

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

**Seventy-Eighth Session
March 31, 2015**

The Committee on Taxation was called to order by Vice Chairman Randy Kirner at 12:32 p.m. on Tuesday, March 31, 2015, in Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4406 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at 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 Harvey J. Munford, Assembly District No. 6

Minutes ID: 745



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:

Donald D. Snyder, Presidential Advisor for Strategic Initiatives, Office of the President, University of Nevada, Las Vegas
Rocky Finseth, representing Pivotal Tax Solutions
Brandt R. Palmer, J.D., C.P.A., Partner, Pivotal Tax Solutions, Mesa, Arizona
Chris E. Glidewell, Managing Partner, Pivotal Tax Solutions, Mesa, Arizona
Jenny Reese, representing Nevada Association of Realtors
Jordan A. Davis, Specialist, Government Relations, Fennemore Craig
Joshua G. Wilson, Chief Deputy Assessor, Assessor's Office, Washoe County
Yolanda T. King, Chief Financial Officer, Department of Finance, Clark County
Dave Dawley, Assessor, Carson City, and representing Assessors' Association of Nevada
Frank Slaughter, Private Citizen, Las Vegas, Nevada
Michael J. McDonald, Chairman, Nevada Republican Party

Vice Chairman Kirner:

[Roll was called and housekeeping items discussed.] We are hearing three bills today. Assemblyman Armstrong will be involved with the first two bills today. We will be taking them out of order. We will hear Assembly Bill 451 first, Assembly Bill 452 second, and Assembly Bill 313 when Assemblyman Armstrong resumes as Chair.

Assembly Bill 451: Revises provisions relating to the University of Nevada, Las Vegas, Campus Improvement Authority. (BDR S-1075)

Assemblyman Derek Armstrong, Assembly District No. 21:

Assembly Bill 451 is follow-up legislation to previous legislation by Assemblywoman Kirkpatrick, Assembly Bill No. 335 of the 77th Session, which created the Campus Improvement Authority Board of Directors (CIAB).

That board was charged with reviewing the feasibility and scope for a University of Nevada, Las Vegas (UNLV), stadium and reporting back [through the Legislative Counsel Bureau] to the Legislature by September 30, 2014.

Assembly Bill 451 will continue the work of the Board through 2016, and will also require a report to the Legislature in 2017.

This is an important project for the University and the entire community in southern Nevada, both economically and as a means to continue building a Tier 1 institution in partnership with the community. At this time I will introduce Don Snyder to go over the bill.

Donald D. Snyder, Presidential Advisor for Strategic Initiatives, Office of the President, University of Nevada, Las Vegas:

I currently serve as Presidential Advisor for Strategic Initiatives for UNLV, but I have a little bit of history with UNLV. I was the acting president of UNLV last year, as I think many of you know. I am the former dean of the William F. Harrah College of Hotel Administration. I joined UNLV in that position almost five years ago. I have been around the community, primarily in southern Nevada, for almost 28 years. I know many of the people in this room from some of those experiences.

It is through each of the positions at UNLV that I have been very engaged in the stadium discussions over the past four years. While the conversations preceded my involvement, it was about four years ago that I became directly engaged.

Most specific to what brings me here today, I served as chairman of the UNLV CIAB, the board that was created by A.B. No. 335 of the 77th Session. The Board was charged with making specific recommendations to this 78th Session of the Nevada Legislature.

Assembly Bill No. 335 of the 77th Session was sponsored and led very effectively by Assemblywoman Kirkpatrick in 2013. It was this legislation that created the CIAB to study the need for, the feasibility of, and financing alternatives for a large event center, which migrated into the stadium, more specific conversations, and then finally to making recommendations to this Legislature.

We appreciate Assemblywoman Kirkpatrick's leadership and her guidance throughout the process; it was critical to the work of the CIAB over the course of the past two years.

Assembly Bill 451, as you have just heard, seeks to extend the CIAB and its work for two years, as well as enlarging the boundaries of the Campus Improvement Authority area. This was recommended in the CIAB's final report, which was submitted to the Legislature through the Legislative Counsel Bureau (LCB) in September 2014, as required by A.B. No. 335 of the 77th Session.

I would like to add to the "expanding the boundaries" comment I just made. The expanding of the boundaries resulted from studies that were conducted through the work of the CIAB, primarily related to the realization that the site originally contemplated for the stadium on campus was in the flight zone from the airport and not a feasible site. That forced us to look at alternative sites, which the CIAB did.

There was an 11-member board of directors appointed for the Campus Improvement Authority. Four members were appointed by the Board of Regents. I was one of those four. Three were appointed, directly or indirectly, by the Las Vegas Convention and Visitors Authority (LVCVA). There was one each appointed by the Governor, the 2013 Speaker of the Assembly (Assemblywoman Kirkpatrick), the 2013 Senate Majority Leader (Senator Moises Dennis), and the final appointment was made by the Clark County Board of Commissioners.

The CIAB was engaged and diligent in its work from the very first meeting in October 2013 to the final meeting, when the final report was approved and then submitted, in September 2014.

The Board was significantly assisted in its mission by the engagement of a consulting team led by Conventions, Sports & Leisure International (CSL), arguably the world's leading consultant when it comes to sports-related facilities.

I will now summarize the recommendations approved by the CIAB and contained in the formal report to this Legislature.

First, it was concluded that there clearly is a need for a stadium on campus, or as an extension of the current campus boundaries. As we heard from Assemblyman Armstrong, that stadium will benefit both UNLV and the community as a whole.

Second, to be feasible, a stadium must bring together the University and the community in the form of a public-private partnership. The stadium should have at least 45,000 seats. There were a lot of conversations about something

significantly larger than that, but at least 45,000 seats was the final recommendation of the Board. As we got into the conversation, the CIAB determined that given the many needs the University had—primarily the medical school and other community priorities as a whole—the timing was not right to proceed with a recommendation to start the stadium at this particular time.

Therefore, with the need clearly established but the timing not right, the Board recommended that this Legislature continue the CIAB through the 2017 Legislative Session and allow consideration of alternative sites that could be considered an extension of the current UNLV campus.

This is what A.B. 451 will permit. I will draw your attention to specific sections of the bill to make those points.

Section 1 enlarges the boundaries of the Authority area to include all parcels of property within 1.5 miles of the current campus or Authority boundaries. When we talk about the campus boundaries and the Authority boundaries, they are one and the same.

Section 6 extends the prospective dissolution of the Authority by two years, from October 1, 2015, to October 1, 2017.

Section 2, in concert with the section I just mentioned, extends the terms of the members of the Board of Directors from two to four years, to allow them to continue to serve in this capacity.

Section 4 requires that another formal report with recommendations be submitted to the Legislature by September 30, 2016, for action by the 79th Legislature.

Section 3 enables the Board to hold its meetings off campus, outside of the Authority area, but within the county. This is to provide greater efficiency. We were supported by the LVCVA during the conduct of all of our Board meetings last year, but because the meetings had to take place on campus, it was logistically difficult. What we would like to be able to do is continue these meetings with the LVCVA's support in their facilities, which are set up for the open meetings that we have.

I would be pleased to answer any questions, take any comments, and provide whatever answers I can.

Assemblyman Nelson:

Why does it need to end in 2017? Does that just give a deadline to get everything finished up?

Don Snyder:

That is to provide a deadline. It was part of the conversation we had two years ago. It was important to have a deadline, and it served a purpose. We came to the conclusion it was not the time to move forward. I think now to extend the work of this Board, this Authority, by two years but to keep pressure on the process, is important. I think if we are going to do these things, as Assemblywoman Kirkpatrick said at the time, let us just get it done. That is really the purpose.

Assemblyman Nelson:

You are not reporting on any of the financing alternatives at this point; this is just to keep the Board going, and give you some more time to do your work, correct?

Don Snyder:

That is right. We expect to go through the same type of study process. The work done this past year is going to help substantially. It creates a nice foundation for the conversations, particularly as they relate to establishing the need for it to be a public sector-private sector partnership. I think the conversations next time will evaluate some of the conclusions reached regarding size. There were other associated issues, such as should it be covered or uncovered, those types of things. I think those conversations will continue to take place in this next generation of the CIAB, but will be substantially aided by the conversations and the work done in the past. I think that if they move forward with a specific recommendation as to doing a facility and the type of facility, it will include an estimate of the cost, as well as recommended alternatives from a funding and financing point of view.

Assemblywoman Kirkpatrick:

There was a lot of good discussion that went on within this Board, and it was all done publicly. The report is on the legislative website. I do think at some point they had to choose; they could not have it all. They had to prioritize. There are many things most folks have heard about—the medical school, the hotel college, the need to get professors back there, Desert Research Institute—all of those were factors in what our priorities were. It took the Board a while to decide if we actually even needed one, and that was an important piece.

Every session we have seen a crazy stadium bill at the end, and this was a way to stop all of that and allow us to move forward. Extending this gives them the ability to now talk about financing, as the foundation has already been laid. There were a lot of renditions out there, but then the sizing became a problem. At first I was concerned by the 1.5 miles from any property, but then I realized it circled back to the original piece. Legislative intent at the time was to ensure it was contiguous and a piece of the college, because the problem we have now is that people do not want to drive to the Silver Bowl [Sam Boyd Stadium], so you do not get the student interaction. There are some land parcels within that reach that might be an opportunity for the University. Is that a fair statement?

Don Snyder:

Yes, and I appreciate your support and the guidance you provided. I think these questions really do get to the heart of the issue. First of all, these projects are a heavy lift. Having been involved in several major projects, including the largest public sector-private sector partnerships done in this state, I say all the time it is easier not to do these projects. I think it is important to be realistic. The timing was absolutely right for us to focus on the UNLV School of Medicine. I think the University made the right decision in that regard, but these are heavy lifts, and there are only so many things we can get done. There are only so many things that we can rely on the Legislature to deal with, because these are heavy lifts for all of us.

In terms of the land, there is no doubt that the University campus being in an urban area and being landlocked creates challenges. There was a master plan done in 2012 that was one of the best studies I have seen in my over 25 years with the University. It looked at maximizing the use of that less than 340 acres, but still it is a limiting factor for what the University can do and needs to do. Being able to reach out to land that is contiguous to the campus does give us significant flexibility. Whether or not the stadium is built, it certainly provides the opportunity for a stadium. We have been in negotiations on the acquisition of, or at least getting an option on, some land that serves this purpose, and I think we will make substantial progress over the next year in terms of deciding how that land fits this need, or if it does not fit this need, but fits more generally. Extending the footprint of the campus is an extremely important part of what we are doing here.

Vice Chairman Kirner:

Assemblyman Armstrong, just to be clear, this bill does not carry a fiscal note, either for the state or for the local governments. Is that correct?

Assemblyman Armstrong:

Currently the effect on local government may have a fiscal impact, but there is no effect on the state.

Don Snyder:

That is an important point as well. We did have financial support by being able to use part of the slot tax bonding that was done for the renovations of the Thomas & Mack Center, and that provided the support for hiring the consultants. This time around, because of the work that has been done, the amount of funding should be less, but we are committed to making sure that private dollars will provide the support for that project, and not state dollars.

Vice Chairman Kirner:

At this time we will move to testimony from those who are in support of A.B. 451, either here in Carson City or in Las Vegas. Seeing no one, I will accept testimony from those neutral on A.B. 451. Seeing no one, I will accept testimony from those in opposition to A.B. 451. Seeing no one, Assemblyman Armstrong would you like to make some closing comments?

Assemblyman Armstrong:

I would like to thank the Committee for hearing this bill, and Mr. Don Snyder for bringing this to my attention, so we can move forward and create a Tier 1 institution that helps the community as a whole.

Vice Chairman Kirner:

I will close the hearing on A.B. 451 and open the hearing on Assembly Bill 452.

Assembly Bill 452: Revises provisions relating to property taxes. (BDR 32-847)

Assemblyman Derek Armstrong, Assembly District No. 21:

The second bill today is Assembly Bill 452. It revises some of the provisions relating to property taxes. This issue was brought to me by Mr. Finseth, Mr. Glidewell, and Mr. Palmer as something that has had some procedural difficulties in Clark County. I felt this was an important enough issue to bring this bill forward. At this time I would like to introduce Mr. Finseth, to explain the bill.

Rocky Finseth, representing Pivotal Tax Solutions:

We would like to thank Assemblyman Armstrong for bringing this very important measure forward. Joining me at the table today is Mr. Chris Glidewell, the managing partner for Pivotal Tax Solutions, and Mr. Brandt Palmer, who is also a partner with the firm. I will go through the bill

very quickly and then turn it over to Mr. Palmer, who will talk you through some of the issues we are encountering in southern Nevada.

Section 1 of the bill attempts to define "owner" relative to the ability of individuals to appeal on property tax appeals and widens the definition of who can be considered an owner and represent an owner in those appeals.

Section 2 of the bill outlines the due diligence period set forth when you appeal the assessor's denial of your appeal. As you can see, it sets forth a seven-day time frame from the point at which documentation of the denial is received by the owner.

I would like to turn it over to Mr. Palmer. He will walk you through the issue we are encountering in southern Nevada, and why we are asking the measure be brought forward.

Brandt R. Palmer, J.D., C.P.A., Partner, Pivotal Tax Solutions, Mesa, Arizona:

I am a licensed certified public accountant (CPA) and a licensed attorney in the state of Arizona, and I am going on my fifth year with Pivotal Tax Solutions.

Pivotal Tax Solutions is a licensed CPA firm in the state of Arizona, and we focus on property tax appeals across the country. I would say 75 to 80 percent of what we do is in the property tax arena, whether it is real property or personal property. We represent several national clients across the country, so we are very familiar with property tax appeals across the country and the normal process for filing those appeals.

We do file appeals and have clients here in Nevada, and quite a few are in Clark County and Las Vegas. I have attended hearings there for the last three to four years since being with Pivotal. The situation we have noticed, which we wanted to bring to your attention and offer a solution for is that there have been quite a few appeals over the last several years that have been rejected, or scheduled for a jurisdictional hearing, by the Clark County Assessor's Office. Currently the statute permits an owner of a property to appeal for property tax purposes, but there is absolutely no definition as to who is the owner.

You can imagine the difficulties in today's world with very large companies. Safeway, for example, is a client we represent here in Nevada. First of all, who is the owner of Safeway? Is it the shareholders; is it corporate executives? Second, even if you say it is a corporate executive, to reach a president or a treasurer or someone high up in a company that large is nearly impossible.

There are many people at the local level who interact with these properties and have the ability and knowledge to be pursuing property tax appeals.

In addition, there are so many companies that are subentities of larger companies. The issue is that the assessor's office has taken it upon itself to define the term "owner," to decide who can file property tax appeals on behalf of a property. As I mentioned, there is no definition in statute, and so the issue is that many appeals have been rejected over the last few years because either the assessor's office does not see the tie-in with the person who is authorizing the appeal or does not agree that that person is the owner of the property.

One of the main issues we think needs to be addressed is that there needs to be some clarity as to who the owner is and who can file a property tax appeal. That is one of the solutions we are offering in this bill. The other issue is the 48-hour window for appeals.

Currently January 15 is the deadline each year to file a property tax appeal. You can file an appeal by January 15 without written authorization, as long as you supply that authorization within a 48-hour window. The issue there is that, when the assessor's office finally gets around to reviewing the appeal and the authorization, if they do not see a connection between the owner and the person authorizing the appeal, weeks have gone by, so there is no opportunity to try to resolve any concerns the assessor's office has regarding the person authorizing the appeal.

We are trying to provide an opportunity for not only a clear definition of who can appeal, but also if there is any sort of an objection, concern, or question over who is filing the appeal, the assessor's office will simply notify the person making the filing and provide what we call a "seven-day cure period."

As an example, they might contact me and say, "Mr. Palmer, I see you have an appeal here filed by John Smith at Safeway. I need to see how he has either authority on behalf of Safeway or works for Safeway for me to permit this appeal to go forward." I would then provide that information within the seven-day period.

Just to put this in perspective, in the hearings I have attended over the last three years I have seen many frustrated owners and agents on behalf of owners leave these notice of appearance hearings, or jurisdictional hearings, completely confused, feeling they have adequately shown they have the right to appeal, but the appeal has not been allowed to go forward. The assessor's office has rejected it because of its interpretation, and then not thinking it has the correct documentation.

We think the clear definition in the seven-day cure period will provide a way for valid appeals to go forward and for taxpayers' rights to be protected.

Over 10 percent of appeals were rejected by the assessor's office this year, and were scheduled for a jurisdictional hearing before the Clark County Board of Equalization. The issue is that rejected appeals are scheduled to go before the Board, and by resolving these issues at the county assessor's office, it will remove hearings from the Board's docket.

The bill we have supplied not only protects property owners and taxpayers' rights, it is going to save the Board time and allow them to focus on what they do best, which is not interpreting the law or deciding who has the rightful appeal, but what is the valuation of a property for property tax purposes.

Rocky Finseth:

To conclude our presentation, I would like to defer to Mr. Glidewell for some closing remarks.

Chris E. Glidewell, Manager Partner, Pivotal Tax Solutions, Mesa, Arizona:

There were about 2,600 appeals filed this year. As Mr. Palmer mentioned, 10 percent, or 262, were rejected by the assessor's office based on jurisdictional issues that tied back directly to the ownership issue and whether or not the assessor's office agreed the person who signed the agency authorization form as representing those companies truly had authorization to do so. That is the real issue here.

This bill is to clarify who an owner is and take care of a reasonable period of time that would allow for correction of any mistakes or addressing any concerns the assessor has, which is the seven-day rule Mr. Palmer mentioned.

Rather than rehashing what has already been said, I would like to share with you some of the comments made during the February 2015 hearing of the Board of Equalization in Clark County, which we attended ([Exhibit C](#)).

As you may or may not know, in the auditorium at the Clark County Government Center you go before the Board of Equalization, and it is videotaped and a live feed is downloaded on the [Clark County] website. We were not only able to watch the meeting, but there were representatives from our company who were there representing our clients.

The example I am going to give you is for Con-way Transportation Services. You may have seen their trucks out on the road. They are a very large national transportation company. The chairwoman of the Clark County Board of

Equalization is Kathleen Nysten. She has been sitting on the Board as chairwoman for many years.

These are some comments she made having to do with large corporations and how we identify the owner. She said, "What the Assessor's office is saying is that if this was an international, multifaceted corporation, and Sam Smith was the tax manager in charge of the Southwest in Nevada, his signature would not be sufficient, you would have to go to one of the owners of the parent company, or one of the officers of the parent-parent-parent-parent company," just to indicate that there are multiple ladders to get to the top of the company. She confirmed, "Because this person, that might be what their responsibility is—to deal with the tax agents and all the assessments and never to talk to the corporate office." Later in the meeting she said "What we are doing, is saying that someone from the Board of Directors, from say Apple, would have to sign off on an assessment appeal, and they don't even know that a property assessment is going on, because that is so below their pay level that you would never get in the door with them." After a response from the assessor she said, "I do not know which way to go with these. I really don't."

One more example is Courtyard by Marriott, a hotel in Henderson, Nevada. The owner of this property is a company called Pacifica Host Hotels, and this was one we represented. This company is a closely held family entity, owned by the Israni Family. There are four brothers. One of them signed the agency authorization form. Ms. Nysten was sitting as the Chairwoman of the Board at this time and she stated "Because I know the Isranis are related, and so I do not know how that influences things." She knew about the Isranis from previous hearings and that they owned several hotels, and she knew the person who signed the authorization was one of the brothers. Ms. Nysten then went against her better judgment and ruled against them because of the assessor's policy.

The litmus test for the assessor's office in Clark County has been: your name, and in order for us to accept your name as the right person to appeal, it has to show up on the Secretary of State's documents when a business is registered to do business. The premise for that is incorrect because the Secretary of State does not allow for or require all officers to sign—or all four brothers who are partners in this case—so one of the brothers had signed the corporation commission documents, but the brother who was the president of the hotel company signed our agent authorization form, and he got shot down because he was not on the Secretary of State's website listed as a partner.

Those are the kind of issues we are confident this bill will clean up. I will close with one more example—Lake Las Vegas. For those of you who are familiar with Lake Las Vegas, there are tremendous problems with the properties there

with hotels changing hands, bankruptcies, and things of that nature. Ms. Nylen had seen appeals year after year coming to the Clark County Board of Equalization regarding Lake Las Vegas. She said, "We've had Lake Las Vegas properties in the past, every year I think for X number of years, and I know Atalon has been involved in it." She knew this person had come forward. "It has not come up as a notice of appearance...before," so she had never had any problems with the notice of appearance hearings or jurisdictional issue before. "The problem I'm having is we know—I do not know this gentleman personally—I mean, I know this gentleman. All these names are the names we've been dealing with all the time, so I'm am having a problem because of that." It ultimately was rejected, even though she knew they had had authorization over the years, but the policy at the assessor's office took precedent and again the appeal was denied.

We hope these examples help clarify what we are proposing before this Committee. We appreciate your time, and again thank you for your service.

Assemblywoman Kirkpatrick:

I want to be sure we are not opening up the flood gates to get property tax reductions with the Board of Equalization, but it sounds like you are just trying to be able to get in front of the Board of Equalization.

What has been the practice in the past? We have been going through this each year since 2009, and six years later you still have not been able to get through the process.

I do not see anywhere on here where just anybody can send written authorization. There would have to be something notarized. We are a transient state, so I would not want to have just anyone be able to do that. I want to know what the expectation is on how we will ensure who the proper owner is.

Rocky Finseth:

This issue has only surfaced within the last two years. Prior to that, my client did not have these types of challenges coming before the assessor's office. My understanding is that it has only been within the last two years that this problem has arisen, and that is why we have asked Assemblyman Armstrong to bring forth the proposal that you see today. In terms of tightening up the language, we are certainly amenable to work with this body if you feel the language needs to be more tightly written.

Assemblywoman Kirkpatrick:

The only reason I say that is you do not want to create yet another policy discrepancy. It may be the assessor's office that puts in a policy on what specific documentation they need.

Chris Glidewell:

Two things have been the trigger that have caused this issue. Some of this gets into a bit of a technical area. In the state of Nevada, what we call the "Agent Authorization Form" is uniform throughout the state. All the assessor's offices essentially use the same form. A little over two years ago that form was changed by the Department of Taxation, which issues these forms, and the change made the language less clear.

Something you might find interesting, that I did not read earlier, are some comments the chairwoman of the Clark County Board of Equalization, Ms. Nylen, made about the state in one of the hearings, and this will tie this all together. She said, "I love notice of appearance days. I love notice of appearance days. I love the attorney general, or the previous attorney general, or whoever it was who gave us this wonderful task."

It came from the state at that time, and that was who gave them the task to make decisions about who gets to come before them. The lack of clarification is why we are here today. The Board has made it public that they do not want that task. I have other quotes that I will not read to you. They recommend these changes be made so they are not so narrowly scoped to only include an owner registered on the Secretary of State's documents—the recorded documents for the corporation. It should be broader than that because the corporate world is much more complicated than that.

Vice Chairman Kirner:

Mr. Finseth, one of the things I am curious about is, and I would like to get your comments on the record, when we use the term "owner," does this create an issue across different parts of *Nevada Revised Statutes* (NRS)?

Rocky Finseth:

No. Our interpretation of this is strictly defined for NRS Chapter 361.

Vice Chairman Kirner:

As a follow-up to Assemblywoman Kirkpatrick's question, if this is an issue that just arose in the last couple of years, following on Mr. Glidewell's comment, it has to do with the form itself. Does this bill actually resolve that and require a new form that would not be confusing or misinterpreted?

Brandt Palmer:

I would like to respond to that. What we are hoping this accomplishes is to help the assessor's office have a clear definition of one who can file. The second issue is the "cure period."

In answer to that question, it would be up to them if they want to create a clearer form. It would behoove them to do so. If it is still not clear, this will at least provide an opportunity for them to say, "We are having a hard time seeing the connection between the owner and who authorized this appeal, so here are seven days. Please supply us with supporting documentation, so that we can resolve this, come together, and move forward."

Chris Glidewell:

Let me make an additional comment regarding that. The proposed bill "provides that the term 'owner' includes a person who owns, controls or possesses taxable property or is otherwise responsible for payment of the taxes on the property or is an authorized representative of the property." We would like to see that on the form.

I will walk through each of these. A person who "owns" is pretty self-explanatory. Generally in today's real estate environment that means small owners who are mom-and-pop folks that own real estate or residences. There are exceptions to that rule, but it is usually smaller type properties.

"Controls" refers to property managers—the CBREs, the Trammell Crows, the big brokerage houses that manage all the big buildings in Reno and Las Vegas. These people contractually control those buildings. They have agreements with the owners to operate and manage those buildings for them. At this time they cannot sign agency authorization forms, even though they are contractually obligated and have a fiduciary responsibility for the care of those buildings, and yet it is very difficult for them to go back to an owner who may not even be in the country, who could be from anywhere. So the people controlling the property are typically a management type organization.

Good examples for a person who "possesses" are triple net leases with tenants, particularly a single tenant in a single building.

In all three of these situations, the people who possess and the people who control also control paying the property taxes. The people who possess the building on a triple net lease are the taxpayers. They are the ones who would be harmed if they are paying an excessive amount of tax because of some dramatic thing that has happened to the property and they cannot appeal it.

These would be things like a lot of vacancies or people having moved out of the building.

Single tenants would be very interested in appeals, but again, if they control and possess that property and are paying the taxes, they should have the right to appeal without asking the owner as long as it does not violate their contract. Hopefully that will add some clarification.

Assemblywoman Neal:

I have a question about section 2. Maybe you could give me a little bit more history on the certified mail provision. I got a little bit of information when I met with Mr. Finseth, but how was the assessor able to get away with doing these authorizations without certified mail? I know these issues have happened in the past couple of years, but they had to have been doing other forms when a person wanted to object. Why is it now that certified mail is an issue? To me, it seems like the notice issue was the problem all along. It is an important issue and now we are saying, "you must send it to me this way."

Brandt Palmer:

The practice has been that if they do not see a connection or they disagree with the connection from the owner to the person authorizing the appeal, they immediately schedule it for what is called the notice of appearance hearing, the jurisdictional hearing. They rarely ever contacted the person who filed and said, "We have an issue here with your authorization form, can you provide some sort of clarification." As I mentioned, they have narrowly interpreted it to be that you have to supply that within 48 hours. By the time they get around to looking at these appeals, it is weeks and weeks later, so even if you were to supply something at that time, they would say you did not supply it timely.

The reason for the certified mail is we just want to make sure that it cannot ever be alleged that "we contacted you on January 20, we gave you seven days, and you never responded." There is no way they can prove we were actually contacted or they notified us. Any taxpayer would have that same issue.

Vice Chairman Kirner:

As there are no further questions from the Committee members, we will take testimony from those in favor of A.B. 452.

Jenny Reese, representing Nevada Association of Realtors:

I am here on behalf of the Nevada Association of Realtors, and they just want to express their support for the bill.

Jordan A. Davis, Specialist, Government Relations, Fennemore Craig:

Conceptually we are in agreement with A.B. 452. To provide the Committee with some background, the authorization form and the manner in which it has been implemented in Clark County has created an unnecessary impediment to many property owners seeking a review of the valuation of their property. I believe Mr. Palmer did a good job describing the issues in Clark County, and I would like to echo his comments.

This bill simply tries to clarify who can file an appeal and the written authorization process, therefore we have been working with the bill sponsor to amend A.B. 452 to iron out a few of those details. In particular, we would like to work with the bill sponsor on clarifying the term "owner" and crafting language that would allow attorneys to be removed from the written authorization process. I am confident that these conversations can be fruitful.

Vice Chairman Kirner:

You are currently working with the bill sponsor?

Jordan Davis:

That is correct.

Vice Chairman Kirner:

Are there any others in support of A.B. 452? Seeing none, we will hear from those neutral on A.B. 452. Seeing none, we will hear from those opposed to A.B. 452.

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

The primary objection that Washoe County has is found in section 1, where it expands the owner to the point that it is referenced here. We have many multitenant properties in Washoe County. The way we read this language is, for instance in the Meadowood Mall, the person operating a kiosk, who may have the triple net lease and be responsible for the taxes, would then have the ability to appeal an entire mall. We have a hard enough time tracking down who the owner is when property is held under a corporate name. Unlike Clark County, if somebody is testifying under oath—raising their right hand that they are the authorized owner—we are going to take their word for it. Pivotal does file appeals in Washoe County routinely. We encourage them to show up to the hearings. I do not think we have the same issue.

If somebody is the managing tax representative of a large corporation and they sign as such, authorizing Pivotal to represent them at the hearing, we accept that. Ultimately it is not the assessor that really should be accepting or

rejecting. These appeals are filed with the Board of Equalization. What Washoe County does is if there is ever any question as to whether the person who filed the appeal is authorized to do so, we may bring it to the Board's attention at the hearing itself, and let the Board decide whether or not this person is authorized to represent them.

I understand where Clark County is coming from due to the volume of appeals they have. It may be more appropriate to schedule a jurisdictional type hearing, as specified earlier by the Pivotal folks, but we have not found that necessary in Washoe County. Again, we are opposed to expanding the term "owner" to somebody who is not the owner of the property.

Assemblyman Nelson:

You mentioned section 1. Is your problem with the language that says "a person who controls or possesses the property?"

Josh Wilson:

It could be "possesses," if it is the person who is also responsible for the taxes. We have had issues in Washoe County where both the owner and the tenant appealed the property assessment on the same property, so then the Board of Equalization had to determine who they were going to accept as having jurisdiction. Raley's is who comes to mind. I do not know if they are a client of Pivotal or not.

That is where, for an owner we can go to the recorded documents and see what the deed says, and to see if, in fact, they are an owner. But we do not get all the lease information for all the multitenant properties, and we see that expansion could be problematic.

Assemblyman Hickey:

Understanding the complexity that you face figuring these things out, do you have a problem, at least in concept, in section 1, with the notion of an authorized representative of the company? I think it was pointed out fairly plainly by the previous testimony that it is not always possible to either bring or, at times, locate quickly enough in the appeals process the owner in other complex arrangements. You see what this bill is trying to do. I do not think they are questioning your ability to make the assessments. For you, is there a way this bill can be worked that under any circumstances it can allow an authorized representative of the owner to appear before you?

Josh Wilson:

I do not believe this is an issue anywhere in the state right now other than Clark County. Perhaps cleaning up the form, which sounds like it was amended

a couple years ago, and making it a little clearer will help. I understand the testimony that not all the officers may be listed on the Secretary of State's documents and, again, that is why we rely on the fact that if somebody is under oath—they are swearing that they are authorized by the owner to represent that property—we do accept that.

I do not have a problem with an owner authorizing somebody. It could be somebody who is the head of their tax department. I recognize that. From recent telecommunications appeals we have had, AT&T comes to mind. It was not a member of the AT&T board of directors who signed that, it was the head of the tax department.

So, no, we do not have any objections to that. I think it is more the expansion of owner to include the person who may have the taxes passed through to them, giving them the ability to appeal the owner's property. We feel that the owner can authorize whomever they want to represent them, but we do not feel that someone who is not authorized by the owner should have the right to appeal someone else's property.

Assemblywoman Neal:

When you were asked the question on the word "possess," would an easy fix be to just use the person who has the legal right to dispose of the property, and then that indicates ownership versus a person who is a leasing person?

Josh Wilson:

If that will do it, I am okay with it. I do not know. I am not good at wordsmithing. I am not certain if that does it. My point is that if the owner authorizes somebody, we do not have an issue with that. We do not feel that somebody who is not the owner should be able to appeal someone else's property.

Assemblyman Trowbridge:

I understand that Washoe County does not have near the number of cases like this that Clark County might have, and by virtue of full disclosure I have sat on the Clark County Board of Equalization for many years.

How would you feel if someone came and said "based upon my knowledge of the ownership, I am representing the owner?" I know you are not a wordsmith, but I have heard that explanation, which means "I do not know who owns it, but I am here representing somebody who told me they were the owner."

Josh Wilson:

We always require a written authorization form be submitted. We do not check the Secretary of State filing or any other recorded documents to see whether or not that person is authorized by the owner.

Assemblyman Trowbridge:

So you would accept it without checking to see the real ownership, as long as they signed the form?

Josh Wilson:

If they signed on behalf of the owners of record, pursuant to the deed. We have not found fraud in that particular area, where someone is appealing someone else's property without authority to do so.

Assemblyman Trowbridge:

I am not challenging that part. What I have seen are properties in transition at the time the tax bills come out, and someone appeals it as the potential owner or the owner that is leaving ownership. It is a clouded mess. This occurs in those circumstances where a firm from Arizona appears that was just hired two days ago. We just do not know how to react. We have no proof of ownership, no proof of authorization. The firm from Arizona is new to the issue, and it is just a mess. The consequence of not getting your hearing is maybe next year you come back. That seems to be the lesser of two evils versus granting something that really should not have been, or dragging a County Board of Equalization into an ownership dispute.

Josh Wilson:

We do verify against the recorded documents, and if something is in transition, where the recording has not been recorded, we would not accept that.

Assemblywoman Kirkpatrick:

I am struggling even more than ever now, because I am looking at the form [<http://www.clarkcountynv.gov/Depts/assessor/Documents/CBE%20Agent%20Auth.pdf>], and at the bottom it shows it was approved by the State Board of Equalization on December 15, 2011, so for the State Board of Equalization to say that the state made them do this, I find that troubling, because they approved the form within their authority. We have no oversight over the Board of Equalization.

On this form it asks for the name of the agent/attorney, the agent's/attorney's company name, the owner's name as it appears on the tax roll, and the authorized agent signature. At the bottom of the form it says "This authorization must be signed by the owner of record, registered partner of the

partnership, corporate officer of a corporation, or the designated manager of an LLC." Then it goes on to say "Ownership entities such as trusts, partnerships, LLCs, or corporations that are subsidiaries of other trusts, partnerships...", so it seems to try to get back to who is the authorized person to do it, and is asking for all that information. I wish the Committee had the form, because it is quite telling.

I am trying to understand if the form was changed, and this is the most recent form, that it was changed in 2011. Did someone not put it in place until 2013? I could go through the minutes of the State Board of Equalization tonight to see when they approved it. What is the hiccup?

I am not a fan of the Board of Equalization. I hope I never have to go before them. I want to understand where they throw it back at the State, that there is no opportunity for the owner to be listed, and where the assessor sees that there is a gap.

The assessor has a lot of latitude to determine who that person is, based on a piece of paper, and I am seeing that this bill does all of this, plus our current structure. I think it is pretty clear. I think this just expands everything and makes it even more complicated. I just want to understand from the Clark County assessor as this seems to give a lot of latitude. If the question is, "Who is the authorized person?" How do they guarantee that? If that is the hiccup, this bill does not fix this.

Yolanda T. King, Chief Financial Officer, Department of Finance, Clark County:

I am not familiar with the form, the authorization of it, or how it works, but I will get back with you as to how the form works, when it was last updated, and why it was updated.

One of the issues I wanted to place on the record was that if this is expanding the definition of owner, then it seems to me it would be difficult in some situations for the assessor's office to be able to validate that information. In addition, if you have a tenant who comes and wants to appeal, it is not all cases that the Board of Equalization will reduce and there is a lower assessed valuation. There are situations where those valuations can be increased. If you have a tenant who comes to the Board of Equalization and those taxes or the valuation end up increasing, then that tenant has just increased their property taxes on that property. It can go the other way. It does not always go down, but can actually go up, and for that person appealing, the property now probably has a higher property tax that they will have to pay as a result of that appeal.

I also think in terms of the validation that this definitely would place an additional administrative burden on the assessor's office, because of not knowing where to go and how to validate that information.

I would also like to note there are timelines associated with the Board of Equalization that affect a local government's budget because these have to be completed by February 28, which means those valuations are then sent up to the Department of Taxation from the assessor's office.

If there are any changes, they have to be reported to the Department of Taxation, so it can run the property pro forma reports. These reports are then sent to the local governments, and those property tax revenue projections are used by the local governments in their budget documents.

There is a timeline, and a reason for the timeline. They are trying to get things out, and they are in a hurry to get things resolved because they have a deadline of February 28 when that process has to be wrapped up.

Assemblywoman Kirkpatrick:

Also, when the Board of Equalization makes a determination, many parcels within that taxing district are affected as well. Is that not correct?

Yolanda King:

Whatever the determination is from the Board of Equalization, those adjustments are included in the valuation data that is sent from the assessor's office to the Department of Taxation. It could be numerous parcels, depending on how many appeals there are. There have been years where we have had tens of thousands of appeals, so it just depends on the number of appeals that come through the process and the number of parcel values that have been changed, which will result in changes that have to go to the Department of Taxation.

Assemblywoman Kirkpatrick:

I would be curious to see the policy and whether it has just changed in the last two years. I find it hard to see that based on the form with the State Board of Equalization stamp on it dated December 15, 2011. I have to believe that in 2009, 2010, and 2011 we had tons of people in Clark County going through the process. Some went before the county commission and some went through the Clark County Board of Equalization. At one point I think they had over 2,000 people going through it. I want to understand, at least from your assessor, what has changed to make this different. I think it should be clear to identify, even if you had to see the recorded documents of a limited liability company to see who the secretary-treasurer is. There are people who have that

responsibility to sign for things—for example, if Mr. Nakamoto wants to sign for something, but at the end of the day I am responsible for it because my name is on it. If that is what they need to bring, or what they have brought in the past, something is not adding up, at least from my perspective.

Dave Dawley, Assessor, Carson City, and representing Assessors' Association of Nevada:

I am the Carson City Assessor. I am also representing the 16 additional county assessors in the state of Nevada.

At the Assessors' Association of Nevada we are concerned about section 1, and most of what Mr. Wilson said. The term for us is "otherwise responsible for the payment of taxes." Again, if you have a ten-story building, and the third floor of that building is being occupied by a tenant, this would give that tenant the right to appeal the assessment for the entire building. We have a problem with that.

We also have a problem with section 2. The due date to file an appeal is January 15; however, if that due date falls on a Saturday, a Sunday, or a holiday, then it is extended to the next business day. The 18th would be the day it was due, and then we would have 48 hours in addition to actually notify the individual of the owner authorization.

The problem is that we only have 44 days in which to complete all of these appeals. We have to convene by the end of February each year. With a lot of the counties being in the outlying areas [there can be problems]. Take Elko for example, in order to send outgoing mail, all of their mail has to go through Salt Lake City, so there is a time constraint as far as when the individual will get that certified mail. What happens if that certified mail is not picked up by the individual? We do have a number of taxing representatives who actually file appeals, and I refer to them as protective appeals. That is what we call them. We try to get the information. We send them certified letters requesting the income information, and they say, "We just kind of filed it to make sure we had it filed by the due day. We have not actually looked at the assessed valuations yet."

It is interesting that Mr. Palmer did mention Safeway, because Pivotal did appeal the Safeway here in Carson City; however, that Safeway had closed down about a year and a half earlier. They did not own the property. They were just leasing it at the time. I would categorize that as a protective appeal.

Those are the two main issues that the Assessor's Association of Nevada has.

Assemblyman Nelson:

Could you clarify the time constraint on mailing. Are you talking about section 2, subsection 2, the "7 days after receipt of the notice," or are you talking about something else that you have to mail out? Is that in a different section of the statutes?

Dave Dawley:

No. We are talking about section 2, because if there was an issue with the agent authorization letter, we would be required to send a certified letter to the representative. The objection we have is to the authorization.

We had 19 appeals this year, and for us that is a lot. We had one appeal that was 218 pages. We received one appeal by the due date. Eighteen came in afterwards. As long as they were postmarked by the 15th we accepted them. There were some I do not think we even got until January 22 of this year.

If we were to send out the objection to the agent authorization and for some reason they were not able to get to the post office to pick up the certified mail or the certified mail was not delivered to them, then those are additional days they have. They then have seven days once they do pick up that certified mail. We have very limited time. We have to have five days notification for them to actually be at the hearing, so that cuts our time down as well. That is an open meeting law requirement. There are a lot of time constraints here.

Vice Chairman Kirner:

Are there any further questions from the Committee? Seeing none, thank you very much. Are there any others in opposition? Seeing none, I will invite the bill sponsor back for closing comments.

Assemblyman Armstrong:

The bill sponsor is definitely more than willing to work with the assessors on their concerns. It is a little disconcerting that this is the first time I have heard their concerns. I heard a lot about the time period and how we are going to crunch their time period; however, the procedural claims that were rejected in Clark County were about 10 percent of the claims that had to be rescheduled for jurisdictional hearing claims, so the time period was already crunched. I was more concerned about the policy of protecting taxpayers' rights, rather than just worry about when things are due. I am more than willing to work with them on the definition of "owner," because the intent is for solid policy.

From what I have heard I think the policy did not change, but the interpretation of "owner" changed in Clark County. If that is the issue, then the definition of

"owner" needs to be more clear in the state statutes, and that is what we are trying to do.

Vice Chairman Kirner:

Thank you, Assemblyman Armstrong. I will close the hearing on A.B. 452.

We will make a change in leadership up here and invite you back.
[Assemblyman Armstrong reassumed the chair.]

Chairman Armstrong:

I will open the hearing on Assembly Bill 313.

Assembly Bill 313: Establishes an account for retired contestants who engaged in unarmed combat for remuneration. (BDR 41-932)

Assemblyman Harvey J. Munford, Assembly District No. 6:

This afternoon I come before you to present Assembly Bill 313. My goal in introducing this bill is to set up a fund to help down-and-out boxers and mixed martial arts fighters pay medical expenses for career-related injuries.

This is the second time around for this bill. It was first introduced as Assembly Bill No. 178 of the 76th Session in 2011. I was motivated to do it by Michael Dokes. At one time Michael Dokes was the world heavyweight boxing champion. He was extremely ill, experiencing the effects of his long career of boxing. He was being treated at University Medical Center of Southern Nevada (UMC) in Las Vegas. At the time he was being treated he was informed the hospital would no longer cover his expenses and, as a result, they showed him the door.

It happened that one of his nurses who had done some of the paperwork, noticed that he was from Akron, Ohio, where I am from, and she knew me personally. She suggested he call me since I was from Akron and that I might be able to help with his problem.

I should give tribute for this bill to Michael Dokes, as he has since passed away. I happened to be at his bedside when he was in the hospital, but was not there when he passed away. This is what motivated me to do this bill.

Although sports injuries contribute to fatalities very infrequently, the leading cause of death from sports-related injuries is traumatic brain injury. Sports and recreational activities contribute to about 21 percent of all traumatic brain injuries among American children and adolescents when participating in sports.

Boxers experience a range of brain injuries from minor to severe. To that end the Cleveland Clinic Lou Ruvo Center for Brain Health in Las Vegas has been recruiting a lot of active and retired fighters for a study that will help determine whether MRIs or other tests can detect subtle changes in brain health due to repeated blows to the head ([Exhibit D](#)).

On May 2 one of the biggest fights in the history of the sport is coming up between Manny Pacquiao and Floyd Mayweather. That fight will gross almost \$400 million.

There is nothing more exciting than a knockout in a boxing match, but being on the losing end of a knockout punch can damage a lot more than just the boxer's pride. Research suggests that the blows that cause knockouts can be very debilitating to a boxer's short- and long-term health. Repeated blows to the head can cause chronic brain damage resulting in personality changes and dementia. If the punches have enough impact to cause uncontrollable brain swelling or hemorrhage, they can lead to death.

The purpose of this bill is to award grants to organizations that promote amateur contests or exhibitions of unarmed combat, or to perform random drug testing of amateur and professional unarmed combatants. These are valid uses for the revenues from the fees.

At one time I wanted to do something like have a portion of the price of a ticket be held out to set up a health plan or some type of insurance plan for boxers. I believe that fans and promoters should be willing to keep the sport healthy and make sure a required contestant can obtain medical care for injuries.

As I sit in front of the Assembly Committee on Taxation, I really did not want the state of Nevada to be responsible for any funds. More than anything I wanted to bring about some awareness of the problems experienced by boxers, over a period of time, and just how much damage is being done to their brain.

I also looked at other sports. They have some type of plan or program to give assistance to past participants, such as in football. Lately you have been seeing that in football there have been quite a few studies and incidents revealing the damage that is done to football players. They do have some kind of a program in football to compensate for that or to provide some kind of assistance and help for football players, but there is nothing out there for boxing.

I do not know if there is any concern or compassion on the part of the promoters or some of the organizations that govern boxing such as the

World Boxing Council (WBC) or the World Boxing Association (WBA). I was trying to get some research on what their status is, and what they are doing to deal with this problem in boxing. It seems to be that boxing has sort of been ignored. Probably the biggest evidence of damage to a boxer is Muhammad Ali. They have already shared with the public that he is suffering from Parkinson's disease, and they have made it public that it was due to an excessive number of blows to the head.

In the 1980s Nevada had the reputation of being the fight capital of the world. We gained a tremendous amount of revenue from those fights, and nothing has been done to protect the health, welfare, or future of these boxers.

From 1960 to 2011, 488 boxers have died from brain injuries received in the ring. In no other sport has this ever occurred, yet nobody is thinking in terms of doing anything for boxing. This is very shameful and disgusting.

I will close my remarks and am open for questions from the Committee members.

Chairman Armstrong:

I do recognize that in the 1980s and 1990s Las Vegas became the fight capital of the world.

You mentioned football as a league that does a lot for their players. Why is not the onus on the boxers themselves to negotiate with the promoters, or whoever is putting on the fight, to get some sort of insurance or for there to be some sort of policy, instead of putting the onus on the state. Football does not do it for each state. It is done by the league. Why would we require the state to do that, and not have the fighters themselves negotiate their contracts?

We all hear about people like Floyd Mayweather, who do their contracts and have the ability to do each portion of their contract. Would that not be something that is recognized by a boxer who knows he is going to get hit in the head to contract for that?

Assemblyman Munford:

It almost borders on something inhumane that no one will take that step and make the commitment to do something to develop or organize some kind of committee to study and look into this. Where are the WBC and the WBA in this? Why are they not on top of this issue? They used to be on top of all things related to boxing. These organizations are really not doing their job.

When I presented this in 2011, *The Ring* magazine did send me correspondence. There was some concern from groups back East that did contact me, and commended me for taking the steps, but no one really wanted to dive into it and be the one to promote anything. Even the Nevada Athletic Commission has been lukewarm. They have not been a real advocate for this.

Chairman Armstrong:

As a fighter, if I were choosing between two promoters to represent me, I would choose the one that is looking out for my best interest.

Assemblyman Hickey:

You are bringing up an issue to see how we might address it. Obviously there are problems with the state doing this. Chairman Armstrong made some excellent points on how other associations have begun to address this matter. Is it not the case in Las Vegas that the United Fighting Championship (UFC) has developed a wraparound policy to insure their fighters? I am sure it is not only in the present, but would hope it is going forward.

Maybe public pressure that this bill is putting out there will stimulate some of these associations to do what is right, at least going forward. Obviously there would probably be some complications going backwards, as to what associations people were fighting in at the time the injuries were sustained.

I applaud you for bringing this. Would you consider being more public about this? Maybe some of us could help you to put pressure on folks. I do not know how the state is going to do this. You know what a heavy lift that is.

Assemblyman Munford:

I can see you have some deep compassion, and you know what this sport has experienced and gone through.

Assemblyman Nelson:

I think we all agree this is a big problem. I think what Assemblyman Hickey was saying is maybe the way to push this is to have something like the Nevada Athletic Commission not license a fight unless there is some kind of insurance provided.

The question I have with the bill is, with helping these retired contestants, do they have to have a tie to Nevada, like be a Nevada resident or to have at least boxed in Nevada? Why have it go into the State General Fund? Would it not make more sense to go into a specific fund?

Assemblyman Munford:

You posed some good ideas and possibilities, things that we could do to try in some way to approach this problem and deal with it.

When I presented this in 2011, I did not get the local support I wanted. I did hear from the chairman of the Nevada Athletic Commission, but they did not make any commitment.

Many people have asked me, Are you going to extend this nationwide or worldwide? There are matches taking place all over the world. That is where the WBC and WBA, if they were doing their job, so to speak, and were concerned about the welfare of the boxing sport itself, and the future of it, would be more involved in trying to do something.

Football has the National Football League, and again this goes back to collective bargaining. They have players and they are able to speak on their behalf. Who is speaking out for the boxers? You need someone with a big name, like George Foreman. I do not know why he does not speak out. Joe Frazier died with brain problems. Ken Norton has passed away, too, with brain problems. We could go on and on. The Spinks brothers are still alive, and they are having problems. They could speak out on this.

Maybe the participants, like the participants in football or baseball, have to organize. They have to put pressure on the organization itself. That is what you really need.

Assemblyman Trowbridge:

I would like to congratulate Assemblyman Munford for his perseverance on this neglected topic. He is trying to do all he can to shine the light on it, and that deserves a lot of credit and recognition.

I think we also need to congratulate the Nevada Athletic Commission for their efforts with the Cleveland Clinic Lou Ruvo Center for Brain Health. They are doing a lot of wonderful work to address this problem.

This problem has been around a long time. Few fighters have the negotiating power of Floyd Mayweather. You cannot just come in and say, "I am Joe Smith and I have not had any fights yet, but if you want to represent me you have to provide me insurance." They will say, "next." That is how long your career will last, and that is just reality.

The issue of providing insurance and protections, while it has been addressed by the UFC—those of you who follow both sports have probably heard that the UFC fighters do not make as much money. One of the reasons the

UFC fighters' take home pay is not as great as the name fighters is they are provided an insurance policy that covers them, not only during the fight but after the fight, and also during the training period. This is an extremely valuable piece of insurance they have.

The big issue with the athletic commissions and the sanctioning bodies, like the International Boxing Federation (IBF), World Boxing Organization (WBO), WBC, or the WBA, the list goes on and on, is they are focusing their efforts on avoiding aggravating preexisting conditions. What they have all gotten behind, and now it is quite comprehensive, is performance enhancing drug testing, magnetic resonance imaging, other brain scans, and giving optical exams. All this is with the intent of not doing anything that is going to aggravate them. The reason they do not want to get involved in that discussion is because of the issue of when and where an injury might have occurred, or if it was a result of the accumulation of blows over many years as an amateur, or during sparring. Boxers incur more damage sparring than they do during a fight. With sparring there is no referee to separate them before any damage occurs, during a fight there is. The number one job of the referee is to protect the fighters' health. The judge protects their careers. You do not want to hear the full lecture, but I could go on for several hours.

That is the current state of it, but our biggest hope is to have Lou Ruvo continue its fine work and identify the people who have the potential for damage. We talk about the pro football players now and how their issues are coming forward. No one has said word one about the college players. That is where real injuries occur, because you can have players that are going to make it into the NFL next year tackling somebody that is a second string running back. That second string running back can get hurt. In the pros they all are of nearly equal skill levels.

I do not know if I have contributed anything to the discussion, but it is a big issue that does need to be addressed.

Assemblyman Munford:

Your words have been very profound and helpful. You showed your expertise and knowledge.

I would like the Committee to hear from those in Las Vegas who would like to share their background and their experience with this bill.

Frank Slaughter, Private Citizen, Las Vegas, Nevada:

Every time we talk about this issue, we inch closer and closer toward a resolution of this dilemma. I have been a boxing fan for many years. Years

ago I was boxing in the Air Force and came home with a concussion that I did not understand. Before long I was seeing stars and was taken to a military hospital in California. I became epileptic, and eventually had to leave the Air Force.

I was an assistant coach at the University of Nevada, Las Vegas (UNLV) for over ten years, and that is when I really got interested in the health of boxers. One day a kid stumbled into our gym at UNLV—a kid from Uganda whose name was Joseph Kiwanuka. He was homeless, he was dirty, and he was begging for money. I noticed him watching a screen we had to review tapes and his nose was pressed up against the screen. After about a week of this I took him to my ophthalmologist. The ophthalmologist came out shaking his head and said, this kid needs surgery, not just in one eye but both eyes.

At that time I guess boxing failed him. He told me he was fighting blind in his last fight, which was against Vinny Pazienza in Rhode Island, and he could not even see the kid.

I talked to the doctors at Sunrise Hospital & Medical Center, and Seven Hills Hospital in Henderson, and asked if they would please help this young man. At the same time I called the Ugandan Embassy in Washington, D.C., and said we have one of your famous fighters, one of your greatest fighters ever to grace the ring, here in Las Vegas who is homeless. Are you interested? They flew in an emissary.

A nice businessman saw the paper and asked me what he could do. I told him the doctors wanted to do surgery, but they could only do one eye at a time, and in between the procedures he was going to need a place to stay. He gave Joseph a place to stay. I put up the food and took him to his appointments. He got the surgeries he needed and in the end the emissary took Michael back to Uganda, where he is doing well, with the grace of God.

In 2011 there was a fighter from the Philippines, Zeta Gorres, who won his fight, went to his corner, and collapsed. At that time I felt I had some experience in dealing with fighters that were injured. I rushed to his bedside. I talked with a great doctor, Dr. Ben Calderon, also from the Philippines. We raised money for the fighter's wife to come here. It was touch and go. We were able to get him into rehab. After they expended any money that was in the insurance, which was very little, we had to talk to the doctors at UMC to see if they would reattach his scalp to his brain, so he did not go home with a crushed skull.

All of this got me thinking, and that is why I met with Assemblyman Munford. We started talking about a bill that would at least ensure that the fighter has enough insurance in a catastrophic way to cover injuries such as those of Zeta Gorres or Joseph Kiwanuka. We worked on this bill. We presented it to the Legislature in 2011, and it failed.

At that time, Keith Kizer, with the Nevada Athletic Commission, came to me and said they were going to ensure that all fighters, if they get injured, go to our county hospital, which is UMC. We know what is happening at UMC, and the expertise they have in trauma is second to none when it comes to neurological damage in these fighters because they have actually seen more than most.

With Nevada being the fight capital of the world, I think we could do better than this. We are coming up on one of the biggest fights of a lifetime with Floyd Mayweather and Manny Pacquiao. It is going to generate at least \$250 million easily for the state. I know it is a tough event, but we should be able to have something in place, where we can hold these promoters accountable, whether it be the WBC, IBF, or whoever, to come to the table as the UFC did. We have to applaud their effort for what they did for their fighters. The fighters are making less money, but more fighters are covered for catastrophic injuries, as well as when they are practicing, where a lot of injuries occur that we do not know about.

I was in Mayweather's gym yesterday, talking to one of his sparring partners. He was telling me he had a fighter in front of him and he did not understand what was going on until after the fight. The fighter took a dive so his injury would be recorded in the ring so he would have insurance.

Being proactive, I brought Dr. Cynthia Bir, who was a biomedical engineer at Wayne State University, to the Lou Ruvo Center. She has developed a system where she has remote sensors put in headgear that feed to a laptop, and she can tell the repetitiveness of the punches, the angle of the punches, and the strength of the punches. Dr. Charles Bernick of the Lou Ruvo Center actually thought this was a great idea. It would enhance this study greatly but, of course, we could not get the money. Cynthia Bir is now at the University of Southern California. One of her specialties is traumatic brain injuries related to fighting.

If this bill gets passed out of Committee I would love to give her a call to see if she could come and testify about some of the research she is doing. This is real time, in the ring, so she can try to capture the actual point where that last blow occurred that gave the fighter the concussion. We know concussions have a cumulative effect...

Chairman Armstrong:

I am going to have to cut you off. If the bill gets out of Committee, then we can have those discussions. I wanted to thank you for your passion. We can all see that you are very passionate about this, but we would like to take testimony from the person sitting next to you as well.

Frank Slaughter:

Thank you for your time.

Michael J. McDonald, Chairman, Nevada Republican Party:

I would like to thank you for hearing this bill in your Committee. More importantly I would like to say that I had the privilege to testify with Assemblyman Munford last time on this bill, and again this time, to bring the knowledge forward. As Assemblyman Hickey pointed out, I think it is important to bring some type of recognition to what has been taking place.

For the record, I was born and raised in Las Vegas, Nevada. I have been around the game of boxing almost my entire life, learning the sweet sides of boxing. Assemblyman Trowbridge brings more knowledge than I think anybody with the state could ever testify, so it is a privilege to have him make comments on this as well.

The importance of this is to bring knowledge and recognition. We all know the great boxing matches that have taken place over the years. This is the fight capital of the world. Chairman Armstrong, you talked about promoters and boxers themselves. I think we have seen over the years, historically, that promoters have taken advantage of boxers. They are almost like animal fighters, dog fighters, that use the boxers up, and when they are done they kind of trash them. All you have to do is have a conversation with Mike Tyson and you would be able to understand what took place there.

The unknown boxers are, I think, who we are sitting for right now, and wherever this bill goes I think it is important to recognize it was brought forward and there is some path that needs to be traveled in order to bring recognition. We have to bring knowledge to this. I do not want to belabor the point. I think you have had some excellent testimony. The important thing is that we leave here today with some type of knowledge that this is going forward, in any form. What Assemblyman Hickey said in his testimony, if that is the path it takes, I think it is a great opportunity to start that conversation.

I was a founding member of the UNLV Boxing Club in 1998. We had some great leaders of the community on that Board of Directors. They all had the

care of the students and the boxers first and foremost. When you hit the professional level that never happens.

I thank you, Chairman Armstrong and Committee members, for allowing me to testify.

Chairman Armstrong:

Is there anyone else who would like to speak in support of A.B. 313? Seeing no one, we will switch to those neutral on A.B. 313. Would anyone like to speak neutral on A.B. 313? Seeing no one, we will switch to those who are opposed to A.B. 313? Would anyone like to speak in opposition to A.B. 313? Seeing no one, Assemblyman Munford, do you have any closing remarks?

Assemblyman Munford:

I want to extend my appreciation to Michael McDonald and Frank Slaughter, and their sacrifice in taking the time to support me on this bill. We are not going to quit. We are going to keep on fighting.

I do not know what the next step is, after we get it out of Committee, to the floor, and on to the other side. Our first step may be to the Nevada Athletic Commission, and let them start the ball rolling.

The promoters that stage these fights have to be held accountable. With Nevada being the boxing capital of the world it has to start here, and we have to extend it across this country, to make everyone else aware of it. They expect it to come from us. We benefit the most from it. We have made tons of money on boxing here.

I had hoped to present this shortly before the fight, which will take place May 2, so everybody was all chimed up and all excited about the fight. This is not too bad. It is a month away.

Chairman Armstrong:

We will close the hearing on A.B. 313. At this point we will open it up for public comment. Would anyone like to speak for public comment, either in Carson City or Las Vegas? Seeing no one, I would like to advise the Committee that on Thursday we have five bills on the schedule. We will start again at 12:30 p.m. If we do not finish the bills by 3:30 p.m. we will recess and reconvene in the evening. We are adjourned [at 2:32 p.m.].

RESPECTFULLY SUBMITTED:

Gina Hall
Committee Secretary

APPROVED BY:

Assemblyman Derek Armstrong, Chairman

DATE: _____

EXHIBITS

Committee Name: Committee on Taxation

Date: March 31, 2015

Time of Meeting: 12:32 p.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
A.B. 452	C	Chris Glidewell, Pivotal Tax Solutions	Email
A.B. 313	D	Assemblyman Harvey Munford	Cleveland Clinic flyer