

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

**Seventy-Eighth Session
March 24, 2015**

The Committee on Taxation was called to order by Chairman Derek Armstrong at 1:04 p.m. on Tuesday, March 24, 2015, in Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4401 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 www.leg.state.nv.us/App/NELIS/REL/78th2015. In addition, copies of the audio or video of the meeting may be purchased, for personal use only, through the Legislative Counsel Bureau's Publications Office (email: publications@lcb.state.nv.us; telephone: 775-684-6835).

COMMITTEE MEMBERS PRESENT:

Assemblyman Derek Armstrong, Chairman
Assemblyman Randy Kirner, Vice Chairman
Assemblywoman Teresa Benitez-Thompson
Assemblywoman Irene Bustamante Adams
Assemblywoman Olivia Diaz
Assemblywoman Jill Dickman
Assemblyman John Hambrick
Assemblyman Pat Hickey
Assemblywoman Marilyn K. Kirkpatrick
Assemblywoman Dina Neal
Assemblyman Erven T. Nelson
Assemblyman Glenn E. Trowbridge

COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

Assemblyman Lynn D. Stewart, Assembly District No. 22



STAFF MEMBERS PRESENT:

Russell Guindon, Principal Deputy Fiscal Analyst
Michael Nakamoto, Deputy Fiscal Analyst
Bryan Fernley, Committee Counsel
Gina Hall, Committee Secretary
Olivia Lloyd, Committee Assistant

OTHERS PRESENT:

Dan Musgrove, representing CSAA Insurance Group
Michael D. Geeser, Regional Director, Government Affairs,
CSAA Insurance Group
John J. Richmond, Vice President and Associate General Counsel,
Legal Division, CSAA Insurance Group
Michael D. Hillerby, representing International Community of Christ
Rebecca Willis, Treasurer, International Community of Christ, Church of
the Second Advent
Bishop Gene Savoy, International Community of Christ, Church of the
Second Advent
Joshua G. Wilson, Chief Deputy Assessor, Assessor's Office,
Washoe County
Michael E. Clark, Assessor, Assessor's Office, Washoe County
Brian Bonnenfant, Project Manager, Center for Regional Studies,
College of Business, University of Nevada, Reno
Kevin Raiford, M.B.A., Professor, Department of Business Administration,
College of Southern Nevada, North Las Vegas, Nevada
Ken Evans, M.B.A., President, Urban Chamber of Commerce, Las Vegas,
Nevada
Peter Guzman, President, Valley Center Opportunity Zone, Las Vegas,
Nevada
Paul Moradkhan, Vice President, Government Affairs, Las Vegas Metro
Chamber of Commerce
Kelly Martinez, Government Affairs Officer, Office of Administrative
Services, City of Las Vegas

Chairman Armstrong:

[Roll was called and housekeeping items discussed.] On the agenda today we have three bills: Assembly Bill 372, Assembly Bill 391, and Assembly Bill 399. At this point I will open the hearing for A.B. 372.

Assembly Bill 372: Revises provisions relating to insurance. (BDR 57-1003)

Assemblyman Lynn D. Stewart, Assembly District No. 22:

We appreciate the opportunity to bring forth this bill. Having sat on this Committee, I know the difficult decisions that you have to make.

In my opinion Assembly Bill 372 is basically a bill on fairness. One of the great treasures of America is "a promise made is a promise kept," and I think that is what this bill is about. I will now turn it over to Mr. Dan Musgrove to present the details of this bill.

Dan Musgrove, representing CSAA Insurance Group:

I am appearing today on behalf of AAA insurance, and will briefly describe A.B. 372. I will give you a little background, and then Mr. Michael Geeser will give you the background on the AAA location in Las Vegas that kind of set this in motion. Mr. John Richmond will explain the actual details of the bill.

Assembly Bill 372 replaces a tax credit that is currently in statute that is actually going to phase out over the next couple of years. The phaseout is going to occur because of what took place in the 28th Special Session.

The prior form of the credit, and this is the home office tax credit, was put in place in 1971. Some legislators have told us that probably A.B. 372 should have been how the original insurance home office tax credit was originally designed, and we take pride in that. I think we have brought you a piece of legislation that cleans it up and sets the bar high, and I think that is the way we should look at abatements.

For background, Chapter 680B of *Nevada Revised Statutes* (NRS) currently allows for two credits. One of the credits is for domestic insurance companies—Nevada insurance companies—and allows a credit of 50 percent for an insurance premium tax if they own their Nevada headquarters. The other part of the bill is for out-of-state insurers, which again allows the same credit, but in addition to owning a Nevada building, the insurer has to employ 25 people and conduct multistate operations.

Currently in statute, for both forms of the credit, there is no limit on the length of time the credit can be taken. I think that was most likely the problem the Governor and his staff identified when they were looking at Tesla, and at available credits, and perhaps why they believe this credit should go away because it was open-ended. Currently the credit is claimed by about a dozen insurers, and one company has been taking that credit for almost 40 years. Understandably the prior form of the credit has its critics.

We believe A.B. 372 changes that perception. With that, Mr. Chairman, I would like Mr. Geeser to take over.

Michael D. Geeser, Regional Director, Government Affairs, CSAA Insurance Group:

Mr. Musgrove's setup brings us to where we are now, with a building in Las Vegas. Some years ago we moved our regional center to a leased building in Las Vegas. We eventually outgrew that facility and leased a second building in Las Vegas. When those leases came up a few years ago it was obvious that having two buildings scattered in different locations was not efficient. We looked at our alternatives, which were relocating to another state, leasing a larger building, or some other item. We eventually settled on buying a building in Assemblyman Stewart's district. We bought this building, in large part, due to the credit we obtained from the Department of Taxation.

In 2012 we bought the building and renovated it to a call center. We built out the bottom of the building into a garage with classrooms, and it is where we educate adjusters on how to go through their business operation. In 2013 we moved in and took the credit for the building in that year.

The center, along the Clark County 215 highway, houses 435 employees. It generates nearly \$30 million annually in payroll, plus we spend another million dollars on maintenance, security, and other services. Our employees in the building all live in the Las Vegas Valley. Their salaries, in large part, go right back into the communities in which they live.

The point I wanted to make to you today is that we fully appreciate the effort that was made to diversify the economy and bring new industry into Nevada, and we support that. We also support the effort to induce a multistate insurer, like ourselves, to commit to Nevada. But for the tax credit we received a couple years ago, we would not have bought the building we are currently in. The letter from the Department of Taxation allowed us to make that calculated decision to buy the building in Assemblyman Stewart's district.

So that is a little bit of the story as to how we got to this point, with the building that we are in. Mr. Chairman, John Richmond is here, from our main office to walk you through the bill.

John J. Richmond, Vice President and Associate General Counsel, Legal Division, CSAA Insurance Group:

I am with the AAA Insurance law department. In terms of how the bill works, we tried to preserve as much as we could of the original form of the credit, while addressing some of its shortcomings. The amount of the credit remains

as it was before, 50 percent of the premium tax. We also retained the requirement that the insurance company own the building. That may not seem like that big a deal, but to many larger businesses that do not see themselves as being in the business of owning real estate, buying a building is actually a very big deal, and it signifies a commitment that is not there if you have just leased premises that come up for renewal periodically. We think that is an important feature of the old bill, and a good feature of the old bill, so we wanted to retain that.

We wanted to add a few more requirements to create some proportionality between the amount of the credit and the commitment made by the insurance company. We put in the bill that you had to invest at least \$10 million into the building, that you needed to employ 250 people rather than 25 as is in the current law, and you had to pay those employees the statewide average in wages and provide a specified level of healthcare. These last few items we lifted from the Modified Business Tax (MBT) abatement. We imported the language and adapted it for an insurance environment. It is largely unchanged in terms of concept. Also from the MBT abatement you have to actually enter into a binding contract with the Office of Economic Development, Office of the Governor (GOED). To address the open-ended nature of it, we capped the credit at ten years for any one insurance company that is claiming the credit.

That concludes our presentation. We are open to questions at this point.

Assemblywoman Neal:

What was your investment in 2013? You have the credit for two years, and basically eight years was taken. You do not own the building because you were not able to keep the credit, or you do own the building? I am confused. Are you leasing or do you own the building?

John Richmond:

We own the building. We bought it in 2012. The purchase price was around \$15 million. We then put another \$15 million into it in improvements, for a total investment of around \$30 million. The credit you receive is a percentage of the premiums that you write in the state. The amount of the credit that we got in 2013, when we moved into the building, was just under \$2.5 million, and that is roughly the amount we anticipate getting for this year.

Assemblywoman Neal:

This has been in place for 40 years, and I understand the Tesla deal took you guys out. What was your projected benefit, because you spent your own money, a lot was already invested? The \$2.4 million is not a lot of money in

terms of what you were getting as a credit. What was the projected use for that credit? Was it to offset some other future cost that we are not aware of?

John Richmond:

When we do the economics and are thinking about buying a building, we tend to look ten years out. When you talk about real estate, that would be a normal planning horizon, so we were looking about ten years out.

Dan Musgrove:

To further elaborate on Assemblywoman Neal's question, when we originally received the credit and the letter from the Tax Commission indicating that we would get it under the old legislation, it was open-ended. There was a natural perception that perhaps we were going to get it as long as it was in place, but the whole dynamic changed during the 28th Special Session. We realized in talking with both the Governor's office and legislators that it did not make sense it was open-ended. We were surprised the Legislature had left it there for all those years.

When we looked at bringing something to the Legislature, because we look at things on a ten-year basis, that is probably what the legislation should do. That is what we offered up.

Assemblyman Kirner:

Are you the only company that has fallen into this abyss, or are there other companies? In other words, this bill suggests some things, and the question I have is, Can other companies then come forward and say me too?

John Richmond:

When we were putting the bill together, we did look into who was getting the credit. Because they have to own the building and we have to figure out how many years they have been getting the credit and know the date on which they first acquired the real estate, we were not able to actually reach a definitive conclusion. In looking at the list of what is publicly available online, there is probably one other company that is within that ten years, and then ten or so others that currently have been getting the credit for more than ten years.

Assemblyman Kirner:

So the bottom line is yes, there may be at least another company that might fall into the same category as your own? You opened this up by talking about your investment in Nevada. Are you suggesting you would not have invested in Nevada if Assembly Bill No. 3 of the 28th Special Session were in place when you made your investment?

John Richmond:

We certainly would not have purchased the building.

Assemblyman Kirner:

You would have leased it?

John Richmond:

We would have leased a facility, either here or somewhere else.

If I may back up, in terms of who is eligible for the credit, we have been told that there are a couple of companies that are a bit smaller, that are thinking about also buying a building, but are not currently getting the credit. They might be interested if the credit were actually available. It is not a huge number of companies, but there are companies out there that might be interested.

Assemblyman Kirner:

So the difference is not whether or not you would have come to Nevada or whether you would have opened a call center. For you the difference is whether you would have bought or leased a facility. Presumably you come to Nevada because it is a favorable tax environment for your employees. Hopefully it is a good place to live, and you are comfortable with those kinds of arrangements.

John Richmond:

Certainly all of the things you just said are very true, in terms of the desirability of Nevada. We have four regional centers around the country, and we do move them periodically. Who could say now what we would have done. It was the existence of the credit that absolutely kept us here and was a strong argument against moving the center somewhere else.

Assemblyman Hickey:

A lot of companies in this industry ended up taking kind of a back seat to the Tesla deal. At the same time, as you described, this was an exemption and an abatement that had lasted for an awfully long time. I applaud you for what I think is the wisdom, if not the sensitivity, to come back and say you would like to enjoy that opportunity again, but you are capping it at ten years. I think that is a reasonable request.

While this is not the money committee, there obviously will be an impact upon the budget if this body were to reinstate an exemption or abatement of this sort. Have you thought about how much that amount might be?

Dan Musgrove:

We appreciate your comment. We tried to be reasonable when we came back.

I think what we are asking this Committee to do in terms of the policy has to do with, as Assemblyman Stewart stated, "a promise made is a promise kept," and the perception to others outside of Nevada. They see Nevada, which is trying to bring in new business and is looking at abatements as a way to bring them here. When we made the commitment in 2012-2013 to commit to Nevada, we did not realize that it was going to get taken away.

As a Nevadan, I certainly want folks to know that Nevada sticks to what it professes to be offering to companies.

To answer your specific question, in this piece of legislation we tried to work around the fiscal impact. To Chairman Armstrong's credit and that of his staff, we just had a meeting and there are some issues with what is currently in the bill to allow us to get our credit. We are going to need to work through that, and we hope that you agree with the policy and that you send it to the Assembly Committee on Ways and Means. We are going to have to work with the fiscal staff as to whether or not it makes sense to make room, in terms of revenue, for us to get our credit.

Assemblywoman Bustamante Adams:

I wanted to make sure my math was correct. It was \$15 million for buying the building, \$15 million for improvements, for your total investment of \$30 million. You were able to get the tax credit for the first year at \$2.5 million. Is the shortage in the remaining eight years?

John Richmond:

Actually it is seven years, because the credit will sunset at the end of this year. We would get the 2015 credit.

Assemblywoman Bustamante Adams:

So I would multiply the seven by the \$2.5 million, and that is the total amount that you are out of your investment, or hoping to recoup?

John Richmond:

The way the sunset works is that there is a phaseout of the current credit. The full amount of the credit goes away at the end of this year, and then it is reduced to \$5 million for all companies to share. Our share of the \$5 million is approximately \$300,000, and that goes for another four years. I have not done the math, but I think that comes out to around \$8.5 to \$9 million, what we will get under the current law. What this bill represents is the difference

between ten years at \$2.5 million and the \$8 or \$9 million that we get under the current version.

Assemblywoman Neal:

In section 3, page 3, line 38, the question was asked, who was walking in the door, right? Section 3 states "A domestic or foreign insurer may apply," so we then have a future application of a credit that was taken away. I do not know the mechanics of the Tesla deal, but I assume everything that was taken away was then allocated for some future use to someone else. Money spent is gone. What does section 3 mean mechanically, in terms of a credit? You are not just opening the door for yourself. It is now open futuristically for foreign and domestic insurers. Why are we doing that? Why are we going in that direction when we know we went in the opposite direction just recently?

John Richmond:

It did not feel right to do a private interest bill. It should be a level playing field. Everyone should be entitled, or have a shot at the same deal. Our basis for it is that we felt we had a bargain with the state that was not being lived up to, and that is what motivated us to bring this bill forward. We wanted to create a more neutral bill and not just something for us.

Dan Musgrove:

The key is that this Legislature is looking at numerous abatements. On the Senate side I know there are at least four bills that have already come out of committee that are dealing specifically with abatements to new industries. You are offering a program to entice companies to come in. There will be new revenues coming into the state that have not been budgeted for that you can then give a credit against.

We are just trying to look at the policy of it. We do not want to tailor this just to get AAA out of a hole we see ourselves in, but more importantly to set up good policy.

For whatever reason the Legislature put it into effect initially, I think it still is a good policy in that it entices a good industry to locate in Nevada. That is one of the things we are asking this Committee to believe in, that it still makes sense. Let us tighten it up and make it clean, so that there is not abuse down the road, and that again the state will figure out how to budget for it, because there is going to be new revenue coming in, and then you will abate that back to the folks who make that investment.

Chairman Armstrong:

To help clarify, it seems like the policy you want to get across is that this was enacted before it was taken away, and if we are giving other abatements to other industries we should live up to the words that we had prior to that.

Dan Musgrove:

Well said, Mr. Chairman.

Assemblywoman Benitez-Thompson:

I wanted to make sure we had it clear on the record because I do not think we got what the actual value of the proposed extension of the ten year credit would be for your folks. You said the difference between \$8.5 million under the language coming from A.B. No. 3 of 28th Special Session and what this bill proposes. I just wanted to make sure we had the value you are requesting on record.

John Richmond:

Because it is a percentage of our future writings, it is something I would have to estimate. Our revenues and premiums in Nevada have been inching up over the last several years. Just assume they are going to continue to inch up over the next seven years or so. The total value, if there were no law on the books, we would get over the ten years is between \$25 and \$30 million. What we are already going to get is \$8.5 million, so the value is going to be the difference between \$30 million and the \$8.5 million that we are going to get under the current version.

Assemblywoman Benitez-Thompson:

So the value of this tax credit to you is \$22 million over the course of ten years?

John Richmond:

That is probably a reasonable number, maybe a little less.

Assemblywoman Benitez-Thompson:

For the legislative record, that is a comfortable number, \$22 million.

The second thing begs the question you were talking about, Mr. Musgrove. What has always been incredibly hard for me in the conversation on abatements in general and tax credits is that, in terms of policy, they are hard. The government is inherently picking winners and losers in the world of business. We are saying these are the folks who can have abatements, and these are the ones who cannot. It has always been hard for me to say, if you

give someone else an abatement, then we deserve it too, and then we have to abate everyone. We might as well get rid of any of our tax chapters. That is what has always been hard for me.

Even though A.B. No. 3 of the 28th Special Session ended what was a 40-year practice, in good public policy at some point all abatements ought to come to an end. If they have served a purpose, and the purpose was getting someone to locate here or bring in a business, then that abatement ought to end after it has served that purpose. At some point the trough has to be closed down. I do not want this to be specific to your clients. It is the general question about abatements overall, which is, how long do they live? I feel like I am reliving some of my testimony last year on redevelopment in Government Affairs. Redevelopment for local governments was never meant to be in perpetuity. It was supposed to be defined, programmed for a defined space and time, for a defined purpose. When that comes to an end, I do not necessarily see that as the state reneging, it just means that it has come to an end.

Michael Geeser:

Great points. That is exactly why we have capped this at ten years, so that it does not last in perpetuity. To me what is even more difficult than having to pick winners and losers in the business world is giving a business something and then taking it away.

Assemblywoman Benitez-Thompson:

I want to make sure that we do not get into language. Where I start to get more uncomfortable is where we start to feel like these are entitlements, that it was mine, and it is always going to be mine, and should not be taken away. I do not think that is the point of good tax policy or good abatement policy. That is philosophically the point that I will be working through on this bill, nothing specific to the business, but the larger question of how we approach some of these.

Assemblyman Stewart:

I have had the same concerns as Assemblywoman Benitez-Thompson in the past. We have given abatements and the people we have given them to have not delivered, but in this case we have given an abatement and they have delivered. They have invested \$30 million in their building. They employ 450 employees. They have delivered. The abatement here has worked for their benefit, but also for the benefit of the state of Nevada. So I think it is again a thing of fairness. They have kept their part of the bargain, and I think we should keep our part.

Assemblywoman Dickman:

In addition to the people you have employed, does not the insurance company contribute a considerable amount of tax revenue based on insurance premium taxes?

Dan Musgrove:

Absolutely. We pay essentially \$5 million in insurance premium tax. We also pay the modified business tax (MBT), which is right around \$250,000, and we now pay property taxes on the building we purchased. We are contributing to Nevada.

Assemblywoman Dickman:

I just wanted to make it clear that these are tax credits that were promised to you when you invested here. You are fulfilling that promise by employing a lot of people and paying a lot of tax.

Dan Musgrove:

I agree with Assemblywoman Benitez-Thompson when she said we have to look at these hard, and we have to make some decisions. I think that is what the Governor did when he saw something that was out there for 40 years and said we needed to rectify that. Again, we came in with the assumption that we would at least have it for some period of time, and I think ten years is an equitable rate of return on the investment we made in Nevada. That is all this bill is doing, is rectifying that promise made, that both the Chair and Assemblyman Stewart have talked about.

Chairman Armstrong:

At this time we will move from the questions and we will start taking testimony. Is there anyone who wants to speak in support of A.B. 372, either in Las Vegas or Carson City? Seeing none, I will take those who are neutral on A.B. 372. Seeing no one, I will move to those that want to speak in opposition to A.B. 372. Seeing no one, Mr. Musgrove, would you like to make any final comments?

Dan Musgrove:

No.

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

Chairman Armstrong:

At this point I will close the hearing on A.B. 372 and open the hearing on Assembly Bill 391.

Assembly Bill 391: Revises provisions governing the exemption from property taxes of certain property used for religious worship. (BDR 32-825)

Assemblyman Pat Hickey, Assembly District No. 25:

I am here today to introduce Assembly Bill 391, which provides a tax exemption for parcels of land used exclusively for worship. This includes both developed and undeveloped portions of a parcel.

Tax exemptions, as you know, for religious organizations are nothing new to America. The language in modern American tax exemptions can be traced back as far as 1601, to the English Statute of Charitable Uses. All 50 states currently provide some form of property tax exemption for religious organizations, either in their state constitution or state statutes.

The *Nevada Constitution* authorizes the Legislature to exempt property used for charitable purposes from taxation. Existing law exempts churches and chapels, with the exception of marriage chapels, which are proprietary businesses in many instances, especially in Nevada. It also excludes parsonages and other buildings used for religious worship from taxation, including their furniture, equipment, and the lots on which they stand. If any such property is used in whole or in part for any purpose other than a church purpose, and rent or consideration is received for that use, the property must be taxed under existing law. In other words, churches may own property that in turn is used for certain commercial purposes and not exempt from taxes, and in fact they pay taxes.

Assembly Bill 391 provides a tax exemption for parcels of land used exclusively for worship, including both developed and undeveloped portions of a parcel. This measure provides clarity as to whether property owned by a church is tax exempt.

What you are going to hear about today, and see visuals of, is a church organization in Washoe County that does own land. Parts of it have been exempted where they have built areas for worship purposes, but it has not been clear about whether the land is exempt. The land is considered by them as part of the grounds where they conduct their worship, and of course this is not without precedent. I would remind this Committee that there was a certain person that preached on the shores of Galilee—the Sermon on the Mount—who was not exactly in a cathedral at the time.

At this point we will begin with Mike Hillerby for a brief overview, and then move to members of the church, to explain about their mission and their property.

Michael D. Hillerby, representing International Community of Christ:

I am representing the International Community of Christ church. With the Chair's permission I will give a brief history, then let Bishop Savoy and Rebecca Willis talk about the church. We do have some pictures ([Exhibit D](#)) to help you understand.

The crux of the issue is that the members of the church worship outdoors, on land they have owned for several decades, and the question is about taxation. It dates back about 30 years, when the assessor began to send property tax bills to the church. The church questioned whether they should have to pay. The issue throughout the 1990s eventually ended up in front of the Nevada Supreme Court, which ruled that because the language of the statute was clear, that it was churches and the lots of ground on which they stand, that the interpretation of the former assessor was correct, and the church has since paid its taxes every year. They include a note with those taxes that says they are paying them under protest. The portions of the land they have developed, and around specific sanctuary areas on their parcels, have been exempt. They do pay property taxes on the rest.

To put that in perspective, the total property tax bill last year was approximately \$5,000. It is not a lot of money, but it is to the church, and they have paid that every year.

At this point, to give you a sense of the sanctuary, I will introduce Bishop Gene Savoy and Rebecca Willis. They will talk a little about that, then I will come back with some specifics about the bill and what we have drafted.

We will start with Rebecca Willis, and we will show you a few pictures ([Exhibit D](#)) so you can get a sense of the property.

Rebecca Willis, Treasurer, International Community of Christ, Church of the Second Advent:

I would like to share with you some pictures. This is the sign that is at the entrance to the Red Rock Consecrated Sanctuary (page 1, [Exhibit D](#)), which is located in the Antelope Valley, northeast of Reno. It does describe some of the purposes that the land is used for. We have a religious training program, we hold services, and we also respect the land as a wildlife preserve.

We have built a 90-foot high set of towers (page 2, [Exhibit D](#)) that are crosses; they are the center point in what we call our southern sanctuary. The total sanctuary is in two major parcels, separated by several miles.

Here (page 3, [Exhibit D](#)) you see services that have been conducted at the church, which is next to those large towers. You will also see that close to where the towers are located we have an area where we have breakfast after a service. You will see work going on and a group of people gathered for breakfast after a major service (page 4, [Exhibit D](#)).

This is from the top of the hill that overlooks our south sanctuary (page 5, [Exhibit D](#)). It gives you an idea of the scope of land, the portion that is developed and that which is not developed.

As you know, the sun moves from one location to another throughout the year. Because our services are held at sunrise, we do move from one location to another, with a primary summer church and a primary winter church, so we are oriented toward the sunrise. Here you see a winter service (page 6, [Exhibit D](#)) at sunrise. We do conduct a formal service. You will see ministers at the table, the singing bowls that we use as a part of the music for the service, and the congregation gathered.

We have a pond (page 7, [Exhibit D](#)). It is not a naturally occurring pond. We do pump water to fill the pond. We enjoy having the water. It is very useful for the wildlife, but is also part of a fire prevention activity on our part. We do make that water available to our neighbors in Antelope Valley. Truckee Meadows Fire Protection has worked with us, and we allow them to scoop water to use in the entire region.

This is a summer church and some summer services that are being conducted (page 8, [Exhibit D](#)).

There is an existing parsonage, and we do have staff who live on the land. There is a lot of work associated with taking care of a property this size. We have another parsonage that is under construction, which is what you see here (page 9, [Exhibit D](#)). It will be about a 3,000-square-foot parsonage when it is completed.

This shows some of our other church locations (page 10, [Exhibit D](#)), and services being conducted in some of the less-developed areas of the sanctuary.

We do have wildlife visitors that come to visit us frequently (page 11, [Exhibit D](#)). They are frequently seen as we move around the sanctuary.

We do have individual use (page 12, [Exhibit D](#)), walking through the sanctuary. You will see that there are walking paths and they do exist throughout the sanctuary so individuals can use it for contemplation.

Bishop Gene Savoy, International Community of Christ, Church of the Second Advent:

Thank you members of the Committee, and thank you Assemblyman Hickey for being with us today. I am with the International Community of Christ and also the president of the Nevada Clergy Association.

What I want to express to the Committee today is that this revised language to the existing statute not only affects the International Community of Christ, but it expands the religious property tax exemption law that currently exists in *Nevada Revised Statutes*.

I have had conversations with many members of the clergy from various religious traditions here in Nevada. I believe you received copies of those letters ([Exhibit E](#)). We have also been in contact with Mike Patterson of the Lutheran Episcopal Advocacy in Nevada (LEAN). Unfortunately he is in the hospital as of this morning. He was going to be present. I know that is not part of the record. Alan Smith called me from the Religious Alliance of Nevada (RAIN). We obviously urge your support.

We are not looking to interfere with existing exemptions for any religious group. We, the International Community of Christ, do have other properties where we have existing commercial businesses. We pay property taxes, and we are happy to do so on commercial businesses. This particular property, which you have seen, is used exclusively for religious purposes, for worship, for housing our ministers, and of course for the wildlife.

We are not antitax. We believe that people should pay taxes, but we also believe that the exemptions for religions should be equitable, and we urge you to consider this proposal.

Chairman Armstrong:

Just to get some context and to clarify your point that this expands beyond you, has there been any work done to put a value for that expansion under this language of this bill?

Michael Hillerby:

When we first approached Assemblyman Hickey and he agreed to introduce a bill, and in working with your staff, among the steps we took were to meet last year with the now former assessor in Washoe County, to talk with him.

We met with Washoe County itself. We met with our newly elected county commissioner for that area. Those questions have been asked. I think we have done a relatively exhaustive search of property tax records of other religious organizations around the state, in a number of counties, that are currently tax exempt. We are not aware of any other significant properties. I cannot tell you that I know for sure they are not out there, but we did try to look as far as we could to see if there was anything unexpected.

When we first met with Bishop Savoy, he had a couple of admonitions for us, and number one was that we not do anything to impact any existing religious organization's tax exemption status. The second was that we were to look as hard as we could to see if there would be any unintended consequence for any government entity due to a change in the use that some other religious organizations may have.

Again, we cannot tell you that there are no properties, but we have looked high and low, north and south, in rural Nevada, and in a variety of different church organizations, to look at their parcels and how they are taxed. We are not aware of anything else because of the specific language your staff came up with that the parcels of land be used exclusively for worship. We hope that draws a fairly tight boundary around this. We have done a fair amount of searching and have not found any, but I cannot tell you for certain that there is not something that we have not found.

Assemblywoman Kirkpatrick:

Mr. Hillerby, I feel like you and I had this conversation last session. Did we not?

Michael Hillerby:

It was just prior to the start of this session; in fact, I think it was the day of the State of the State Address.

Assemblywoman Kirkpatrick:

Here is my concern. First, there is no definition of churches within the statute or within regulations. I have three churches on my street that I did not know existed, so I would be concerned that people would abuse the legislation. If there is a way to define what a church is listed as, I think that would fix it.

Let us talk about these parcels of land because I have done a lot of research on this when it comes to entertainment and how people are using parcels of land. So when would you be subject? You could have a school there. You could have outdoor venues there. You could rent equipment. When would the assessor know when those kick in? There is a Greek church in Las Vegas, and they have additional land they use for their big food festival, which is

a nonprofit, but they still pay the taxes on that property. How could you tighten this up? I just fear that people will hear the word church and go down and get a 501(c)(3), a couple board members, and go out and buy a couple of acres of land with the intent of someday building something there. We know a lot of churches have land that they plan on doing something with in the future. I want to understand how that works.

Michael Hillerby:

I will try to go backwards with the question. The first point you hit on is a fairly sticky one, and that is the definition of a church. To be quite frank, that is an issue we are not actively wanting to weigh in on. In reference to the International Community of Christ church, they have had their tax exemption with the state of Nevada since 1974. They have had an Internal Revenue Service (IRS) 501(c)(3) designation for approximately that amount of time. They have a facilities agreement with the U.S. Department of Agriculture Forest Service for use of the land. There is a stewardship plan with the Nevada Division of Forestry. The seminary is accredited by the Commission on Postsecondary Education. I think they would qualify, by anyone's definition, as a legitimate church.

I do not know that we have an answer for your other question, or that a definition is necessarily possible. There is a long history, both in this country and in this state, and that is as far as my expertise goes on trying to define what a church is.

I will tell you about this church's experience. It started in the 1980s, and the question of what is and is not tax exempt would first come up at the assessor's office. Second, if the landowner of the alleged church wanted to file an appeal, that would go to the Board of Equalization. The International Community of Christ church, in that case, filed an appeal to district court, and ultimately to the Nevada Supreme Court, which made the determination. So there is the mechanism. It may not be ideal, and it was time consuming, but there is a mechanism for both the church and the public to go through to determine whether or not that is a bona fide use of the land.

Assemblywoman Kirkpatrick:

What concerns me is that it says parcels of land used exclusively for worship, "including, without limitation," and any time you say "without limitation" that broadens the discussion. I totally understand the issue up here, but I have to think about the whole state, because this bill affects the whole state. What would stop somebody from going out and purchasing lands to get the exemption under a use for churches? I just really want the record to be clear, because we know any good legislation always comes back a time or two.

Assemblyman Hickey:

There is a definition in *Nevada Revised Statutes* (NRS) 361.125 for religious worship. While I think it is somewhat broadly defined, I think it really has a lot to do with the First Amendment and pretty fundamental issues. I understand your concern about façades and phony attempts to do this, but I think that there are other methods to ascertain whether or not a person or an organization is masquerading as a religious organization. I do not think it is up to this Committee to make those definitions about what is or is not a true religion. I do think saying, as the new language does, that it would be exclusively used for worship narrowly defines the kind of activity that could be tax exempt, as opposed to if they wanted to build some time-share condominiums there and start selling them overlooking Spanish Springs, then I think we are talking about a whole different ball of wax, and that certainly would be qualified for taxation.

Chairman Armstrong:

I am going to have to share Assemblywoman Kirkpatrick's concern with this language. I think if we just said it was parcels of land used exclusively for worship, the sentence could stop there. Once we add the additional language, "including, without limitation," and then both "developed and undeveloped," we are expanding it past that. I think we could just end it with "parcels of land used exclusively for worship."

Assemblyman Hickey:

I believe there are religious organizations in this state that have land where church camps exist and they have no problem with tax exemptions. I do not know if that would be characterized as worship. I think the definition is, in the broader sense, whether or not it is for the religious mission of the organization, which in this case we are talking about worship. I think it is good to narrow it to that, but I think there are instances of land that certain religious organizations own in the state that are not specifically tied to worship.

Chairman Armstrong:

You just mentioned church camps, and if that is not exclusively worship, then how would that be covered under this? I do not see any language that would include them at that point.

Michael Hillerby:

To your prior question, the language of both developed and undeveloped is in fact critical for us and why the bill is here. It is exactly that definition, now some 30 years old. That determination was made by a prior assessor in a county, that the land the church had actually developed—graded, chopped down trees, and moved land—was tax exempt. The nature in which they worship, all of the undeveloped land around them, everything you see around

this gentleman in the picture on page 12 ([Exhibit D](#)) and the other pictures, was in fact taxable—despite the fact that for the International Community of Christ that land is in fact part of the church—simply because they do not have a building in the traditional sense of the word. So, for us "both developed and undeveloped" is critical, and again they are owning it and that is the only use. If it is developed for some other use, if rents or other consideration are paid, existing law kicks in and they would pay taxes. If any of this land were ultimately sold—for example, a number of churches will decide to build a new building and maybe a new school at a new location, so they buy a new piece of land and ultimately sell the old church—that new piece of land would be tax exempt.

Depending on who bought the old church, and what the use became of the old piece of land and the old church building, it may become taxable, so this does happen.

It is in fact very critical for the developed and undeveloped portion of the land. I can tell you that in some of our research we looked at a variety of church-owned properties, including church camps in northern and southern Nevada, and they are exempt, the entire property is exempt—the specifically developed and the undeveloped. We agree with that. We think that is exactly what ought to happen because they are used for religious purposes and worship when those campers are at that church and at that camp site. I hope that answers your question.

Chairman Armstrong:

I think so. You are clarifying to say that you want to make sure that the intent is followed by all assessors, and that developed and undeveloped is something that clarifies that intent. What about the "including, without limitation" portion? How critical is that to this bill?

Michael Hillerby:

This language was from your staff. We had originally talked about a different place to put this in the statute. Your legal counsel, Brenda Erdoes, was good enough to say there was a better way to handle this, and this was the language they arrived at. I would yield to your counsel. We happen to think that is important because, again, we want to be sure that at any point in the future, in any county, an assessor has to look at this statute, if this language is passed in total, and say if in fact it is used exclusively for religious purpose, whether it has been specifically developed or not, and again the nature component would not be taxable if all of the other conditions are met for the religious organization.

Gene Savoy:

As I mentioned earlier, our church also owns commercial activities. For instance, we own and operate the Steamboat Hot Springs, an historic site. We pay our property taxes for this piece of property and are happy to do so. But this particular property is for worship, and we believe that worshiping in nature, as did Christ in the early church, is very important to us. We do not believe that if we paved the entire land it would be exempt.

Chairman Armstrong:

I understand that. We are really limiting this to land that is exclusively used for worship.

Assemblywoman Kirkpatrick:

I am trying to understand. You are probably listed under open space, because it is undeveloped, or are you listed under commercial? I thought I heard you say you had an agreement with the federal government, so I am trying to understand the open space piece of it. I am not nitpicking the bill, and I totally appreciate what you are trying to do, but I have to think of the worst-case scenario. Across the state somebody will always try to circumvent the law, so the record has to be clear in my mind, and we have to understand what specifically that means. Are they not listed under open space currently for property tax if it is just vacant land?

Gene Savoy:

My understanding is that the way this property is zoned, currently it is under quasi-municipal.

Assemblywoman Benitez-Thompson:

Since we want to be clear about legislative intent, can we have for the record the bill sponsor's and your intent for worship, just so we have something that can better define and more narrowly scale down the applicability of this particular language?

Gene Savoy:

Yes, Assemblywoman, so are you suggesting that we redefine the statute to just limit the Red Rock Consecrated Sanctuary?

Assemblywoman Benitez-Thompson:

No. We could not do that because our *Nevada Constitution* prohibits us from doing specialized legislation. The question that we are trying to beg is for the assessor's department, down the road, should someone come to them and say I have this land that I use for worship, what qualifiers should they look for in order to make a determination on worship?

Gene Savoy:

The Arizona property tax exemption law for religious organizations is very similarly structured to what has been proposed here. You must be recognized, and when I say recognized I am not referring to someone who holds worship services in their home. To me recognized is if you are a 501(c)(3); you are incorporated under the nonprofit religious laws in the state of Nevada; and, if you are not receiving commercial benefit from that property, then it should be exempt, as owned by that religious organization and used for religious purposes.

Assemblyman Hambrick:

Can you fill in your background? Most of us here are used to the term bishop. Did you go to a theological school? Bishop is a rank, and normally there are certain requirements that meet that. What is your background? I do not want to question your theology, but at least the education background for you to get to your rank.

Gene Savoy:

I went to a theological seminary, and that is the one our church is approved for at the Nevada Commission on Postsecondary Education.

Assemblyman Nelson:

I just want to clarify something that came up, and I think it was Assemblyman Hickey who put this forward. As the bill is written in section 1, subsection 1, paragraph (b), it says "parcels of land used exclusively for worship." I want to make sure that the exemption would apply to, let us use for example, if a church had land like this and let a youth group use it for a campout, like scouts or young women, and they are camping and fellowshiping. I do not know if that specifically means they are worshipping. Do you want to limit it just to worship?

Michael Hillerby:

You hit upon an excellent question. Part of that would, we think, hit section 1, subsection 2—collecting "rent or other valuable consideration." I have some firsthand experience of that with a young son who is in Boy Scouts of America, and this is exactly the kind of thing we do. We look for land that we can use, that churches or others would let the groups camp on free. I think that is an interesting point. If that is part of the mission of that organization, if they are not collecting rents for allowing part of the community—and part of many religions is that outreach to community and community service—I do not think we would consider that separate and distinct from a religious purpose. The second that became a commercial activity—selling tickets, doing something else, and someone else using it to make money—that would be an entirely different issue in our minds.

Assemblyman Nelson:

I just wanted to make that clear. I agree that many churches have very good activities for all sorts of people—youth, older people—and in my mind that constitutes a religious purpose. Activities such as scouts and activities for young women, some people might not think specifically are worship, but to me they are under the penumbra of worship.

Chairman Armstrong:

When we are defining parcels of land used exclusively for worship, what if a church purchased a piece of land that they never intend on improving and only one service was conducted on that land, so it was exclusively used for that one worship? There is nowhere in here that says it has to be continually used for worship. That is an issue I have in my mind as well.

Michael Hillerby:

I think that would partially be a question for the assessor and partly for a church. If the church was willing to spend its money and buy a parcel of land, and put it to no other use but once a year, I suppose that would be between the church and their parishioners if they thought that was a good use of the church's money. For an assessor for local government to raise that question, was that a legitimate use? Again, if they own the land, it was not being used for any other purpose the rest of the week, month, or year, with no commercial purpose, it was put to any other purpose, that would be a decision they would have to make and ultimately run through the same process I described before, which this church went through in appealing the designation made some 30 years ago.

Assemblywoman Neal:

I have a question building on a question I had asked you offline. It is related to section 1, paragraph (a), the "furniture and equipment, and the lots of ground." When this entity was being taxed on the undeveloped portion of land, because they have been paying the property tax, I had asked about the use tax. Were they also paying for whatever was put on that land, or fixed to that land, whatever was associated with it?

Gene Savoy:

No. The developed portions of our sanctuary have been exempted. Roads, parking lots, landscaped areas, buildings, and the outdoor churches are currently exempt. It is the open space, which is also quite important to us—the mountains, the rocks, the trees. That is what is being currently taxed, but everything that is developed is not taxed.

Assemblywoman Neal:

On line 4, page 2 of the bill, where it says "owned by some recognized religious society or corporation," I did ask you that offline as well, but I did not think about whether all religious societies or corporations are a 501(c)(3) or fit under the definition of a church. Do we have such a thing as a church corporation? I was trying to understand what line 4 would mean because it is read in conjunction with paragraph (b), lines 1 through 3 of page 2.

Michael Hillerby:

I would yield to your counsel to look at that. We have done some looking at the statutes. You can incorporate in Nevada as a domestic nonprofit corporation. You can incorporate as a church as a corporation sole. I cannot begin to explain the legal differences in those and would rely upon your staff. We will happily do some research for you after the fact. We can speak only for this particular church, the International Community of Christ, on the recognized religious society, and again that state tax designation, the IRS designation, and the accreditation of the seminary school. All of those things that you would think of as traditionally recognized for a church, this church has long had.

Assemblyman Trowbridge:

Perhaps you can help me answer this question also. The answer that we may be looking for might be contained right there on line 5, page 2 of the bill, where it says "so owned." I am wondering if any property or land improvements that are owned by the church are listed as being under the control and ownership of a board of directors, rather than in some smaller ones that I might be familiar with, such as Pastor Jones has converted his living room into a chapel, and therefore now he is a church, but it is really his home.

Gene Savoy:

In our organization we are registered as a nonprofit religious corporation, and there is a board of directors. The property is held in the name of the organization.

Assemblyman Trowbridge:

It certainly does for yours, and that is exactly the answer I am looking for. For others that may own property such as the Catholic Church that owns tons of property, it is not owned by Father Smith it is owned by the corporation sole.

Gene Savoy:

Usually in the Catholic structure it is owned by the corporation sole, which is the bishop, but it is a corporation. I cannot remember which chapter of NRS that is licensed under.

Assemblyman Trowbridge:

I think that my curiosity has been satisfied, if it is not owned by an individual, but is owned by a corporation, or a society.

Gene Savoy:

I agree with you, and I agree with the concerns of the Committee. If we need to insert language where the group needs to be a recognized 501(c)(3) and incorporated under the religious laws of Nevada, then that makes you a recognized religious society or organization.

Chairman Armstrong:

Are there any other questions? Seeing none, thank you for presenting the bill. We will start to take testimony. Are there any who would like to speak in support of A.B. 391, either in Carson City or Las Vegas? Seeing no one, would anyone like to speak neutral on A.B. 391?

Joshua G. Wilson, Chief Deputy Assessor, Assessor's Office, Washoe County:

We are here to testify neutral on this bill, and to give a little bit of history on the bill. As the bill sponsors have indicated, this was subject to a Nevada Supreme Court case, whereby initially the district court overturned the assessor's initial determination, then the Nevada Supreme Court corrected the district court's decision and specified that only the area dedicated to worship is subject to the assessment. That is the policy we have followed for the last 30 years.

I think there was a question raised by the Chair as to the extent to which this would affect others. While the International Community of Christ Church is certainly affected, and they own 1,200 to 1,400 acres, there are another 50 or so parcels in Washoe County that would be affected by this, and if we were to exempt the current taxes that would equate to roughly \$78,000 for the entire county, which represents about 1.8 percent of the ad valorem tax roll for real property; so it is not certainly significant. But, what is common is that churches will purchase large parcels of land, develop a portion of it with their church for their worship area, and then it is not uncommon for them to subdivide the remaining vacant parcels, and those are the parcels we do not currently exempt, if it is adjacent to a church, but not being used for any other purpose. I think this bill would in fact exempt those parcels because I think the argument could be made that although there is no improvement constructed that would seem like a church, there is nothing saying they do not worship on those vacant parcels while they hold those parcels. I just wanted to explain the policy and the ramifications that we have been following in carrying out NRS 361.125.

Assemblywoman Kirkpatrick:

Can you explain their land designation as it is today?

Joshua Wilson:

While I do not have my computer in front of me, I am somewhat familiar with this area. Generally all the area is zoned as general rural, which allows for 40-acre parcels. It is typically residential in nature, although the general rule zoning designation does allow for quite a few uses on the property because it is rural in nature, and sometimes those rural communities need to use the land for more than just residential purposes. I believe it is general rural, with a 40-acre minimum zoning lot size.

Assemblywoman Kirkpatrick:

So then is this one parcel, or is it more than 40 acres? I do not think we heard how many acres it actually is.

Joshua Wilson:

I do not have the exact numbers in front of me, although doing a quick addition, it did seem as though there are roughly 1,200 acres, and it looks like we are exempting anywhere from an entire parcel of 40 acres, down to say 16 percent of a 40-acre parcel. So when I did the math, it looked like roughly 400 acres are exempt, while the remaining, plus or minus, 1,200 acres are taxable.

Assemblyman Trowbridge:

I would think that under normal circumstances if a religious organization owned a large parcel of land and separated a portion of it into smaller parcels, part of that process would be to identify the future use, as to whether they were going to rezone it for commercial or residential or whatever. Once that happens, then you know the purpose has changed, and it would become taxable at that point.

Joshua Wilson:

That very well may be. There are churches on commercially zoned property throughout the community, so that is not uncommon. Your point is well taken.

Assemblyman Trowbridge:

What prompted that question was your comment about the court case, where they appealed and reversed.

Joshua Wilson:

And the International Community of Christ church was the subject of the Nevada Supreme Court decision.

Assemblyman Kirner:

If they subdivide this property and sell off pieces of it, assuming you give the church their exclusion or whatever for tax rate, do you end up trying to recapture some taxes because it really was not used for church use?

Joshua Wilson:

I do not believe there is any provision in statute that would allow for that. That would be similar to the agriculture-deferred program we currently have in Chapter 361A of NRS, whereby you utilize the property for agricultural purposes until such time as you convert to a higher use, and then you may be charged seven years of back taxes for that conversion. I am not aware of any statute that would govern that with a church property, other than perhaps the treasurer prorating the year in which the property sells for that exemption.

Assemblyman Kirner:

You mentioned that there were other properties that are similar to this. Can you give us an example of at least one of those?

Joshua Wilson:

Similar to this, perhaps not, in that they are solely utilized for open air worship, with crosses erected and whatnot. Generally what we find is a church will build their place of worship, but then have excess land, either adjacent to or behind, or perhaps they will purchase some vacant land for future development, which is not put for any use. So "use" is what we use for determining the exemption, and until something is erected that would demonstrate that use in our opinion, based on that court case, it is taxable.

Assemblywoman Benitez-Thompson:

I feel nervous about asking this on the record, because I understand the tightrope you are walking. For me I guess this begs the question of what is developed and undeveloped land? I do not know if the court case or your office has made the determination. I am assuming the erection of crosses on land is deemed to be undeveloped because those crosses have no use? Could you talk me through that a little bit more? Was that contemplated?

Joshua Wilson:

Yes. I believe those items that were erected did determine the area of worship, so anywhere there was trail, anywhere there was a cross, anywhere there was anything on the parcel, we would identify that as the place of worship, but when you are talking 1,200 or 1,400 acres, and there are some parcels where the majority of it has nothing on it, those were the areas that were deemed not utilized for worship. This goes back to when I was a sophomore in high school, so we have just carried through this practice moving forward.

Assemblywoman Benitez-Thompson:

There is not necessarily hard and fast rules in statutes or ordinances that are rigid in terms of saying if a cross is erected it has to be a certain size. If such things were among all 1,200 acres, would that then be considered developed and useful?

Joshua Wilson:

Anywhere that we feel that it is utilized, obviously, would qualify. So it would not necessarily take a cross. It could be a trail system, anything that would demonstrate that property is used for worship.

Chairman Armstrong:

Does that include the pond, because that was not a naturally occurring pond?

Joshua Wilson:

Yes. That area is exempt.

Assemblywoman Diaz:

Can you tell me what the name of the Nevada Supreme Court case was, and can you tell me what the ruling was that came from that case? What basically did the justices say?

Joshua Wilson:

Yes. It is *Simpson v. International Community of Christ*, 106 Nev. 458, 796 P.2d 217 (1990), and basically what it states on the last sentence of the summary that I got from my law library is "in reversing the decision the Supreme Court held that the essential requirements for tax exemption, pursuant to NRS 361.125 and 361.140 are improvement to and actual use of the property. The improvement need not be a traditional church, but can be any improvement that a church actually uses."

Assemblywoman Kirkpatrick:

If those improvements were made within every 40-acre parcel, is there a special rule designation so they would not have to be ridiculous in getting it all the way ready for improvements? They could get a waiver on traditional requirements of improvement, such as paving the roads, street lights, or whatever the rule designation is. Does it happen that way, or would they be subject to today's codes and compliance issues on improvements?

Joshua Wilson:

I believe anything constructed on the parcel would have to go through a community development parcel and meet the coding for certain code and

building specifications. I want to say that with this particular property we would be looking for anything that could be utilized.

Chairman Armstrong:

So "anything" is your minimum threshold, it sounds like.

Joshua Wilson:

We truly are. If there are trails there. Again, we could relook at this. It is just that when you have this large a property, with the Nevada Supreme Court decision, this is the way we have been exempting it.

Michael E. Clark, Assessor, Assessor's Office, Washoe County:

After seeing their PowerPoint demonstration here this afternoon and knowing about this property, I think this organization has proven they are a legitimate religious organization and that they use this particular property for religious purposes.

If you have not seen this property, it is up on the top of a hillside, so there is very steep terrain for the most part. I can see where someone could go up there and enjoy the views and have a good religious experience under the pinion pines or next to the junipers and enjoy this property. Personally I do not think anyone has to be inside a building to enjoy a church experience. This particular property is being used for religious purposes. Even though the county is neutral on this, I think these folks are doing what they say they are doing with this property. They are not using it for any commercial purposes. That, and the fact that they have other commercial properties in Washoe County, they pay those taxes, and they know the difference between religious work and business opportunity. I think they have demonstrated that in the past.

Chairman Armstrong:

Is there anyone else who would like to speak as neutral on A.B. 391? Seeing no one, we will take those who want to speak in opposition to A.B. 391, either in Las Vegas or Carson City. Seeing no one, Mr. Hillerby and Assemblyman Hickey, do you have any final comments?

Michael Hillerby:

Because of the assessor's excellent website, I was able to pull up some of the parcels in question. The parcels we were able to look up in the last couple of minutes are a mix between general rural, low density rural, and public and semi-public (PSP) facilities. That was the designation for a number of parcels. I could not look at all of them in this short amount of time, but that may answer that question.

Bishop Savoy did want us to put on the record, if this bill were to pass, the church will not ask for a refund of any of the taxes paid. They have paid them. They understood that was their obligation. They did it under protest because they would like to be treated similarly to other churches. Again, to alleviate any concerns for this church, they will not be asking for a refund for any of the taxes they have been paying since the early 1980s.

Assemblyman Hickey:

I am very proud of this process and this Committee for the questions that were asked today. We are looking at a real classic issue right here. There have been historical tensions between religious figures and tax collectors. One of them said, make sure you do right by both sides, surrender under Caesar and render under God. I think we have had a good explanation of just how that works in this case.

We have seen an organization represent the fact that they are using this for worship, for very legitimate aspects of their mission. I think it is the right thing for us to add this language. It would probably make a court look at this differently with the new language, calling out that it is a broader definition of worship, and as the assessor just said, that seems to be exactly what is going on within this particular property.

Thank you for your consideration, and we would be happy to answer any other questions offline between now and the time you process this bill.

Chairman Armstrong:

Thank you Assemblyman Hickey, and thank you for bringing the bill. At this time I will close the hearing on A.B. 391. I will now open the hearing on Assembly Bill 399.

Assembly Bill 399: Directs the Office of Economic Development to create a pilot program to encourage the growth of existing businesses in this State. (BDR S-46)

Assemblywoman Dina Neal, Assembly District No. 7:

I am here to present Assembly Bill 399. You have a proposed amendment ([Exhibit F](#)), and that is what we are going to be working from today instead of the original bill. I also wanted to introduce Brian Bonnenfant. He will be helping me present the bill. We are presenting the concept of economic gardening, but the bill is really going to be considered like Grow Nevada.

The bill basically is the opposite of an abatement. It is growing your businesses inside of the state, so you are not giving the incentives to try to keep people here. The idea and the method includes four phases, (page 2, [Exhibit G](#)), trying to shift the focus away from recruiting businesses to the state, to growing our homegrown businesses so we can actually develop and build a tax base from inside.

This is a concept that came from Colorado in 1987. It was a city employee who actually created this concept because Colorado was at a deficit. They had given away too many tax abatements and ended up with a situation where they were not able to take care of their state. It was a city employee who decided he had a better way and created this concept. I met him in Hawaii at a legislative conference. It was before he retired, so I actually had the benefit of getting his expertise for free. We talked in 2011, for about a year, and I said I really really wanted to do this in Nevada. I presented this bill last session (Assembly Bill No. 410 of the 77th Session). We made it all the way to the Senate, and from there no further. We are trying it again this time, with less money.

In section 1 of the amendment ([Exhibit F](#)) we are creating a group of entities that will run a pilot program. What you see is the standard for what the pilot will do, which is to stimulate investment through the economy by providing technical assistance to businesses.

In section 2 we use the Office of Economic Development (GOED) in the Office of the Governor, and we try to build this relationship so there is the ability to develop and create a pilot program in the Nevada economy. The inclusive parties are the College of Southern Nevada in Clark County and the Clark County Department of Business License. Other interested parties include the Nevada Small Business Development Center (NSBDC) that happens to be in Washoe County, Valley Center Opportunity Zone (VCOZ), the Urban Chamber of Commerce, and the Latin Chamber of Commerce. The reason why we pulled all these organizations together is because they all do some form or fashion of business development, and are focused on small business development.

Chairman Armstrong:

Can you define what some of these acronyms are? What is VCOZ?

Assemblywoman Neal:

The Valley Center Opportunity Zone (VCOZ) is under GOED. They receive \$300,000 every two years in order to focus on a specific geographic area in Las Vegas. They give grants to businesses who are currently in existence.

Your business has to be at least six months or older in order to participate in their program. The economic gardening, or the Grow Nevada program, is focused on the second-tier businesses that would benefit from mentoring and help in business decisions, to be a stronger and better business.

If you look at the layout in the amendment ([Exhibit F](#)), we are just trying to lay out what those relationships would be. Everyone has a part, but the NSBDC is really the linchpin. It is where a person would go pick up an application, and it is already doing business mentoring. We are just adding an extra level of what type of business mentoring it would do.

In order to be a successful program you have to track the decisions a business makes, and then you have to provide technical assistance, which means you are applying data to the decisions being made. It is no longer intuition. It is no longer just driving around the block to see if someone needs your service. It is about looking at the demographics, figuring out who needs that service, if they are actually buying milk versus bread, those kinds of decisions. All of those entities would have an interrelationship in trying to help a business make a better business decision.

If you go to the green language on page 2, ([Exhibit F](#)), where it says "the GIS position," this is another important piece. What we know to be true is that the southern Nevada Small Business Development Center (NSBDC) is not as sophisticated as Mr. Bonnenfant's small business development center, where he has the capacity to do geographic information system (GIS) tracking. The south is not able to do the same level of GIS tracking. I am going to show you a map (page 15, [Exhibit G](#)). This is some of the great work that Mr. Bonnenfant did. This is how I met him, because I was trying to track down this map. He was actually paid to find out how many Latino businesses were operating in a certain geographic area or zip code. I wondered if we could do that for the entire state, if we could make a business decision by reaching out to the NSBDC and be able to find our competitive market by using GIS. From that we developed and moved forward.

Chairman Armstrong:

I have a question relating to the map (page 15, [Exhibit G](#)). Is this the reason you struck Washoe from the amendment?

Assemblywoman Neal:

We struck Washoe because they are already doing well. We need to focus on the south. The south is the weaker part of this whole portion, but I will let Mr. Bonnenfant explain.

Brian Bonnenfant, Project Manager, Center for Regional Studies, College of Business, University of Nevada, Reno:

There is a big need in the south for exactly what we are doing up north at the University of Nevada, Reno (UNR). We built the strategies, the layers, and the software. We know what needs to be done. We just need the investment to put this GIS position in the south. It then connects with all the economic development we call stakeholders, which you see in the green lettering (page 2, [Exhibit F](#)), that connect the information. There is a severe gap. We are talking street level, neighborhood level information, not the 10,000 or 30,000 foot, not the plug and play database stuff, but working with the Department of Employment, Training and Rehabilitation (DETR) raw data, the Department of Taxation's raw data, parcel based assessor information, and all the census information. We build a data platform of those layers of information that will best serve small businesses with their decision making. For example, if you wanted to open a pizza restaurant, we could look at the region you are interested in, looking at all the pizza restaurants and their revenues—keeping that data confidential, which was part of the agreement with taxation. We can then help clients when they are doing a business plan, making projections, and in getting lending. We can put in those projections, using a reasonable amount of revenue to be expected in a first or second year, using actual data we put on the ground using the GIS.

Chairman Armstrong:

I want to clarify, is the Department of Taxation collecting revenue numbers from businesses in Washoe County?

Brian Bonnenfant:

Yes. We got a Governor's special order in 1997. We get downloads every quarter from Taxation. We get the sales, use, and exempt values for every entity. Those databases need to be scrubbed and then we have to put them on the map. It is a very lengthy and laborious process. It takes a lot of trench grunt work to do, and that is what is missing in the south. We do it up north, where we are only 400,000 to 500,000. In the south, we are looking at 2 million people and 25,000 businesses. It is a very difficult process, so you need a bigger investment in the south.

This bill is like a three-legged stool. You bring in that GIS position, which is the information we are trying to bring into the south, and connect to all the silos in the south. The College of Southern Nevada (CSN), University of Nevada, Las Vegas (UNLV), Urban Chamber, Latin Chamber, VCOZ, and local governments all have economic development priorities and objectives, and we partner with them. The NSBDC, which administers my program, turns 30 years old this year. They have offices in Henderson, at UNLV, at CSN, at the

Urban Chamber, at the cooperative extension. We already partner with these silos, and we need this bill to connect to these silos and bring in that GIS data information. The third leg is the service delivery to the small business clients. This is the whole spectrum of what we do up north; we just do not work with small businesses. We work with local governments, the Tahoe Reno Planning Agency, with business executives, and with nonprofits. We work the whole spectrum: anything that has to do with economic development. What we have perfected up north we need to build in the south.

Assemblyman Kirner:

This bill is about creating a state-funded pilot program for Clark County. You state in your testimony you have been doing this in Washoe County. Has Washoe County funded this in the past? Why would the state need to fund this in Clark County, versus Clark County funding its own program?

Assemblywoman Neal:

Washoe has not been doing this specific program. They have done it upon request. Our program will allow individuals to come to the southern Nevada Small Business Development Center. They could ask for specific information and would be able to receive it. This is creating an actual program that would allow the entities to have a cookie cutter decision-making process created through the program, and then we can track and report the data.

The reason why I included the Grow Florida (GrowFL) information ([Exhibit H](#)) was that they were one of the states that had the benefit of the Colorado gentleman's expertise. Before he retired he measured each and every decision, showed the growth, and showed the actual access and relationship to tracking of the business decision.

This is super important. I have not seen it, in terms of a definable, measurable program, where you are coming out the door saying, We took these five businesses, we changed their management style, we gave them data recommendations, we told them which geographic area they should focus on, we identified specific market changes, and here are the results of those decisions. I will have Mr. Bonnenfant elaborate on that.

Brian Bonnenfant:

Our GIS up north would make those services available to the southern Nevada SBDC counselors through the years, and a lot of our experience before the recession in Las Vegas was that if you build it, they will come. There was not a big outpouring of requests for this very minute information—one mile, three mile, or five mile radius ring, demographic markets, site selector type analysis—until the recession. When the recession hit, what brought us back

and grew employment in Reno and Sparks were bars and restaurants, small businesses. People got laid off. They decided they would try to make a go of it on their own. We saw that recovery up north and the business growth. During that time a lot of entities have had changeover. We have had turnover. So we had to rebuild relationships in the south, with the SBDC and all of our partners. In the last year or two we have done that, and we have great personnel back in these entities in the south. We have great partnerships and great relationships, and we now have the need again. We really need this granular, low-level information that we can use for our clients, which is information not provided by GOED. It is very difficult to do it on your own, via the websites. The micro-level information in the south for small businesses has a huge gap.

Assemblywoman Kirkpatrick:

We heard this bill last session [Assembly Bill No. 410 of the 77th Session] and we thought it brought something to those areas that did not have the resources they needed. My understanding is that the Nevada System of Higher Education has been able to fund some of it in the north, in smaller amounts, over the longer term. Is that correct?

Brian Bonnenfant:

We have been very entrepreneurial. We try to be self-funded. Whatever we do not cover with what we did up north, we get portions from other budgets that we help. There is the University Center for Economic Development that we helped. There are other entities at UNR we help and get our budget subsidized by, but before the recession, we were primarily self-funded. We would help the counselors. They were the filter mechanism. They would work with the small businesses. The counselor would bring us the data request, and we would generate the data and give it back to the counselor. The counselor would then meet again with the client and interpret the information. That service is free. Through the SBDC counselors, and as we build the stakeholders group in the south, all of that delivery would be for free. What we charge for on the outside is when we work for entities like banks, casinos, or local governments. We charge on an hourly basis.

From the get-go we started this as graduate students out of UNR, and that is how it became successful. We were just ignored in a closet, and we grew it on our own. We started doing casino studies up and down the Mississippi and Missouri Rivers back in the early 1990s and realized we could charge for these services, so that is how we grew it at UNR.

In the south we tried using CSN students to get this going, with a Band-Aid approach and very little resources. It did not work out. We have tried it a number of ways. What it really needs is a major investment. We need

a GIS position with a very sharp person put in place, someone who really knows information, who can communicate with the small business community and local governments, the whole spectrum.

Assemblywoman Kirkpatrick:

I think that was the point I was trying to get you to make. We have two very different venues across the state. In the north at UNR you had a lot fewer folks who could actually get in there and get it done, and in the south we are constantly growing at the CSN program and at UNLV. Where we are we cannot seem to get caught up.

I think this does bring value to the everyday person who is trying to go out and start a business, to ensure that they are successful and do not do something like open a restaurant in the wrong demographic area. Unless you pay or you belong to these organizations where they pay, you do not really get the help you need to ensure that you make good decisions.

We have been fighting for data for a very long time in our state. I think down south could be just as successful as UNR. At some point we want the rurals to be able to have the same option, so they can encompass what they are looking for.

I personally think this is just a little money to get that position started. It could bear a lot of fruit at some point.

Chairman Armstrong:

As introduced, there was a \$300,000 General Fund appropriation, and that was for both Washoe County and Clark County. Since Washoe is being taken out, has that appropriation amount been lowered?

Assemblywoman Neal:

Slightly. We have to work the kinks out. Right now we know we need a GIS position and we know we need one counselor, and both need to be in the south. We are trying to have that conversation now.

I was talking with CSN because they are also self-funded in their economic development portion. We were trying to figure out if the counselor went to the SBDC, or went to CSN. It depends on who is going to be doing the mentoring. The CSN would like to be involved.

We have a professor down south who has been doing student business development for a long time. His name is Kevin Raiford. He is quite interesting. He actually took some students who developed a backpack and sold their

backpacks to a movie. They made about \$100,000. He has just been amazing. He has been doing this for five or six years down south. We are using him in a different capacity, and he is willingly to help us.

That is what we have to work out. We need to fund the GIS for sure, and we could maybe work with the counselor, but the GIS has to happen, and that is at a minimum of \$75,000.

Assemblyman Kirner:

You have identified this as a pilot program. I read through the amendment, and it talks about how you might qualify for this. We have a problem in this state, in that we create pilot programs that become permanent programs without any good measurement of success. I do not see anywhere in the bill where it tells you how we are going to know we need to move from a pilot program to a regular program, and if we are going to know that because we have certain measurements. We often talk about this in the Assembly Committee on Ways and Means, that we are going to fund certain things, but we need to have performance measurements. Am I missing this? If so I would like to hear it.

Assemblywoman Kirkpatrick defined the start-up business earlier. Her example was, Do I locate my business in this particular neighborhood? When I first read this bill I thought it was not for start-ups but for businesses that already existed in a neighborhood and how we make them grow. I thought it was more for existing businesses rather than the example she gave. I would like your commentary on both of those points.

Assemblywoman Neal:

We did not break it down in detail, but the guidance is in section 3, with the analyzing of the data and the reporting of the data. My goal is to mimic the way Florida tracked their businesses and did their reporting. We cannot go forward unless we prove that everything we have done worked. Building off of what Florida did, which is very similar, they actually were able to track their measurements. On the economic gardening information from Florida ([Exhibit I](#)), on page 5 they discuss their measurement tool, and we have to decide what our measurement tool is. I found that CSN uses an Environmental Systems Research Institute, Inc. GIS software product, and they got their grant through the federal government. It is getting ready to run out, and the question is whether or not they will continue with the same software, because that is what Mr. Bonnenfant has. Other entities are using that.

We have to figure out what would be the common measurement tool we will use. Typically it has to be able to capture all of the data we need. We know

we have the occupational portion done. That has been developed through DETR, Burning Glass Technologies, and all these other things. The software to do that is not needed. What we need to make sure is that everyone is on the same page in terms of: Did you pull from the same element when you did your demographics? When you pulled your consumer retail report, were you able to use that same thing? That is one of the things we are currently discussing. We need to make sure when their grant ends at the end of the year, they either stick with that software, or we find a common program. The reason why the common program is necessary is that, if you look at page 5 of ([Exhibit I](#)), we need to be able to report the firms, what type of firm, and the employment. We need to be able to determine how well they grew and what we were using to measure them.

I have a breakdown of what that looks like, and I can share it with the Committee later. I worked out what a measurement chart would look like for economic gardening.

Assemblyman Kirner:

I am looking at page 5 where it talks about manufacturing. In 2011-2012 it was 27.8 percent, and then in 2012-2013 it was 32 percent. How do we measure the success? What targets have we set and established that say we were successful and we should continue to fund this on a permanent basis as opposed to a pilot?

Assemblywoman Neal:

I did a breakdown that I can send to the Committee. It shows the benchmarks that were set over a 24-month period. The bill states there will be an assessment every six months. In the breakdown I did, we are charting the business decision. For example, in column A you are going to have the business decision, the result of the business decision, and the outcome of that business decision. You will then have another line that shows what specific data issue was dealt with. Let us say a bakery was not aware bread was going to drop in sales for 2016. We know there is going to be a drop, so maybe the mentor gave the business the advice to diversify for a period of time until sales come back.

We need to be able to track that information and then show the result of the decision. I can share this information with the Committee. It includes if they went to a certain location, like the Las Vegas Urban Chamber. There is a way you have to measure, no matter where you are, and input that information to show that there was an actual result that occurred.

It is hard to explain, but I did create a table to show what it would look like, to try to quantify it. I will send it to the Committee.

Brian Bonnenfant:

I have not had this conversation with Assemblywoman Neal, but the Nevada SBDC has to undergo the same scrutiny with the U.S. Small Business Administration (SBA), which is the match agency for the SBDC. We have always had a program: we had to log in client hours, what we provided, information requests. We just implemented a new system statewide. This will help track every client hour, what we did, who met with them, what kind of information, so it will be in a system that would be tracked. All the stakeholders will feed into this Neoserra system.

To your other question, we would assist not only start-ups but also businesses that are expanding and relocating.

Assemblywoman Bustamante Adams:

I know this is a second go-around for this bill, and I want you to stay hopeful. It took five sessions to get Assemblywoman Kirkpatrick's tax expenditure report through, and we definitely needed the data. Now we can actually track what kinds of expenditures, abatements, and credits we have within our state.

I do also, just for the record, want to correct that VCOZ is the Valley Center Opportunity Zone, just so we make sure that we get that right, because they do some great work in the south.

My question has to do with the cost per job created. I know that we spend a lot of time trying to attract new companies into the state. The way I see this model, it is actually a better return on our investment because the cost of the jobs created is lower. Mr. Bonnenfant, do you have that calculation for the cost of the jobs created? The cost is much higher when we are trying to attract a company to pick Nevada as their home, instead of getting somebody to expand or retaining a company and helping them to grow.

Brian Bonnenfant:

That is very difficult to quantify, but we could go back into the Neoserra tracking system and look at client hours. We do reach back to these businesses on their economic impact, how many jobs are created, and what revenues they make based on the success of their businesses. We would have to implement that into the system moving forward, to really track the success.

To your other question, I do not think we would have any idea on the cost per job created, but that is something we could implement tracking for going forward.

Chairman Armstrong:

Are there any other questions? Assemblywoman Neal, we kind of cut you off with these questions. Did you have any more for your presentation, or should we start taking testimony?

Assemblywoman Neal:

We can start taking testimony. I am better with explaining the higher level. I do want to make sure I send the charts I created to the Committee, but do not judge me on my measurements. It is just a sample, to be used as a visual aid.

Chairman Armstrong:

At this point we will take testimony. We will take those who want to speak in support of A.B. 399.

**Kevin Raiford, M.B.A., Professor, Department of Business Administration,
College of Southern Nevada, North Las Vegas, Nevada:**

I wanted to make it clear that CSN has the resources and the business relationships with the small businesses and established businesses that could really leverage this program. These businesses are ready to be more successful. The key thing is they do not have the bandwidth to do all the research and to get all the statistics. These are restaurants, landscaping companies, butcher shops, architecture firms that want to focus on their day-to-day operations. This bill would allow them to get the resources they need and the data they need without having to take their resources from the field and from what they do on a normal, everyday operational basis.

Assemblywoman Bustamante Adams:

I have watched you from afar, with what you have been able to do at CSN. Can you elaborate about what Assemblywoman Neal mentioned regarding your work with the students within the classroom, helping them develop their ideas and be successful, so they could actually go to market?

Kevin Raiford:

I teach my students to build business plans and, after we do the business plan, to actually put those businesses into operation. We go from licensing, to market studies, to operational challenges, to competitive landscape. We have also had businesses that do importing as well as exporting. We have a 6 to 12 week program in my classes at CSN where the students can go

from idea conception, to launch, to financing, to first-round, and then to second-round funding.

Chairman Armstrong:

We will move on to the next person who is in support of A.B. 399.

Ken Evans, M.B.A., President, Urban Chamber of Commerce, Las Vegas, Nevada:

I come before you this afternoon in support of A.B. 399. By way of background, the Urban Chamber of Commerce has a business development center, which has two components. The first component is a physical business incubator, where we provide below market rate office space for new and/or emerging businesses. The second component is a business development center, which is essentially a business resource center where we provide professional consultant services and counseling services along the lines of getting you ready to go to market, marketing techniques, helping with your business plan, and other things that you need as a small business in order to grow.

What I would say is that our business development center welcomes the continued partnership we have with the Nevada SBDC, as well as several other partners that were mentioned here today.

We look forward to this bill being supported and the additional resources being given to us. One thing we are attempting to do as a Chamber is to grow, not only in terms of the number of members we have, with what is primarily a small business membership base, but we also want to grow in terms of the quality, meaning we want our businesses to get bigger. As we move forward in 2015 and beyond, we have something that we call a "commerce fitness campaign." The first part of it has to do with getting leads, getting referrals, making contacts on behalf of our members, or anyone who comes to the Small Business Development Center, so that they make the contacts necessary to grow. What we really want to keep note of is how they grow in terms of contracts they get, procurement opportunities they take advantage of, and when all is said and done, the additional revenue that comes into their company because that enables them to purchase additional equipment and get additional staff so they can, indeed, grow. We look forward to this particular measure being supported, so that we can help our small businesses grow, move forward, and expand.

Peter Guzman, President, Valley Center Opportunity Zone, Las Vegas, Nevada:

I appreciate Assemblywoman Bustamante Adams correcting our name for the record. I also appreciate her question regarding the cost per job created.

I am here today in support of this bill. I support most any bill that will help small businesses, especially one being pushed by Assemblywoman Dina Neal, who has a tremendous passion for small business. She and I have spoken about this many times. Small business is the engine that ends up running and being so important for the state, and it creates jobs. What I have found is that some of the most important things for a small business to access are capital and information. If we can provide those types of things we will continue to create, like we do a VCOZ, jobs at a cost of less than \$3,000 per job, and will continue to see small businesses grow.

Again I am in support of this bill. Just for your knowledge, VCOZ is a wonderful resource organization that is a joint venture between the Urban Chamber and the Latin Chamber of Commerce. We exchange information all the time and get it back to those small businesses, as access to capital and access to information are critical in any small business. Anybody who has met payrolls and has run a business knows that those things are very important.

Again I am in support and I commend Assemblywoman Dina Neal for her passion for small business.

Paul Moradkhan, Vice President, Government Affairs, Las Vegas Metro Chamber of Commerce:

The Chamber would first like to thank the bill sponsor and the cosponsors for their effort on this thoughtful legislation regarding economic development for small businesses.

As you know, the Las Vegas Metro Chamber of Commerce is the state's largest business association, but 85 percent of our membership is small business. We believe this piece of legislation will help with job creation and economic development as we focus on these bills this legislative session.

In regard to the strategic partnerships defined in the bill, we believe it is appropriate for CSN, Clark County, and the Nevada SBDC to work together. We think that is strategically important as you talk about regional efforts in the south, and also, of course, in northern Nevada. We would like to offer our support today and again thank the bill sponsors for their efforts on behalf of the business community.

Kelly Martinez, Government Affairs Officer, Office of Administrative Services, City of Las Vegas:

The City of Las Vegas would like to extend its support for A.B. 399 and the pilot program it would create. Economic development and diversification is a major priority of the City of Las Vegas and so we offer our support.

Chairman Armstrong:

Is there anyone else who would like to speak in support of A.B. 399? Seeing no one, we will move to those neutral on A.B. 399. Would anyone like to speak in the neutral position? Seeing no one, we will move to those who would like to speak in opposition to A.B. 399. Would anyone like to speak in Carson City or in Las Vegas? Seeing no one, Assemblywoman Neal, do you have any final comments?

Assemblywoman Neal:

No.

Chairman Armstrong:

I will close the hearing on A.B. 399, and we will open it up for public comment. Is there anyone in Las Vegas or Carson City who would like to speak for public comment? Seeing no one, I will close public comment.

Before we adjourn I want to remind the Committee that our next meeting will be at 1p.m. on Thursday instead of the usual 1:30 p.m., just to make sure we are on time. We are adjourned [at 3:18 p.m.].

RESPECTFULLY SUBMITTED:

Gina Hall
Committee Secretary

APPROVED BY:

Assemblyman Derek Armstrong, Chairman

DATE: _____

EXHIBITS

Committee Name: Committee on Taxation

Date: March 24, 2015

Time of Meeting: 1:04 p.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
A.B. 372	C	Dan Musgrove, CSAA Insurance Group	Amendment
A.B. 391	D	Michael D. Hillerby, International Community of Christ	PowerPoint
A.B. 391	E	Bishop Gene Savoy, International Community of Christ	Letters of Support
A.B. 399	F	Assemblywoman Neal	Amendment
A.B. 399	G	Assemblywoman Neal	PowerPoint
A.B. 399	H	Assemblywoman Neal	GROWFL, Taking Successful Companies to the Next Level
A.B. 399	I	Assemblywoman Neal	Florida TaxWatch, Cultivating Florida's Second-Stage Companies