We are giving them incentives and we get 50 percent more money in the process. As we are looking for creative ways to get our workforce together and creative ways to get the communities involved, this is something that should be looked at. I applaud you working on it. I think those before you would be proud to know you have put more hours into it today than they did in combination.

Assemblyman Kirner:

I only have one session of experience but I heard this last session as well. I think it is a good idea to get community investments so I applaud you picking this bill up and bringing it forward.

Abatements are always a concern. Sometimes the return on the investment on these things is much better than the abatement. Do you have any sense as to what level of participation you might get? What is the fiscal note and do you think the return on investment is rated in the fiscal note?

Assemblyman Sprinkle:

I do not have a specific answer for you, but I have been told by those who work in this realm every day that they do feel there is an appetite for this and that it will be very beneficial to the local and state economies.

Getting back to some of the comments Assemblywoman Kirkpatrick just made, I was really trying to find a different direction with this bill as compared to previous sessions. My intent was to look at the overriding concerns of the state. I reached out to the private sector and to Economic Development. I have been led to believe this is something they would applaud, want, and could potentially be used as a marketing tool for the universities.

Chairwoman Bustamante Adams:

I will ask our fiscal team to respond to the fiscal note question.

Michael Nakamoto, Deputy Fiscal Analyst:

With respect to Assemblyman Kirner's question of the fiscal note, requests for fiscal notes were sent out by the Fiscal Analysis Division. We are still within the statutory deadline to actually receive those and we have not received all of the responses yet. The latest due date is February 27 and we will hope to have it published shortly thereafter.

Assemblyman Kirner:

I would like to reiterate that when I heard this last session it was intriguing to me. I would like to see the community involved with our universities and community college systems. I am anxious to look at the numbers, but I think this is a good bill.

Assemblyman Sprinkle:

The concerns of the past were that other taxes were going to be abated. That language has been stricken. This is simply just personal property taxes.

Assemblyman Grady:

We have had some conversations on this bill and I like the idea. It is a good bill. One of my concerns is that we have not included the approval from local governments. I think we need to address if local governments have any input. Secondly, I would like to know if the colleges are included as Western Nevada College and Great Basin College no longer have "community" in their name anymore. I would hate for our community colleges to find out that they are not included because community is no longer part of their name.

Assemblyman Sprinkle:

I also appreciated our conversations. They were very insightful and helpful for me.

I did do more research as far as looking at local jurisdictions. I came to find out that some of your concerns will be specifically addressed in another bill that this Committee should be hearing. I think that that is a far more appropriate place for those discussions to be had. Whatever you decide with that bill is going to impact what happens here.

In regard to the terminology I was given confirmation that the way we have it drafted is perfectly appropriate for the way the community colleges are identified and labeled today.

Assemblyman Grady:

I do not have a whole lot of faith in depending on another bill to protect your bill. I just feel this should be addressed in each bill. If that bill does not pass and your bill does we will have no protection for the rural governments.

Assemblywoman Benitez-Thompson:

Do the capital investments that can be made at the college level encompass pledges? Could you pledge over the course of five years \$1 million or are we talking specifically about a one-time capital investment?

Assemblyman Sprinkle:

This is one-time up-front. They need to make the investment first. I neglected to mention in my overview that there is a claw back part of this. If a company that has gone through the process has been given the abatement, then during those five years decides to leave, to not fulfill their obligations, not only does all the money they received in abatements get returned to the jurisdiction where they are applied to the treasurers, there is also interest they must pay on those. They lose the initial investment and the institutions get to keep it.

Assemblyman Stewart:

I am always a little bit nervous about abatements, but I think you put some great conditions in there for them.

I have some of the same concerns as Assemblyman Grady and I would encourage you to specifically put in the bill colleges or community colleges, or something of that nature.

Is the donation \$1 million to one of the universities "or" the colleges, including Nevada State College, or is it an "and" in there? Have you checked with other states that have a similar system like this, and if so how is it working?

Assemblyman Sprinkle:

It is the direction that the local company or industry wants to go. If they are looking specifically to research, they are going to be giving \$1 million to one of our three major institutions that participate in research. Because of that, they would also be hiring, on a part-time basis, graduate students from those.

The direction I tried to go with this bill was really looking at certification and licensure, and so, as opposed to doing that, a local company that still meets the other conditions can then give just the \$500,000 to a local institution, community college, specifically related to certification and licensure programs within their industry.

As far as other states, I have not done a lot of research on that, so it is not something I can answer affirmatively.

Assemblyman Kirner:

If I gave \$1 million to the university, how would you respond to me in terms of whether I should get an abatement on my mansion?

Assemblyman Sprinkle:

I would tell them they have to employ at least 15 people to get it.

Chairwoman Bustamante Adams:

Seeing no other questions we are going to go ahead and move into the support position. If you are in support of A.B. 138 as is, with no amendments, please come to the table. We will allow the individuals in Las Vegas to go first.

Dan Gouker, Executive Director, Division of Apprenticeship Studies, College of Southern Nevada:

I am here in support of this bill. I have been a resident of Las Vegas for over 50 years. Our economy here is pretty much gaming controlled. This bill will enable businesses outside of our state to have some incentive to come to Nevada. The College of Southern Nevada has been very aggressive with employee training. I work for the Division of Workforce and Economic Development. Last year we impacted 27,000 students who needed some form of tertiary education past high school but did not necessarily go for a four-year degree. This bill will enable businesses with the conditions and abatements as listed to work with my staff. We do preemployment training and customized training for businesses. We most recently have embarked on a partnership with

Director Woodbeck and Deputy Director Perea of the Department of Employment Training and Rehabilitation (DETR) in partnership with a company called ACT, Inc. We do WorkKeys training, which is basically preemployment type skill training. It looks at the foundational skills and generic occupational skills for employment.

We have heard the complaints from companies that they cannot move to Nevada because our education is not what it needs to be. We can customize training for a specific business need so that Nevada does in fact have an employable workforce that a business coming to Nevada could invest in the education system.

We work with the workforce investment boards and the different council sectors. We have members on all those council sectors. I think this bill goes a long way toward improving relationships between potential employment in Nevada and our educational system.

Chairwoman Bustamante Adams:

Are there any questions from the members of the Committee? [There were none.] Is there anyone else in Las Vegas who wants to testify in support? [There was no one.] We will move to those in support in Carson City. Please proceed.

Constance J. Brooks, Ph.D., Director, Government Relations, Nevada System of Higher Education:

I am here to represent our organization and say that we are in support of the bill. We are appreciative of working with Assemblyman Sprinkle, as well as Assembly Leadership, toward the development of this bill. We applaud their efforts. We do have representatives from all eight of our institutions here to provide more detailed support in terms of how this will work for each of their institutions.

Chairwoman Bustamante Adams:

Are there any questions from the members of the Committee? [There were none.]

Stephen G. Wells, Ph.D., President, Desert Research Institute, Nevada System of Higher Education:

I am here today to speak in favor of A.B. 138, which revises provisions governing the partial abatement of certain taxes. This bill would aid in the state's ability to develop a knowledge-based economy and supports the development of high paying, technology-driven jobs. [Continued to read from prepared testimony ([Exhibit K](#)).]

Chairwoman Bustamante Adams:

Are there any questions from the members of the Committee? [There were none.]

Dennis Perea, Deputy Director, Department of Employment, Training and Rehabilitation:

I would like to read a brief statement for Director Woodbeck, who could not be here today.

Thank you for indulging my submission of testimony in absentia.

I am hereby submitting testimony in support of A.B. 138, which would allow for the investment of private sector funding in a program or programs within the institutions of the Nevada System of Higher Education (NSHE) for the support of research, development, or training related to the field of endeavor of the business, in one of the economic development sectors targeted by the Governor's Office of Economic Development (GOED). [Continued to read from prepared testimony ([Exhibit L](#)).]

I also have a second letter from Director Woodbeck in follow up.

This letter is a follow-up to the letter of support for A.B. 138 that was submitted for your consideration earlier today.

The Department of Employment, Training and Rehabilitation (DETR) did receive guidance from the GOED and would like to provide clarification on our support of A.B. 138. [Continued to read from prepared testimony ([Exhibit M](#)).]

I also would like to respond to Assemblyman Stewart's question about other states using this. I just received information today from Director Woodbeck stating Pennsylvania has a very similar process in place, if people choose to look at it.

Chairwoman Bustamante Adams:

Are there any questions from the members of the Committee? [There were none.]

Maria C. Sheehan, Ed.D., President, Truckee Meadows Community College:

Truckee Meadows Community College serves more than 11,000 students each semester in state-supported classes at five sites in Reno. Through these sites and additional community locations, we are positioned to serve not only our community members but our local businesses as well. [Continued to read from prepared testimony ([Exhibit N](#)).]

We have focused in Northern Nevada on WorkKeys collaboration with DETR as a service to local businesses. We work closely with the Economic Development Authority of Western Nevada and their perspective of relocating clients and providing special information that would be of interest to those businesses relocating in terms of the kinds of services that we can provide to train workers for the future. We cannot do our job without having a special knowledge of our business community needs. This is our role at the community college, to serve the business needs of our community. [Continued to read from prepared testimony ([Exhibit N](#)).]

Chairwoman Bustamante Adams:

Are there any questions from the members of the Committee? [There were none.]

Thomas C. Piechota, Ph.D., P.E., University of Nevada, Las Vegas, Division of Research and Graduate Studies:

I would like to speak in support of A.B. 138. This fits in with our goals of the university in aligning both education and research efforts with the economic goals of the state and the region. We have been working hard in terms of aligning our efforts and working closing with agencies like GOED. We work closely with them on a regular basis, and their sector specialists, to identify companies that want to work with the university, and attracting them to Nevada.

Examples of these include unmanned aerial systems and the University of Nevada, Las Vegas (UNLV), working with Nevada System of Higher Education institutions in advancing that initiative for the state, partnering with them on an indoor agricultural conference for the state and attracting industries in that area, and working with local agencies and a new regional authority in southern Nevada that is attracting industries and working with the economic development agencies in the local governments. We work closely with them on a regular basis and our president sits on their boards.

I would like to provide to you a couple of examples of how this interaction with businesses has been a big success, in terms of advancing our education programs. A big supporter of the university in helping us to establish solar and renewable energy programs has been NV Energy. We have over 100 students in that program, and they are now working in and supporting that sector. We work with Varian Medical Systems on materials testing and cargo screening. Our students work with them on internships and we work on advanced research projects with them. Switch Communications is an information technology company and houses big data centers. We have a UNLV cloud computing facility out there also.

The University of Nevada, Las Vegas has taken this very seriously. We have an Office of Economic Development set up and we are supporting and seeking businesses. We support the intellectual property that is coming from the university and are looking for ways to commercialize that and work with businesses to create new start-ups. Along those lines we have created a new business start-up center to support small businesses, both that come out of UNLV and in the community. All this, and working with businesses, allows us to be more entrepreneurial in our programs at UNLV.

Chairwoman Bustamante Adams:

Are there any questions from the members of the Committee? [There were none.]

Tray Abney, representing the Chamber of Commerce of Reno, Sparks, and Northern Nevada:

I want to thank Assemblyman Sprinkle for bringing this bill. We support this concept. To Assemblywoman Kirkpatrick's point, we think the community needs to become more engaged and connected to our higher education system. We believe the Chamber of Commerce can play a key role in that. To that end we maintain close contact with Dr. Sheehan of Truckee Meadows Community College, Dr. Wells at Desert Research Institute, and Dr. Johnson at the University of Nevada, Reno. Even our economic development authority in northern Nevada has embedded, if you will, a person on their entrepreneurship a department on the university campus, in order to provide that connection. Something we have struggled with in Reno for a long time is having a university up on the hill. A lot of people feel separated from the community. We want it to be a university town, a college town. This takes a long time. It does not happen overnight. It takes a culture change and we think this bill will help do that.

Chairwoman Bustamante Adams:

Are there any questions from the members of the Committee? [There were none.]

Carol A. Lucey, Ph.D., President, Western Nevada College:

It is my pleasure to talk to you today about the exciting work of a group of Nevada industries that has organized a collaborative effort to enhance the state's manufacturing workforce. The group, called "Dream It; Do It," is organized under general guidelines provided by the Manufacturing Institute, and its affiliate, the National Association of Manufacturers, and is chaired by a local manufacturer, President Collie Hutter of Click Bond, Inc. [Continued to read from prepared testimony ([Exhibit O](#)).]

Chairwoman Bustamante Adams:

Are there any questions from the members of the Committee? [There were none.]

Collie L. Hutter, President, Click Bond, Inc., Carson City:

I am here today speaking on behalf of my company. We want to thank Assemblyman Sprinkle for bringing up this bill. I think it is very exciting that it brings an opportunity for us to invest in our community colleges. It is very important that we maintain these colleges and maintain the close relationship between all of our employers and the colleges. We look forward to working together with all the community colleges as we move forward.

I would like to see something in this bill about companies, such as mine, that have been here for 25 years. We are not expected to expand, but we would love to be able to participate in the investment and abatement program.

Chairwoman Bustamante Adams:

Thank you for your testimony as a business owner. Are there any questions from the members of the Committee? [There were none.]

Jeffrey S. Thompson, Dean, Professor of Physics, College of Science, University of Nevada, Reno:

I want to thank the Committee for giving me the opportunity to testify in support of A.B. 138. My job primarily is to oversee educational and research programs within the College of Science. I also spend a significant fraction of my time working with donors, both corporate and industrial sponsors. This sometimes leads to donations that support our mission and our research programs. Recent projects supported by gifts to the college include locating and characterizing geothermal and mineral deposits, synthesizing naturally occurring compounds that have potential for medical applications, and studying chemical pathways critical for nerve growth and development.

I believe A.B. 138 will provide an additional incentive that some corporations will find attractive as they decide if, and to what level, they wish to support programs at a Nevada university or college through a charitable gift.

I am currently working with a number of corporations that have asked if there was a tax relief program in the state of Nevada for corporate donations. It does make a difference on the size of the gift as they come forward.

I believe this issue is an important consideration for many companies. This legislation will also be a valuable tool as NSHE explores new ways to support economic development and diversification within the state.

Chairwoman Bustamante Adams:

Are there any questions from the members of the Committee? [There were none.]

Tyson K. Falk, representing the Nevada Institute for Renewable Energy Commercialization:

We are a non-profit private 501(c)(3) organization focused primarily on developing an innovation-based economy right here in Nevada. We are located in Las Vegas, Reno, and Incline Village.

We would like to thank the sponsor of this bill for bringing it forward. As we move into innovation-based economic development, it is absolutely vital that we connect our industry and our businesses within our research institutions so they can find the needs and then find the solutions of their businesses here in Nevada. We strongly support this bill and hope you do the same ([Exhibit P](#)).

Chairwoman Bustamante Adams:

Are there any questions from the members of the Committee? [There were none.] I will now move to the opposition. Is there anyone in Las Vegas who would like to testify in opposition? [There was no one.] Is there anyone in Carson City who would like to testify in opposition? [There was no one.] I would like those individuals in neutral to please come to the table.

Douglas W. Sonnemann, Assessor, Douglas County:

You had mentioned in some of your concerns and questions the fiscal impact to the counties in particular. The state does have a similar program at this point that does allow for a 50 percent reduction on the taxes on personal property. There are approximately ten in Douglas County, the biggest of which is the Starbucks roasting plant. They currently pay approximately \$400,000 per year in property taxes. I think there might be a little bit of a loss, as far as the 50 percent abatement, but what the county is ending up with in the big picture of the net to the county has been quite a benefit, particularly to Douglas County. I certainly do not speak for the county, and I do not speak for anybody else. This is just to give you an example of one experience that has happened in Douglas County.

Chairwoman Bustamante Adams:

Are there any questions from the members of the Committee? [There were none.]

Yolanda T. King, Director, Budget and Financial Planning, Department of Finance, Clark County:

I am neutral on this bill. I support the idea of the policy decision for economic development, as well as research development and educating the workforce. I do appreciate the comments that were made by Assemblyman Sprinkle in terms of the local governments being concerned about the fiscal impact. I would like to reserve those concerns for a later date when we start talking about the impacts to local governments.

I can somewhat address the question Assemblyman Kirner had in regard to what the impact could be to Clark County. Thank you to the Assemblyman for clarifying that the abatements would be, in fact, on personal property. Because the abatements are on personal property that definitely lessens that amount of the fiscal impact that would be on the local government. Worst-case scenario in terms of Clark County, we would be looking at a fiscal impact of about \$2 million.

Chairwoman Bustamante Adams:

Are there any questions from the members of the Committee? [There were none.]

Joyce Haldeman, Associate Superintendent, Community and Government Relations, Clark County School District:

I am also in neutral on this bill. Whenever we start talking about tax abatements, educators start holding close to their wallets because it usually impacts us negatively. I am encouraged after hearing the discussion. I feel this is a very thoughtful bill and that you are trying not to have a negative impact on us. I just want to put on the record that we need to watch this closely so it does not have unintended consequences and take revenue away from students.

Chairwoman Bustamante Adams:

Are there any questions from the members of the Committee? [There were none.]

Ray Bacon, representing the Nevada Manufacturers Association:

Generally speaking, we totally support the concepts of the bill. There are a couple of things that we think could be improved. Number one would be to either lower the numbers or allow for a group of employers to come together. As Dr. Wells testified, that is where the job growth is going to come from, the smaller businesses. They are pretty much locked out of that because they do not have that million dollars. That is a change we think would open it up where the jobs are going to come from, the smaller businesses.

Secondly, is to take a look at the potential of easing the pain by making the tax a split between the personal property tax, which affects the county, and the modified business tax, which affects the state. This would make it much more palatable to the local governments. It probably would not make a huge chunk of difference but that is the potential way to ease that pain. All the abatements that have been done at this stage of the game have a tendency to impact the local governments and none of them affect the state. That would be a change and it might be something that you want to consider.

Chairwoman Bustamante Adams:

Are there any questions from the members of the Committee? [There were none.] Are there any others in the neutral position either here in Carson City or Las Vegas? [There were none.] Assemblyman Sprinkle, would you like to come back up for any closing remarks?

Assemblyman Sprinkle:

I just want to thank the Committee for your attention to this bill. I am always open for more questions.

Chairwoman Bustamante Adams:

Is there anyone here for public comment? [There was no one.]

[([Exhibit Q](#)) was presented but not discussed and is included as an exhibit for the meeting.]

I will close the hearing on A.B. 138. The meeting is adjourned [at 3:13 p.m.].

RESPECTFULLY SUBMITTED:

Gina Hall
Committee Secretary

APPROVED BY:

Assemblywoman Irene Bustamante Adams
Chairwoman

DATE: _____

EXHIBITS

Committee Name: Committee on Taxation

Date: February 21, 2013

Time of Meeting: 1:29 p.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
A.B. 75	C	Dave Dawley, Doug Sonnemann, and Linda Whalin	Amendment to A.B. 75
A.B. 75	D	Daphne DeLeon	Graphs showing availability of broadband
A.B. 75	E	Daphne DeLeon	Graph of adoption percentages
A.B. 75	F	Daphne DeLeon	List of public libraries and public access computers in Washoe and Las Vegas-Clark County
A.B. 66	G	Terry Rubald	Letter of testimony
A.B. 66	H	Nevada Department of Taxation	Estimate of cost of certified mail notices
A.B. 66	I	Nevada Department of Taxation	Statement of intent
A.B. 138	J	Assemblyman Michael Sprinkle	A.B. 138 provisions
A.B. 138	K	Stephen Wells	Letter of testimony
A.B. 138	L	Dennis Perea	Letter of support from Nevada Department of Employment, Training, and Rehabilitation
A.B. 138	M	Dennis Perea	Letter of clarification of support from Nevada Department of Employment, Training, and Rehabilitation
A.B. 138	N	Maria Sheehan	Letter of testimony
A.B. 138	O	Carol Lucey	Letter of testimony
A.B. 138	P	Tyson Falk	Letter of support
A.B. 138	Q	Steven D. Hill	Letter of support