

**MINUTES OF THE
SENATE COMMITTEE ON REVENUE AND ECONOMIC DEVELOPMENT**

**Seventy-Eighth Session
May 20, 2015**

The Senate Committee on Revenue and Economic Development was called to order by Chair Michael Roberson at 3:35 p.m. on Wednesday, May 20, 2015, in Room 1214 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Michael Roberson, Chair
Senator Greg Brower, Vice Chair
Senator Joe P. Hardy
Senator Ben Kieckhefer
Senator Ruben J. Kihuen
Senator Aaron D. Ford
Senator Pat Spearman

GUEST LEGISLATORS PRESENT:

Senator Mark Lipparelli, Senatorial District No. 6

STAFF MEMBERS PRESENT:

Russell Guindon, Principal Deputy Fiscal Analyst
Joe Reel, Deputy Fiscal Analyst
Bryan Fernley, Counsel
Gayle Rankin, Committee Secretary

OTHERS PRESENT:

Greg Ferraro, Nevada Resort Association
Francisco Aguilar, Chairman, Nevada Athletic Commission
Tom Clark, Burning Man Project
Russell Rowe, Hakkasan; AEG Live
Jonathan P. Leleu, Live Nation Entertainment

Chair Roberson: I will open this meeting with a presentation by Senator Mark Lipparelli on Senate Bill (S.B.) 266.

SENATE BILL 266: Revises provisions relating to the tax on live entertainment.
(BDR 32-720)

Senator Mark Lipparelli (Senatorial District No. 6):

The Proposed Amendment 7347 ([Exhibit C](#)) is the mock-up to S.B. 266. I will go over a summary of this bill because the changes are complicated. The Summary of Changes sheet ([Exhibit D](#)) will make it easier to follow and will help trigger questions and keep us on track instead of going line by line through the bill.

We address three sections in the bill. The first one is the structure of the Live Entertainment Tax (LET), section A of [Exhibit D](#). The primary motivation for this bill is to shift the trigger of the LET to an admissions-based tax. The second one refines the definition of “facility” and the definition of “live entertainment.” On live entertainment, the goal is to clarify that certain ambient entertainment is no longer subject to an LET interpretation because admission to a venue is the first trigger. We have had some discussion from various parties that we may need to add additional clarifying language so we get to a place that is clear for everyone that a musical or a dance performance that constitutes a performance is what we want to tax. If there was an event that included music that happened in an ad hoc way in a venue, the first trigger is the admission fee to that facility and the event is a performance. There may need to be some clarifying language about that and there are differing thoughts on how far we go—avoiding the conundrum we are in now.

Section A of [Exhibit D](#) also creates a uniform rate of 8.5 percent of the admission fee. We eliminate the structural distinction between a 7,500-seat or larger facility, which used to be the two-tiered structure of 5 percent for under 7,500 people and 10 percent over 7,500 people. The rate will be uniform at 8.5 percent. There may be some change to that rate based on additional analysis. For now, that is the number we are trying to target.

The next major piece of the bill, section 3, subsection 2, paragraph (c) clarifies that credit and debit card transactions are deductible from the tax. This has been the case previously; however, there was a Supreme Court case that was adjudicated in the last few years where this was in debate. We asked the

regulators to provide us with clarifying language. They did that. The second point regarding deductibility relates to service charges. There is ongoing discussion about this item and it relates to ticket issuance fees. The bill should be structured so operators are free to deduct out-of-pocket ticket issuance fees. Companies like ticketmaster and StubHub are sellers of tickets and charge a fee. The out-of-pocket money for those services should be deductible. If there is a rebate received from that same entity and it becomes revenue for the operator, that should be taxed. There is some debate about whether that contractual arrangement involves an exclusive fee to sell the tickets. Can that money be excluded? We could get in a spiral that resulted in the Supreme Court case of what is a ticket issuance fee and what is the revenue associated with a contractual relationship. If we can get to a happy place on ticket issuance fees, that would be great. If not, we should remove it from the bill and say ticket issuance fees are no longer deductible because we will get into the constant recycling of what is a contractual right and what is not. That is a tough one.

The last one in section A of [Exhibit D](#) is the structure of the LET. We are not changing the provisions for disc jockeys (DJs). As long as the DJ is doing DJ things such as announcing music, playing the music but not performing, we will leave DJs out of the LET. That is how it is now.

Section B of [Exhibit D](#) explains how this amendment changes the elements that are incorporated and what is taxable. In this draft of the bill, we would include outdoor concerts, many of which are now exempt. We have had good discussions with those in the boxing and mixed martial arts (MMA) world to include them. They are exempt now and they pay taxes under *Nevada Revised Statutes* (NRS) 467. The amendment includes MMAs in the LET to be subject to the 8.5 percent rate, and this would offset the amount that they pay under NRS 467. The MMAs could potentially pay more, depending on the size of their events and activities. There has been a request that 25 percent of the revenue associated with those boxing and MMA events, also known as unarmed combat, would be directed to the Nevada Athletic Commission as part of its budget. The intention is that 25 percent of the collected 8.5 percent fees would go to the Nevada Athletic Commission and any remainder would revert to the State. We need to add this to Proposed Amendment 7347.

We have had conversations with the representatives of NASCAR. We clarified NASCAR is included until a second race is introduced in Nevada, and that has not been done.

Section C, [Exhibit D](#) relates to section 4 of the bill and adds specific disciplinary action requested from the State Gaming Control Board, including disciplinary actions for people who do not pay the LET owed to Nevada. That is the summary of the bill. If you want to go to the sections, my summary explains what you see in the colored language in the bill.

Chair Roberson:

This is helpful. How are nonprofit entities that hold outdoor concerts treated under this bill?

Senator Lipparelli:

The nonprofits have an exemption. I have been thinking about what could and could not be included. Some nonprofits are engaging in commercial enterprise, meaning they are conducting live events and not retaining the value they bring in for the purposes of the charity, which could be a threshold. We may be able to modify the language to say any nonprofit that does not distribute 80 percent of the money to its charities would be deemed a commercial enterprise for the purposes of this and be required to collect an LET.

Chair Roberson:

As it stands today without adding in other things, what is the revenue impact of this bill?

Senator Lipparelli:

We tried to get this as neutral as possible. Early information from the Gaming Control Board shows it creates a deficit. We tried to estimate the value of the outdoor concerts and the inclusion of boxing and MMA events. I do not have that offset yet.

Chair Roberson:

I know we have talked about taxing the application of the LET or admission tax on escort services and strip clubs. Do you expect that to change the revenue projections of this bill?

Senator Lipparelli:

It clearly would. I was in contact with Clark County earlier today and we do not have estimates on what that number could be. It would more than likely fulfill any deficit that exists as a result of this bill.

Chair Roberson:

From your perspective, would you be open to mandatory language to this bill to include escort services and strip clubs at a later time this Session?

Senator Lipparelli:

We may end up structuring an idea with language to create a transaction tax rather than the 8.5 percent rate. I am not sure how we would audit what you are suggesting to be included. We may have to play around with the estimate of a transaction and give our tax auditors something they can audit. That was my first reaction to the idea. I am not adverse to include it.

Senator Ford:

I need to understand how the new structure would work under your bill. There is a nice restaurant in my district that I go to on occasion. It has a bar affixed to it. Most of the time, that bar only has the bartender and some televisions in it. Once in a while there will be someone playing a guitar. Under those circumstances, does it convert to a requirement for an admission tax on the days where they have a guitar player in this bar playing for the people who patronize the bar?

Senator Lipparelli:

There would have to be two conditions. The first one is a capacity of more than 200; second, there would have to be an admission fee. If there were merely a musical performance in the bar for which there was no admission fee, there would be no tax. If there was some other mechanism such as you must buy two drinks, that minimum purchase would trigger an admission. It would also depend on the size of the location.

Senator Brower:

Starting with the NASCAR part, on page 6 of [Exhibit C](#), lines 41 and 42, I understand including the NASCAR event, but why do we take NASCAR out if a second race is scheduled? What is the rationale behind that?

Senator Lipparelli:

That is continuation language from the law as it already exists.

Senator Brower:

If we are able to gain tax revenue from one NASCAR event, we should be able to gain more tax revenue from two events in 1 year.

Senator Lipparelli:

That is a policy question for the Committee.

Senator Brower:

How about the Electric Daisy Carnival event. Would that be in or out under this language?

Senator Lipparelli:

It is incorporated in outdoor concerts. It would become taxable.

Senator Brower:

That is how I read it. How about Burning Man? Would that be taxable?

Senator Lipparelli:

I understand that might be a nonprofit. The revenue received from the Burning Man nonprofit event is distributed for the benefit of the nonprofit. I can suggest a level of minimum threshold that if the money is distributed for the purposes of the charity, so be it. If it is retained by the charity, that starts to look like more of a commercial enterprise than a nonprofit.

Senator Brower:

How about the baseball subsection?

Senator Lipparelli:

Baseball retains its exemption, which is already in the law.

Senator Brower:

Would that be another policy decision for the Committee to make?

Senator Lipparelli:

It is. There was some testimony regarding the commitments of the minor league franchises that are in Nevada. The question was whether we could continue to attract spring training events to the city.

Senator Kieckhefer:

There is talk about relocating additional professional sports franchises to Las Vegas, including soccer, hockey or football. Was there a discussion about that more broadly or would this pertain exclusively to baseball?

Senator Lipparelli:

When you open that box, you go down a slippery slope. The National Basketball Association, which is a client of mine, conducts summer league events here. Baseball conducts spring training events here. If it is the Committee's desire to go down that path, understand there are hockey exhibitions, basketball exhibitions and all kinds of games that would have to be vetted as a global policy question. There is a balance of interest of what we hope to attract versus what we do not want to tax. Several questions looming about this opens up the potential for that to spread across the Country. There is strong opposition that sports entities do not want to be included for those reasons.

Senator Kieckhefer:

Are the exhibitions exempt now from the LET?

Senator Lipparelli:

I may have to defer to Deonne Contine, Executive Director of the Department of Taxation, on that. Some of them take place in gaming venues.

Senator Kieckhefer:

We need clarity in the law on what applies.

Senator Kihuen:

Page 8, section 3.2, subsection 4 of Proposed Amendment 7347 says exhibition of unarmed combat. These contests or exhibitions are entitled to receive a credit against a tax owed. Can you elaborate on how that will work?

Senator Lipparelli:

Nevada Revised Statutes 467.107 and NRS 467.108 require a fee to be paid. The bill references those specific sections in the unarmed combat statute. The goal is the entities are opting in to the LET. The LET at 8.5 percent completely assumes what is paid under NRS 467.107. Nevada will get a benefit to the extent that NRS 467.107 and NRS 467.108 fees are below what the entities pay. They will continue to pay what is required in statute. We do not go backwards, but we could go forward based on the 8.5 percent rate. That is a function of how many events and how much money comes from the events. They will be obligated to pay the fees under NRS 467.107 and NRS 467.108, but the credit will apply from the LET.

Senator Ford:

I understand you do not have the amendments that the Chair has suggested on the strip clubs and escort services. I am interested in your opinion as to why the decrease in revenue. My number is around \$31.4 million over the biennium. If you include NASCAR and Electric Daisy Carnival, I am trying to understand where you think the loss has ultimately come in.

Senator Lipparelli:

The major change comes from the trigger to tax the admission. As the law is structured, it applies to food, beverage and other sorts of charges within the venue. When we flip it to an admission tax, that creates the delta. We have to make up for the delta. We had two estimates done. Jeremy Aguero with Applied Analysis is working on some estimates. I do not have a firm estimate on what the outdoor concerts will produce. We hope it will help. I have been instructed from the representatives from NASCAR that their numbers are in and they pay the LET. If that is true, we are not getting enough benefit. It is already included.

Senator Ford:

That speaks to Senator Brower's question about NASCAR. Do you know what the initial rationale was for exempting subsequent NASCAR races in the year?

Senator Lipparelli:

There was an incentive to bring that second race to Nevada. I do not know the history of it.

Senator Kieckhefer:

How did you get to 8.5 percent? The food and beverage exemption has never made sense to me. The simplicity of it makes sense. Why not 10 percent?

Senator Lipparelli:

We are trying to find the rate that makes the most sense and to simplify the law. We could go to a starting point that is exorbitant, and that makes the bill dead on arrival. If we tried to move to a place that makes this simple from an economic perspective for us as policy makers, then we lose the support of people who are looking for the simplicity. It is a combination of the size of venue; what is included; clarity in the law; and what is being added. It is a combination of those things. That is why I am saying the 8.5 percent could

move one way or the other. We are trying to not ratchet everybody up; we are trying to find a happy place that gets everybody interested in supporting the bill.

Senator Kieckhefer:

I was not suggesting we try to close the whole gap, but when I do math it is easier to do it by multiples of 10 and not 8.5 percent.

Chair Roberson:

Do you have other witnesses to testify in support of the bill?

Greg Ferraro (Nevada Resort Association):

We have spent years working through this and are excited to be before this Committee to establish good fundamental policy for an admission fee. Since 2003, we have been fighting the policy issue that was first created. There is a lot of ambiguity in the statute, and most of you are aware of that. Senator Lipparelli's and Assemblywoman Marilyn Kirkpatrick's efforts go a long way to remove the ambiguity and establish clear and predictable tax policy. We are here to support S.B. 266 as amended. We have a few minor questions we are working through with the sponsor. We worked on this last Session, and this bill picks up where we left off at the end of last Session. From the gaming industry standpoint, it is a positive move. We are working through some of the finer details associated with the issues.

Senator Brower:

I know you have been in the middle of these battles for a number of years. We appreciate your work on this. When this was being worked on last Session, one of the proposals addressed golf course green fees and movie theater tickets. This bill does not seem to address that kind of activity, and I want to make sure I understand it. Is that your understanding?

Mr. Ferraro:

Yes. At the end of the last Session, the sponsor of the proposal you refer to further amended that proposal and left us with A.B. No. 508 of the 77th Session. That bill did not contain many of those earlier suggestions about other sources of taxation. We left off with A.B. No. 508 of the 77th Session and came to this Session with a much narrower focus, primarily on many of the gaming sections as it relates to the LET.

Senator Brower:

We are talking about venues with more than 200 seats where an admission fee is charged. Is this the threshold we are talking about here?

Mr. Ferraro:

That is correct. To oversimplify this, if you do not charge admission, the tax does not apply.

Senator Brower:

This is not going to apply to a movie theater or a golf course. We have cleaned this up significantly.

Mr. Ferraro:

Those are not addressed under Senator Lipparelli's proposal.

Senator Kieckhefer:

Do you know what percentage of the LET is collected and remitted by the gaming properties as related to food and beverage versus other components?

Mr. Ferraro:

I do not, but I could have that to you by the end of the hearing today. I do not want to guess and be wrong.

Senator Kieckhefer:

I am curious.

Senator Hardy:

It is the venue that has more than 200 people. Not many people actually fill the seats.

Chair Roberson:

I believe that is correct. We could ask the sponsor of the bill. I see nodding in the crowd.

Senator Brower:

As I read the bill on page 6, there are repeated references to the maximum occupancy of less than 200 persons not being subject to the tax. It is an occupancy threshold, not an attendance threshold.

Senator Lipparelli:

There was language in the prior bill that related to fire code occupancy as the standard for auditing purposes. In this draft of the bill, which was fashioned off Assemblywoman Marilyn Kirkpatrick's bill last Session, the language is removed. I take that as an open question as to why we are removing that language. That was the historical trigger. Senator Ford's question about if the venue had a fire occupancy of 200 or more, an admission fee was charged, and there was live entertainment, that venue would be subject to the tax. We might have to put that language back in if there is no opposition.

Senator Hardy:

That is how I looked at it. The negative was there but not the positive. If we were to amend this to include strip clubs and or escort services, it gets to an interesting maximum occupancy.

Senator Brower:

It would be a different animal. We would not be focused in those contexts on occupancy.

Senator Lipparelli:

If we go in that direction, I suggest defining a fee associated with escort services and strip clubs that would not be linked to all the other elements of the bill. We could put them in and give them their own category and their own rate of tax. This way they would not be triggered off occupancy.

Francisco Aguilar (Chairman, Nevada Athletic Commission):

We received the bill today and are looking through it. We appreciate Senator Lipparelli including us in this bill for our self-funding request. As we look through S.B. 266, we have questions about the reversion of funds at the end of the budget year, the definition of fees, taxes and other charges to be collected by the Athletic Commission, and which charges will be credited back to the actual 8.5 percent liability by our promoters. We would like to work with anyone who can help us understand.

Senator Lipparelli:

The credit would apply to NRS 467.107 and NRS 467.108 under the unarmed combat statute. Any fees owed that are subsumed by the 8.5 percent tax would be credited against these statutes to the degree that the 8.5 percent

does not subsume them and the promoters still owe the tax. I forgot your first question.

Mr. Aguilar:

I appreciate that clarification. The other question was in regard to the reversion of the account at the end of the fiscal year.

Senator Lipparelli:

I may defer to the Chair of the Senate Finance Committee. We discussed this earlier today. The Nevada Athletic Commission would receive its budgetary allotment from the budget side of the equation. We would direct 25 percent of the 8.5 percent collected fees and anything above and beyond that would likely have to go through an Interim Finance Committee request or your budget process.

Chair Roberson:

I will now take neutral testimony on S.B. 266.

Tom Clark (Burning Man Project):

I am here on behalf of the Burning Man Project. I was going to be here in support of this legislation, but then I heard questions about Burning Man and the nonprofit status. I decided to come up in a neutral status.

The Burning Man Project is now a nonprofit. However, it is not a nonprofit because of any legislation this body has put forward. Burning Man is a nonprofit organization because of the legacy building by the founders so future people can carry on this northern Nevada event, which brings 68,000 people from 33 different countries to our State. I understand Senator Lipparelli's concern. This is the first time I have heard that, and I want to come before you in a neutral status and say I would love to work with the sponsor to see if we can work out something. The last thing we want to do in promulgating this piece of legislation is hurt the nonprofits that host Artown in Reno and The Smith Center in Las Vegas. I look forward to working with the Senator and the other stakeholders for the benefit of all.

Senator Brower:

The Committee would not be interested in increasing or imposing a new tax burden on ordinary nonprofits such as Artown as you mentioned. Burning Man is a very different situation. It is an enormously lucrative endeavor and raises a

lot of money. It would be just as well attended no matter what additional tax was put on the admission fee. It is my intent to look for a way to capture revenue from that event. I am happy to work with you on that. I think Burning Man is escaping logical taxation under this bill.

Senator Hardy:

Do you want a carve in to the tax applicability as opposed to being carved out of the tax susceptibility?

Mr. Clark:

There is a middle ground that can be reached. I want Committee members to understand that this is perceived as bringing in a tremendous amount of money. Burning Man provides a tremendous amount of support to three different nonprofit organizations. One builds solar, Burners without Borders, which travels to Peru and Beirut whenever there is a natural disaster and then the art community throughout the west. You can bust out your calculator and do the math, and it looks big. In reality, it is not that big. It is an organization that operates 12 months out of the year to build this event and get it ready for all of the participants. I look forward to working with the sponsor to see what we can do to work on this. I do not want to hurt the smaller nonprofits because of action taken toward Burning Man and other larger nonprofit entities.

Senator Hardy:

I tried to rent a car in Reno when Burning Man was going on; the car rental office said something about a \$400 cleaning deposit and wanting to know where I was going. You have a two-lane road going to Gerlach. Is there a fence around Burning Man so you can take in admission fees, or how do you keep the people from sneaking in? It seems like there is not a lot of structure.

Mr. Clark:

There is a lot of structure and a fence. Organizers have patrol volunteers who make sure that kind of activity does not take place. The fence that surrounds Burning Man is 8 miles long. The people who build the fence take great pride in the fact that they have never had to take 2 days to build it. They always do it in a day. The area is patrolled. The city is built by the Department of Public Works, which operates 12 months out of the year. A big part of the revenue that comes from ticket sales goes to the Bureau of Land Management and to Pershing County for law enforcement and medical aid. There are 11 different law enforcement agencies that patrol the area. The Nevada Division of

Investigations does undercover patrol. There is a great amount of structure that goes into this.

All of the art activity and the musical activity are provided by the patrons. The Burning Man Project does not pay people. Organizers might give a grant to someone who is going to build big art. Whitney Myer performed at this art camp, and she was not paid for her performance. There is no commerce. The only commerce is ice and coffee. Nobody else gets paid to perform or do the activities that take place. The activities are provided by the patrons.

Senator Ford:

Is Burning Man a nonprofit or not?

Mr. Clark:

Yes, it is a nonprofit organization. I can provide you with 1099s to show the money coming in and the money going out.

Senator Ford:

Why did you begin your statement by saying it is not a nonprofit under any laws we have developed? I am not clear on what distinction you are trying to draw between an official nonprofit and an unofficial nonprofit.

Mr. Clark:

The distinction I was trying to make is that the Burning Man Project is a very large nonprofit. If we negotiate and make some changes to the law as it pertains to the LET, we do not want the unintended consequences of the smaller nonprofits being hurt or have to pay taxes because of the foundation we have as the Burning Man Project.

Senator Ford:

How is Burning Man organized? Is it a 501(c) something?

Mr. Clark:

It is a 501(c)(3).

Senator Spearman:

We worked on an issue last Session with Burning Man and some of the counties that surround it. You detailed a number of activities that take place. I heard you say the Department of Public Works, and I heard you say something about law

enforcement. How is all of this paid? Are the taxpayers picking up the bill or does Burning Man?

Mr. Clark:

All of the law enforcement, medical, fire and all of the counties that the Burning Man contracts with are paid for through the ticket sales. When the Burning Man Project gets into a contract with Pershing County, every dollar will pay the salaries and the wear and maintenance of the vehicles. This comes from the ticket sales. The taxpayer is not paying for any of those types of activities.

Senator Spearman:

I see three different prices for ticket sales. One is \$500, one is \$390 and fees and there is another category of \$800. There are tickets that are being sold to this event, but yet it is a nonprofit. Tickets are being sold. There are 100,000 people at least.

Mr. Clark:

The Bureau of Land Management has limited the event to 68,000 people. The different prices of the ticket tiers are \$650 for the first tier and \$390 for the second tier. I am not sure where the \$800 came from. The price of the \$650 ticket helps offset the low-income price so we can make sure people who cannot afford the ticket prices are able to come to the event and participate.

Senator Spearman:

I am looking at the Burning Man Website that shows the 2015 ticket information. Presale is \$800 in January. In February, tickets are \$390; in August, they are \$390. I am confused as to why there is a special prohibition and a 501(c)(3) on this. We just dealt with something similar with a church paying taxes on land. The church's argument is very clear, but I am struggling to understand how the 501(c)(3) status applies to Burning Man. How long have you had that status?

Mr. Clark:

I apologize. The \$800 price for the ticket is for this year. They were \$650 last year. The ticket prices are \$800, \$650 and the low-income tickets people can make applications for. I can demonstrate to you all the documents that were needed in the 3- to 4-year process it took to build a 501(c)(3) entity and meet all the tax issues necessary for that to occur. I can provide you with the

documentation that goes along with it. It took a lot of time working with the federal government to meet that status.

Russell Rowe (Hakkasan; AEG Live):

I am here testifying neutral. Both of my clients have not had a chance to review the proposed amendment. Both companies have been involved in the working groups during the interim. Overall, the intent and reform is very much supported. The ability to interpret the statute has been difficult. This is a good effort toward resolving the inconsistencies and providing predictability and consistency to the application to the tax. Hakkasan would like to follow up and provide feedback to the Committee and to the bill sponsor, and AEG Live is in the same position. They like the uniformity in this legislation. It provides a level playing field for the entertainment market in Las Vegas as it continues to evolve. Since this legislation has been in place, it needs to occur without differing impacts on different companies as the entertainment market changes and reinvents itself. We think this legislation goes far toward achieving that. I need to get specific feedback on the proposed amendment and will get that to you.

I would like to speak about the service charges and the ticket issuance fees. In the past, AEG Live was involved in a Supreme Court case that Senator Lipparelli mentioned regarding the ticket issuance fees and remittance of a portion of that as royalty based upon a transaction for the exclusive rights to sell AEG Live tickets to ticketmaster. We prefer not to disturb that decision while at the same time recognizing that Senator Lipparelli is trying to avoid a loophole whereby a taxpayer evades collection of a tax couched as another type of agreement. We would like to have a business-to-business transaction where if consideration is paid for the granting of exclusive right, that is not taxing a ticket transaction. We would like to continue working with Senator Lipparelli. He has asked us to provide feedback to him, and we will do that.

Jonathan P. Leleu (Live Nation Entertainment):

Live Nation Entertainment owns and operates Insomniac, which runs the Electric Daisy Carnival. Is Electric Daisy Carnival in or out? We believe we are in. We are happy to be part of the discussion. We believe in the sponsor's bill and we believe in the sponsor's proposed amendment. The reason why we are testifying neutral is we have a number of questions regarding the amendment as it pertains to the service charges that Mr. Rowe discussed. The policy behind the bill is good policy. It provides for predictability and is narrow in scope. It

provides a good and sound tax policy that is good for business. We need to have some discussions regarding the fine points and some fine-tuning.

Senator Lipparelli:

I have no significant comments. We have distributed this draft of the bill. We have several people working on the fiscal impact. I am happy to take any friendly amendments and have continued conversations with all the parties involved.

Chair Roberson:

Thank you for all the hard work this Session. We have been struggling with this difficult issue for years. The fact that no one here or in Las Vegas testified in opposition to this bill is a good sign.

The hearing on S.B. 266 is closed. The meeting is adjourned at 4:31 p.m.

RESPECTFULLY SUBMITTED:

Gayle Rankin,
Committee Secretary

APPROVED BY:

Senator Michael Roberson, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit / # of pages		Witness / Entity	Description
	A	1		Agenda
	B	3		Attendance Roster
S.B. 266	C	14	Senator Mark Lipparelli	Proposed Amendment 7347
S.B. 266	D	1	Senator Mark Lipparelli	Summary of Changes