

**MINUTES OF THE JOINT MEETING OF THE
SENATE COMMITTEE ON REVENUE AND ECONOMIC DEVELOPMENT
AND THE ASSEMBLY COMMITTEE ON TAXATION**

**Seventy-Eighth Session
February 19, 2015**

The joint meeting of the Senate Committee on Revenue and Economic Development and the Assembly Committee on Taxation was called to order by Chair Michael Roberson at 3:41 p.m. on Thursday, February 19, 2015, in Room 1214 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412E 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.

SENATE 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

ASSEMBLY COMMITTEE MEMBERS PRESENT:

Assemblyman Derek Armstrong, Chair
Assemblyman Randy Kirner, Vice Chair
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

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GUEST LEGISLATORS PRESENT:

Senator David R. Parks, Senatorial District No. 7

STAFF MEMBERS PRESENT:

Russell Guindon, Principal Deputy Fiscal Analyst
Joe Reel, Deputy Fiscal Analyst
Bryan Fernley, Counsel
Gina Hall, Assembly Committee Secretary
Jennifer Pearce, Senate Committee Secretary

OTHERS PRESENT:

Steve Hill, Director, Governor's Office of Economic Development
Michael Tretheway, Ph.D., Executive Vice President, Chief Economist,
Intervistas
Mark Hutchison, Lieutenant Governor
Ed Mirzakhanian, General Manager, Dassault Aircraft Services
Kenneth Scherado, Lone Mountain Aviation, Inc.
Mayra Calzadilla Vieito, Senior Counsel, Gulfstream Aerospace Corporation
Mark Cunningham, Senior Director, Sundance Helicopters
Galen Aswegan, Apex Aviation
Bill Reynolds, Business Development Manager, Unmanned Systems Inc.
Scott Lether, Drone America, LLC
Donna Miller, President, Life Guard International, Inc.
Rae McElroy, COO, Executive Vice President, Economic Development Authority
of Western Nevada
Reza Karamooz, President, Nevada Business Aviation Association
George Ross, City of North Las Vegas
Tom Hall, President, Reno-Stead Airport Association
John Burrue, Reno Flying Service
Paul Moradkhan, Las Vegas Metro Chamber of Commerce
Brian McAnallen, City of Las Vegas
John Pfeifer, Aircraft Owners and Pilots Association
Ben Griffith, Capitol Partners
Shannon Hogan, NAIOP Northern Nevada
David Cherry, City of Henderson

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Chair Roberson:

The first bill we are going to hear today is Senate Bill (S.B.) 93.

SENATE BILL 93: Authorizes certain businesses to apply to the Office of Economic Development for a partial abatement from certain taxes. (BDR 32-291)

Steve Hill (Director, Governor's Office of Economic Development):

Thank you for your joint committee hearing on this important bill for the State. It is an opportunity to bring a sizeable number of high-paying jobs in an important industry to Nevada.

This bill was originally structured during the 77th Legislative Session. It went through some changes as we sought to execute the strategy and further the air, space and defense industry in Nevada. The bill was able to pass late in the Senate, but was unable to have a hearing in the Assembly. Following the presentation from Dr. Tretheway, Lieutenant Governor Hutchison and Assemblywoman Bustamante Adams will join me and make a few remarks. They are leaders on this effort and supportive of what we attempt to accomplish.

Michael Tretheway, Ph.D. (Executive Vice President, Chief Economist, Intervistas):

I have been retained by the Reno-Tahoe Airport Authority to do some economic analysis. I have been asked to provide a summary of a study we conducted about the estimated effects of partial tax abatement on the aviation industry in Nevada ([Exhibit C](#)).

I conduct economic analysis for the transportation sector for economic development throughout the world. I have found in my 35-year career that economic opportunities fall into three buckets. One bucket is called aspirational, communities who aspire for something but lack the fundamentals. The second bucket is genuine opportunity, where communities have all the fundamentals needed for achieving economic development success, but the pieces are not in place yet. There is a genuine opportunity, but it will take years to develop that opportunity with regard to marketing, training and investment. The third bucket, which I refer to as the gold standard, is where not only the fundamentals are present but also the resources needed are poised and ready to go. In my career,

there have only been two or three opportunities I have seen that have met the gold standard. This is one of them.

This is an opportunity where you already have the businesses in Nevada: they have made the investments, they have the employees, they have training programs in place and they are turning away business to other states that should rightfully belong here. With this change, I expect you will find that not only will the jobs be plentiful, the jobs will materialize immediately.

In my presentation, [Exhibit C](#), are the results of my analysis of the economic impact of the partial tax abatement program that has been proposed for Nevada: specifically, to provide estimates of the increases in direct employment and other economic activity of measures that would be targeted by the tax abatement and to estimate what the changes in tax revenues would be—this abatement will reduce some of the existing tax revenues. We were asked to look at what the incremental increased tax revenues would be.

We use two fundamental approaches. One is a scientific approach, the last bullet on slide 3 of [Exhibit C](#), where we used economic data and conducted econometric analysis. While that approach is useful, we like to compare it with reality. The second part is to talk to people in the industry. We interviewed more than 60 stakeholders statewide and surveyed numerous members of the Nevada Business Aviation Association.

Slide 4 of [Exhibit C](#) is important because it summarizes the situation. Aviation is a footloose industry. The aircraft can literally be flown overnight somewhere else, and businesses will go wherever the costs are less. The blue-colored states represent those states that have tax abatement programs of one type or another in place. Two important things here: first, there are very few states left that do not have tax abatement in aircraft maintenance, and second, Nevada is surrounded completely by states with tax abatement in place. Nevada is surrounded two states deep. In our literature review, we looked at some of the other states and their analyses. Pennsylvania did not have tax abatement, and the studies conducted by the government found that 75 percent of the sales tax revenues that they were receiving were lost to surrounding states when tax abatements were put into place. Pennsylvania adopted tax abatements as a defensive measure.

When Massachusetts put its tax abatement in place, there was a 40 percent increase in base aircraft, a 17 percent increase in general aviation operations and a major increase in the revenues of fixed base operators, the people who operate the facilities for general aviation.

Maine lost revenues when other states put in their tax abatement programs. This is important because the revenue was recovered immediately and in significant amount when Maine put the defensive tax abatement strategy in place. New York conducted studies regarding that state's temporary tax abatement program analysis to determine whether to extend the abatement. New York found that the significant benefits from the temporary program would be even larger if made permanent.

Referring to slide 5 of [Exhibit C](#), commercial aviation is not the industry that is affected here but general aviation or business aviation and other uses of aircraft. The four main parts of that industry are: aviation maintenance and repair, which are done by fixed base operators at maintenance, repair and overhaul facilities; air tour operators, which are an important part of the economy in Nevada—most of which are spending their money outside the State for repair and maintenance; business and general aviation with over 5,000 aircraft that are registered in Nevada; and the emerging sector, which includes unmanned aerial systems or vehicles. The last part is the Amazon of the year 1998; it is a fledgling industry and will become a multibillion-dollar industry in the United States.

Slide 6 of [Exhibit C](#) shows general aviation-related employment in Nevada. The lower left-hand number, 4,647 jobs, represents the full-time equivalent positions from 271 businesses broken up into the various parts of the industry. The first bullet point under the chart indicates that this is an interesting industry; businesses pay average wages that are 25 percent higher than the standard wage. I puzzled over why many of the high-end jobs are not in Nevada. I realized that it is because of the existing taxation policy and the fact that Nevada is surrounded by states that do not have this taxation policy. If this bill passes, the average annual wage will be higher statewide—and that is a conservative number.

As shown on slide 7, there are three different levels of economic impact: direct impacts are direct jobs with firms in the aviation business; indirect impacts are

indirect jobs with downstream users of the services; and the induced impacts are the generated employment and wages of the aviation sector create an economic ripple. The direct impacts are specific to the aviation industry, but these other effects are genuine effects in most states.

Slide 8 of [Exhibit C](#) refers to key findings. We use two methodologies. The first is the scientific methodology, which in economics is called price elasticity. The price elasticities come from our own research as well as reviewing numerous other studies because so many other states have already adopted this. We actually know something about how businesses and owners of aircraft are going to respond. You will find that our scientific approach produces the lower numbers in the range that we provide.

For the second approach, we conducted surveys and interviewed a number of people in the industry, including some large firms that have made major investments in the State or are poised to make further investments. The conclusions from both of these approaches are unambiguous. A partial abatement of sales and use taxes on aviation property and parts leads to growth in the aviation industry in both the short and long term. That “both” is italicized because this meets my gold standard. Everything is poised and ready to take off. Some of the firms we have spoken with believe in the first month that they will start booking business since they are currently flying to Palm Springs or Phoenix or other places for their maintenance.

Slide 9 of [Exhibit C](#) is about more numbers. The good things to come are highlighted. At the top where it reads: 4,647 full-time equivalent jobs—that is currently. The estimate of the growth in the first year in employment in the State that will take place from this tax abatement proposal is 414 full-time equivalent jobs, shown in the middle panel. That is based on our scientific elasticity approach. In the bottom panel, 1,348 is the number that resulted after we conducted interviews with people in the aviation industry. One reason there is a difference is that some other states might get temporary increases by taking business from other states, like Nevada. Eventually, the other states will respond and some of it will go back. The advantage of being one of the last to go is there is nobody left to take the business away. What you are going to be doing is recovering the business that you have already lost.

This is the gold standard on slide 10 of [Exhibit C](#). These impacts are real. These businesses are already established in Nevada. They are already competing nationally. An example: people in Iowa may own aircraft for their business, and they have a major repair or C and D checks—periodically after a certain number of flying hours, aircraft have to go through fairly major maintenance processes. Even on small aircraft, such as a small business jet, a major overhaul can cost \$2 million to \$3 million. With \$2 million to \$3 million, the tax impact is a meaningful number, a number large enough that the owner will fly to some other state, preferably some state that has fun stuff to do while he waits for the maintenance to be done. That is why these abatements are likely to quickly produce increase in sales. There are people from Iowa who would prefer to come to Nevada to have their maintenance done, but they do not because the tax makes it uncompetitive relative to other states. Some particular places that Nevada has lost business to in California are Oakland and Palm Springs. Business has been lost to Arizona as well.

This is not a case where several years are needed for benefits to be realized while efforts are made to attract firms to invest and establish new business. Further, the first year you can get 414 incremental jobs; on slide 11 of [Exhibit C](#) is what will happen by Year 5. The 414 jobs you can get quickly because there are trained people who can add additional hours. You will attract people coming out of schools, because you already have education strategies in Nevada, and are poised to train additional people. So over the coming 5 years when you recover more and more of this business and more investment is made in Nevada, you will have employees available to go into these new jobs.

On slide 11 is our estimate of what will happen in Year 5. That first number at the top is the original 4,647 jobs already in the State. Now on the bottom end, we estimated 414 jobs, but the direct jobs total 1,447 in Year 5. On the bottom end using the scientific approach, our survey of stakeholders shows it will be more than double: 3,057 jobs that could be added in the State at above-average wages by Year 5.

Slide 12 of [Exhibit C](#) breaks out the impact in the major counties and the rest of the State. Clark County is going to get the largest amount because this is where there are many established businesses. There are benefits for the northern part of the State as well. In fact, the other 15 counties actually have 416 of the 1,375 jobs.

Slide 13 of [Exhibit C](#) is our estimate of what is going to happen to tax revenues. This is our estimate of the new taxes that Nevada will generate because of the increased business. You will lose some tax revenue; the fiscal note accounts for that. We provide a low and a high estimate of what the incremental gross tax increases will be: on the low side, \$1.093 million, and the high side \$3.967 million for 1 year. It lists the estimates for 2 years and what is projected for the fifth year. Incremental tax revenue is under \$6 million to around \$21 million to \$22 million.

Slide 14 of [Exhibit C](#) is what is at risk if S.B. 93 is passed. These numbers come out of the fiscal note. The numbers are at the midpoint. The fiscal note estimate was made on the impact of properties being eligible for the abatement at 1 percent, 10 percent and 20 percent. These are the middle numbers, the 10 percent numbers. In the year 2016, the impact would be \$665,047 and the same for the second year since Nevada is budgeted on a 2-year cycle.

Slide 15 of [Exhibit C](#) is where we put it all together. The top number is the low-end estimate of the increased tax revenues at Year 1, \$1 million less the foregone taxes estimated on the fiscal note, \$665,000, for a net change in tax of \$428,000 in Year 1 for the low case. The high case is a larger increase.

We based our estimates on the existing aviation business, tour operators, maintenance and so forth. As seen on slide 16 of [Exhibit C](#), new business is coming with unmanned aerial systems or vehicles. We are increasingly calling them UAS rather than UAVs. We recognize these are not just aircraft vehicles, but whole systems. It is not just the aircraft jobs or aircraft maintenance, but there will be many IT jobs, programming jobs and other types of system-based jobs. The UASes are not simply aircraft, they are systems with three major components: the airframe as well as the engines; the control station, which is going to operate these aircraft from the ground; and the data link. There are jobs in all three of these sectors. Each of these sectors is developing separately. The key is to attract specific components of the value chain.

Another valuable aspect is that Nevada is well-poised for the pilots of these aircraft. Nevada probably has the single greatest source: People retire or leave the military and move right into the private sector. Nevada is well positioned to take advantage of the expected growth in the industry because of its business-friendly environment and access to skilled labor. Nevada has the

training programs in place. My own home state, Wisconsin, does not have this. You have all you need; you simply need the tax abatement.

Slide 17 of [Exhibit C](#) shows the UAS opportunity. We were asked to quantify the opportunities. Even the most conservative estimates suggest a significant economic impact from UAS development. The UASes are used in other countries. In Germany, UAS helicopters inspect bridges, for instance, to detect the metal integrity and the structure and corrosion of metal. Because of using UAS helicopters, inspections can be done more accurately and with more frequency, increasing the safety and generating more jobs in the sector. In the end, we decided not to put forth an estimated number, but it would potentially be a large number. There are uncertainties—whether Nevada moves to take advantage of the opportunity versus whether others are going to.

Slides 18 and 19 of [Exhibit C](#) are conclusions. We conclude partial tax abatements on aviation parts and property taxes will generate positive economic benefits in individual counties. The impacts will begin quickly. That is the gold standard; this is not hypothetical. Businesses are poised with the assets, the employees, the will and the marketing campaigns to bring these jobs in quickly. The job generation will be at above-average wages. Job training programs are already in place to allow you to continue to grow this workforce. Our range of employment increases in what we call the direct impacts in Year 1 will be 241 to 765 jobs, and if we include the multiplier effects, that actually grows to 414 to 1,348 jobs. By Year 5, this will increase in direct jobs from 850 to 1,800. In total, jobs will grow from 1,500 to 3,000 jobs, all of which will be at above-average wages. The 10-year impact will be 7,000 to 15,000 direct person years of employment spread out over those 10 years.

Point 5 on slide 19 of [Exhibit C](#) shows the incremental jobs are expected to generate new tax revenues that exceed the cost, meaning with the foregone taxes that you have right now, the Year 1 estimated net benefit is \$400,000 to \$3.3 million. By Year 5, the net benefit could be as high as \$18 million, not counting whatever we achieve in the unmanned aerial vehicles, drones or UASes. Point 6, the impact of the UAS opportunity for Nevada is unclear, but it is large. Coupled with its other comparative advantages, we believe Nevada will experience UAS-related activity that generates new employment and economic activity for the state.

My last closing comment, the thought I would like to leave with you, is there are almost no other places in the world where I have made such a glowing report. This meets the gold standard. As an economist, I think of this as an opportunity that empowers people through economic development.

Chair Roberson:

Are there any questions?

Assemblyman Derek Armstrong (Assembly District No. 21):

Can you tell me about the jobs that are in parentheses on slide 18 of [Exhibit C](#)? Are those the multiplier effect?

Dr. Tretheway:

That is right. The jobs on the left are the direct jobs, the ones that will be at these aviation businesses. The jobs on the right add—they include the direct jobs—but they also add the jobs in supplier industries and general spending that will be stimulated.

Senator Kihuen:

Starting from Year 1, this will create jobs, but do we have the trained workforce to fill those jobs with Nevadans rather than having to import people into the State to fill the jobs?

Dr. Tretheway:

We believe adding 241 jobs in an industry base of 4,000 is doable within your existing workforce, people who are trained or coming out of the military and coming out of the schools. However, some people from out of state will be attracted to this opportunity. They may want to come here, and someone from Nevada may go to Palm Springs. We would expect that this will be a combination of immigration of people already trained and those who are looking for this opportunity. The majority will be from within the State, and this is critical: You have the ability to grow your training programs so that all those incremental jobs in Year five, or a large portion of them, can come from within the State.

Mr. Hill:

One of the real tragedies is that we are losing veterans, and those who leave the military in Nevada, which has a strong military presence in the State. This

industry will allow us to retain those people who are in the State. While those folks may not have been Nevadans when they first came here, they are now, and we want to keep it that way.

Senator Kihuen:

That is what I am referring to; we have Nellis Air Force Base in Las Vegas. We have the Hawthorne Army Depot and a few other locations where we could potentially find some of the folks who are leaving the military and looking for jobs in Nevada. I am a Rancho High School graduate, and it has one of the best programs for unmanned aerials or drones. Students won national championships. I am proud of them.

Assemblywoman Teresa Benitez-Thompson (Assembly District No. 27):

Referring to S.B. 93 page 3, lines 19 through 20, "The business meets at least one of the following requirements," the first criteria is "The business will make a new capital investment of at least \$250,000 in this State" Section 4 states the fact that sales tax must be paid on tangible personal property if it is to keep up with the contract. Is the intent to tax that capital investment?

Mr. Hill:

I invite Lieutenant Governor Hutchison and Assemblywoman Irene Bustamante Adams to give their presentation. Then I will go over the bill, if that is acceptable with the Committee.

Mark Hutchison (Lieutenant Governor):

I serve as president of the Nevada chapter of the Aerospace States Association. I am also involved in the national chapter. My purpose is to give you a macro view of the bill. A little background: yesterday was the very first Nevada Aviation and Aerospace Day in the Legislature. At the Governor's Mansion, we held a reception for numerous interested parties in support of this bill. We had our first chapter meeting and received overwhelming support for the bill and the aerospace industry in Nevada.

Thirty years ago, Colorado did not have an aerospace aviation industry as it does now. Therefore, a group of members of legislature and members of the executive branch decided they were going to create an industry. Thirty years later, Colorado has the third largest numbers of aerospace and aviation employers in the industry within the Country, providing high-paying jobs for

Coloradans. Nevada is on the cusp of implementing this. Last Session, we approved an investment for Nevada to compete with numerous states to become one of the Federal Aviation Administration's (FAA) test sites. We won that competition; Nevada is now one of six test sites. Nevada is attractive for companies not only to repair their aviation equipment and perform maintenance here, but to test their unmanned aerial vehicles and unmanned aerial systems because Nevada has so much air space. If you look at the other lower 47 states, combined they would equal 10 percent of Nevada's air space. When you look at the airline maps that show the air routes, you will see a big open space in Nevada. It is restricted air space. It is a national asset—a national treasure for us. Nevada can capitalize on that. My suggestion is that we move down this path, which we started last Session along with the Governor's Office of Economic Development and the great work of the Governor's Office. We have identified this sector to be a game changer for Nevada. Nevada needs this game-changing economic diversification, opening up countless jobs and opportunities.

This bill is important because not only does it deal with the maintenance, repair and overhaul of the aircraft and its equipment, but it also relates to the operation, manufacture and assembly of aircraft. Our goal is to attract those companies here to test, operate and manufacture aircraft. As we provide the tax abatements, which each surrounding state has, Nevada becomes an attractive place given our airspace and our natural resource as I have just described. Together we can promote this industry. We can create jobs for Nevadans. We can do it in a way that is bipartisan.

Assemblywoman Bustamante Adams has made a tremendous effort on this bill. We strongly recommend that you support S.B. 93 and Assembly Bill (A.B.) 161.

ASSEMBLY BILL 161: Authorizes certain businesses to apply to the Office of Economic Development for a partial abatement from certain taxes.
(BDR 32-699)

Assemblywoman Marilyn K. Kirkpatrick (Assembly District No. 1):

My concern is the broad definition of aircraft—in earlier discussions we referred to small aircraft, not commercial aircraft. Section 1, subsection 12, does not give me comfort. I thought the bill was going to be more specific in its definition—smaller aircraft, not commercial.

Chair Roberson:

Maybe we could have Steve Hill go through the bill and then take questions.

Assemblywoman Irene Bustamante Adams (Assembly District No. 42):

Lieutenant Governor Hutchison and I had the opportunity to cochair the Southern Nevada Forum that was under the leadership of a bipartisan effort. Over the past year, we have had several committee hearings; our economic development group had the highest participation of stakeholders in Nevada. Not only were they present, but they were engaged. Of the 75 ideas that were generated, we narrowed it down to three. We narrowed it down to this bill and the aerospace sector. Our ultimate goal is to strengthen the industry by supporting the tax abatement idea. Some of the constituents are here to testify in support of the bill. It is a much-targeted approach for growth in this sector.

Assemblyman Erven T. Nelson (Assembly District No. 5):

Nevada's restricted airspace is a natural asset. Restricted means restricted, right? Do we have an agreement with the federal government to access that space?

Mr. Hill:

We do. In fact, it is a real asset for Nevada. We have the only test site that has restricted airspace. We have to work in cooperation with Nellis Air Force Base with regard to testing and training ranges. We are not at the top of their priority list, but they have made the airspace available to us. The Department of Defense as well as Department of Energy airspace is under the purview of the Department of Defense or the Department of Energy, so we can work directly with them. It provides us an alternative method of getting platforms in the air.

Chair Roberson:

We will now have Mr. Hill run through S.B. 93.

Mr. Hill:

Dr. Tretheway referred to the competitive situation that Nevada is in with regard to other states. No state other than Nevada charges sales tax on aviation parts. We charge full sales tax. In this industry, these parts can be exceptionally expensive and with each project aggregated, it can be very expensive. That alone deters companies from bringing their business to Nevada. The sales tax is a huge issue.

In addition, states do not charge personal property tax in two different ways: a straight personal property tax on an aircraft or a registration fee that is either a flat minimal fee or a fee that functions like personal property tax. Nevada's surrounding states—Idaho, Oregon and Colorado— do not charge personal property taxes or registration fees on aircraft. They also do not charge sales taxes. Colorado has really grown its aviation industry over the years. It is a model that has worked. Two other states, Utah and Arizona, charge somewhere between 0.4 percent and 0.5 percent. Nevada and California both charge 1 percent. Nevada is not at the highest level as far as personal property taxes and registration fees, but Nevada is the only state and is at a very high level for sales tax. This is what keeps these jobs from being in Nevada. From a tax standpoint, this bill will allow Nevada to be more competitive; it will not make us the most competitive. There are numerous aviation businesses represented here that plan to implement this immediately once this bill is passed—and start creating jobs.

The FAA just released draft regulations for Group I and Group II of UAVs for vehicles 55 pounds or less for inclusion in the national airspace. Three criteria need to be met. First, you need aircraft that are air worthy—since December, Nevada is the first state and only place where you can get an air-worthiness certificate, other than going directly through the FAA, and that is attracting attention. Secondly, you need the rules of the road, which are the draft regulations the FAA released this past weekend. Over the next 18 months, those draft regulations will receive public comment and then will be finalized. When they are finalized, that will mean two of the three steps it takes in order to commercialize this industry and allow them to fly. Companies need to get geared up now. Finally, you need someone who is accredited, or licensed, to operate the vehicle. The specifics of that are contained in that draft, which is not yet complete. We will see the unmanned aerial vehicle industry take off in 2016 to 2017. This became very real over the weekend with the issuance of the FAA draft regulations. We will be working with the FAA to make this happen.

To answer Assemblywoman Benitez-Thompson's question, I will take a quick overview of the bill. Section 1 lists the qualifications of businesses. Businesses must adhere to our standard requirements. In addition, businesses need to increase the number of full-time employees. For a new business, that is five employees and for an existing business, it is three.

Two components of this bill are important and deserve explanation. Last Session, we were seeking an exemption from sales tax. This would make Nevada competitive in this industry. This topic had been included in a broad ballot initiative back in the 1990s, when the voters of Nevada decided that the broad package of exemptions should not move forward. To provide an exemption, it would have to go back to a vote of the people. The best step to becoming competitive is to provide abatements. We are attempting to provide an abatement that changes the business environment for small and large companies across Nevada to help them grow. From a policy standpoint, it is different from our normal abatement process. This improves the business environment for a broad cross section of companies. In addition, this is why it is important that this be available for 20 years. You do not want the uncertainty that comes from a provision that may expire in 10 years or revert to something that is debilitating for these businesses. We want a commitment from them; we need to commit to these businesses over the long haul as well.

In addition to the increase in the number of employees, these businesses have to achieve the criteria in one other way. That is either in capital investment, in the possession of tangible property, which typically in this case is going to be either the equipment used to maintain aircraft, or the aircraft itself. The business also has to pay at least 100 percent of the State average wage, which I think you can see from the prior testimony is not going not be difficult for most of these companies, or be a business that is in the research and development area of aviation—so the company owns patents or is developing intellectual property.

In answer to Assemblywoman Kirkpatrick's question, I will attempt to make clear who is and who is not eligible. These aircraft are categorized into three parts, based on FAA regulations: Part 121, Part 125 and Part 135. Part 121 includes the major airlines in the State, defined by size of aircraft as well as being regularly scheduled as common carriers. The 121 category includes commercial airlines, and they are excluded from this bill. Parts 125 and 135 are similar but separated based on size. These are the noncommercial carriers, the nonregularly scheduled aircraft. It can include tour operators, on-demand cargo and on-demand passenger types. Helicopter services for tourists would be included in either Part 125 or Part 135. The separation between the two is Part 125 aircraft have 20 or more seats and 6,000 pounds

of payload capacity or more, and Part 135 aircraft are smaller than that. The noncommercial carriers are included, the commercial airlines are not.

The definition of an aircraft is covered in this bill. What is notable is that it includes unmanned aerial vehicles. That is not under Nevada law, but we want to make that clear with this bill. There is a definition of what is included in the component of an aircraft.

We received some questions regarding the implementation of the sales tax abatement during the last Session. We have streamlined and improved the bill for this Session. There are many people responsible for this. The sales tax abatement will go to the company that is performing the work for the ultimate customer. This company is responsible to pay the sales taxes as this bill is written. Therefore, the company that buys a part in order to fulfill a contract is the company that will pay a portion of the sales tax that remains. That is a much cleaner way to handle it than what was previously structured.

There are a couple of sections that are repealed because of this bill. They are a result of the same set of steps that were taken back in 1995 to 1997 that were ultimately ruled unconstitutional. We are taking this opportunity to remove those from the statute.

Assemblywoman Kirkpatrick:

Thank you for clarifying the definition of the aircraft and the difference between Parts 125 and 135. I am concerned with although they meet their existing, then they must have one of the following in addition, right? Who is to say that the businesses would not pick sub-subparagraph 3, where they would only have to have five employees and pay them 100 percent of the Department of Employment, Rehabilitation and Training rate, which is about \$24 an hour? Where do we weigh the cost-benefit analysis? Will that happen through the regulation process? At some point, the State should be able to say which requirement should be met.

I do not want to leave the impression that I do not support this bill, but I want to make sure that the record is clear because this is a big deal for us. We will have to replace the dollars at some point. I do not see where it does not exempt current employees from qualifying under some of these things, so they are still

subject to the Modified Business Tax (MBT), if applicable, and they are still subject to business license fee and the rest. Is that right?

Mr. Hill:

This Body has worked hard over the last couple of sessions to ensure analysis and accountability of the performance-based aspect of abatements and incentives. There are now requirements, as a result of A.B. No. 333 of the 77th Session, not only to report but also to analyze any abatement process. Senate Bill 93 would be no different, and those same requirements will certainly apply.

In response to your question about current employees, our abatements are intended for growth. The MBT, personal property tax, sales tax on what has been paid—these are all for the growth of the industry. It does not apply to the current employees that are in the companies.

Assemblywoman Kirkpatrick:

I am working off Assembly Bill (A.B.) 161. I believe that S.B. 93 and A.B. 161 use the same language with the exception of the language regarding time at the end. I want to understand how the implementation of this would work. We gave you the authority to approve applications at least during the Tesla thing, as regulations were being developed to streamline the regulation process. Referring to page 4, lines 33 through 44, if this bill becomes effective today—hypothetically—regulations take the ability to a 90-day process, then a Legislative Commission process; would you accept applications that would be retroactive from the date effective? I want to be clear that a business could not go out tomorrow, but will have to wait until the regulations are complete, or is that the intent? How does that work?

Mr. Hill:

That would not be the intent. We would certainly go through the regulatory process for the entirety of *Nevada Revised Statutes (NRS) 360*, which this would be a part of, at the end of Session. In the meantime, we would follow our normal abatement process and implement this portion of the statute.

Assemblywoman Kirkpatrick:

These are specific things that I have worked on through economic development, so I personally want to know. The one thing that I do not see is that it looks like

we are going to notify local governments as opposed to asking for their input. In the past, we have made a policy decision to allow local government to determine whether the property tax was something that we abated, and it appears that we are notifying local governments on that portion and taking them out of the loop.

Mr. Hill:

The language of the bill says notification. We have encouraged local governments to weigh in on all of our abatements. This same language is in the bill now. We welcome their input on the statute. It is not intended to make any change from the way that we implement this now.

Assemblywoman Kirkpatrick:

Is there an appeal process for local government? The economic development board could handle that ... Would there be a process within the regulations that states how notification is processed? It is fair within the regulations to establish a process for local governments to submit the fiscal impacts incurred. I do not mean that the bill has to be amended to satisfy me. The Legislative Commission could remember that the process will be addressed within regulations.

Mr. Hill:

The jurisdiction of local governments varies. It could be the city, it could be the county. It depends on whether the businesses are located within the city limits or outside the city limits. There is an amount of disagreement among those entities. That is something that we will have to think about.

Assemblywoman Kirkpatrick:

This will affect local governments' Consolidated Tax Distribution dollars for the long term. This affects the Local School Support Tax. If it means we have to notify 30 people, and they agree to disagree, it would be up to GOED to determine what is in the best interest of the State, is that right?

Mr. Hill:

Right, we do notify all of those entities for every abatement process that we go through.

Assemblyman Pat Hickey (Assembly District No. 25):

Could you speak to the two differences in the bill, and in your view what is the optimal period for the applicant—10 or 20 years—because we have two different bills. In our surrounding states—California and Arizona—are there limits to their abatements—or have they been made permanent in the surrounding states?

Mr. Hill:

We believe 20 years is important. You will hear companies today express why it is important to them. It relates to the competitive nature of this as well as the certainty of the business climate in an industry in which that particular issue is so determinative of the decisions they make. The surrounding states implement permanent exemptions from sales tax. That is the case virtually everywhere in the Country and the states surrounding Nevada.

Assemblywoman Dina Neal (Assembly District No. 7):

I have two questions. The first one is from S.B. 93 section 1, page 3, line 21; the business will make a new capital investment. Is this capital investment paid into the business's own industry or any industry?

Mr. Hill:

It is an investment in the company, which will be in Nevada.

Assemblywoman Neal:

Would the investment be made in a company in the aviation industry?

Mr. Hill:

Yes.

Assemblywoman Neal:

My next question is related to language used throughout in section 4 and section 5, specifically, section 4, page 7, lines 29 through 30: A person would be able to use his or her tangible, personal property if purchased by a business for use and performance of a contract. What does that look like? Performance means there can already be a contract in place—what kind of documentation is expected from a business to indicate that it is either performing or getting ready to perform a contract? I saw the language that defined the contract, but I would like that clarified.

Mr. Hill:

For example, General Electric—or any company—makes a part for an aircraft engine, then sells that part to the local dealer in Nevada that stores that part for use in the State. The dealer in Nevada sells it to an engine repair company who would then install that part on an engine in a plane that is located in Nevada. That part could change hands three times. When the company originally sold the part to a dealership in Nevada, that dealership has a resale license and would not be obligated to pay tax in any environment having to do with this bill because the dealership is going to turn around and sell it to someone else, and we do not double-tax that transaction. When the dealer of that part sells it to the shop that is installing the part into the engine of an airplane, the company that bought the part for installation to fulfill a contract—either written or verbal—is responsible for paying the tax.

That is what the language means. It also means that the company that owns the plane is not responsible for paying that tax. This company with a resale license would not be responsible; the repair shop would be responsible for the portion of tax that is still owed.

Senator Hardy:

I would like a clarification on the question regarding investing in the company's shop that had something to do with maintenance which would also include manufacturing and servicing. Would anything that flies that is built or serviced in Nevada be subject to this investment opportunity and abatement?

Mr. Hill:

Yes, that is correct. The criterion we use is in line with our other standard abatement processes in which the business is required to create jobs, pay a specified amount and invest a certain amount of money in the company's business within the State.

Senator Kieckhefer:

In this chain of custody where the repair shop ultimately puts the part on the aircraft—is the value of that tax put on the purchase price of the part purchased by the dealer or on a marked-up price charged when he puts it on the airplane?

Mr. Hill:

I think the language also states that the price of the tangible property that was purchased—or what the repair shop paid for the part—is the value of what will be taxed.

Senator Kieckhefer:

Senate Bill 93, section 1, subsection 2, paragraph (e), lists the requirements and states that the business must meet at least one of the following requirements—particularly subparagraph (4)—if the business develops, refines or owns a patent or other intellectual property, or has been issued a type of certificate by the Federal Aviation Administration (FAA) pursuant to 14 C.F.R. Part 21. First, can you tell me what 14 C.F.R. Part 21 is, and is there any requirement of when that patent is developed? Can it be a 100-year-old patent from an old company because the business only needs to meet one of the four requirements? If the business does have a 100-year-old patent, would the business have to make the investment and those sorts of issues?

Mr. Hill:

That is a good point. In the language there is no criteria regarding the age of the patent, so that is the way it is written. As far as 14 C.F.R. Part 21, it is an FAA designation that the manufacturer is permitted to build an air-worthy part for an air-worthy craft for use in the national airspace.

Senator Kieckhefer:

Do you know how many of those patents are outstanding? We might need to look at that.

Mr. Hill:

I do not.

Senator Ford:

In this same area, it refers to new businesses that will have five or more full-time employees and existing businesses that will have to increase by three. Where do the numbers come from? The threshold seems low, but is this a study based on other states that you have done internally to determine that these are the best numbers to utilize and best effectuate this particular incentive?

Mr. Hill:

There are two reasons. One is the industry is comprised predominantly of smaller companies. The number of jobs on an individual company basis may not be that large, but the conglomeration of those is what will drive Nevada forward. Second, in order to receive at least as competitive a tax structure as in other states that do not require businesses to meet any of these qualifications, the exemption is there without having to grow—whether that is personal property tax or sales tax. Utilizing this abatement structure in Nevada allows us to get to a relatively competitive position, but it also requires businesses to do more than they have to do in order to be treated the same way from a tax standpoint than any other surrounding state.

Senator Ford:

Essentially, we are looking at the size of the companies. Because they are smaller companies, do you think three and five are the best numbers in this particular circumstance?

Mr. Hill:

That is Part A of the answer and Part B of the answer is that other states do not require these businesses to do anything. From a competitive standpoint, we attempt to improve the business environment for all small companies and not just incent larger companies to make that impact.

Senator Ford:

Specifically, how did five and three come about? In view of everything, how did 5 and 3 come up versus 10 and 15?

Mr. Hill:

It was a large conversation over time among a number of the companies, as well as some others in Nevada who think about this policy. A consensus was reached. It was where it could be utilized and be most appropriate.

Assemblywoman Benitez-Thompson:

In section 1, subsection 2, we can give the abatement up for 20 years, but the length of time in which the business has to stay in Nevada is up to the Office of Economic Development's discretion. It must be not less than 5 years. Why would we not make it 20 years?

Mr. Hill:

There are probably a couple of reasons, providing that the certainty of the business environment comes close to being competitive with the surrounding states. Not all these qualifications that we are requiring of businesses must be done in any of the surrounding states. These businesses can just go there and receive the benefit of that business environment where they are not paying those taxes and they can grow or not grow. In an attempt to be overly diligent by requiring these companies to have to take steps is discouraging the very thing that we are attempting to accomplish. The other part of that is that these incentives are performance-related. You get a sales tax break if you buy a part or supplies. If the businesses are not in Nevada, they do not get a break. The State and local governments will not be out if those businesses are not in Nevada in a dozen years. It is not necessarily harmful. We would like the businesses to stay in Nevada.

Assemblywoman Benitez-Thompson:

The language states Office of Economic Development shall—so you are going to issue abatements if they do X, Y, Z. I am concerned that there is not a qualitative component to that, but if every box can be checked, then okay. Businesses are going to have this certificate for 20 years, but they can move the business out after 5. This is cliché, but if every other State jumped off the bridge, would we jump too? I think that we ought to make a good public policy statement, which is that we value the business but we want to see the value in the State as well and see the State equally respected in a reciprocal relationship and not all one way.

Mr. Hill:

Ultimately this language will be placed into NRS 360, which is our abatement statute. In that statute, our board still retains discretion. Shalls are stated throughout the bill, but the bill has an override that allows our Board within the law to make the criteria more or less stringent as it sees fit so that there is an overriding discretion standard in that statute. My concern with respect to the length of time of requirement for businesses to stay is the ramifications if they do not. If we require the business to stay in Nevada for 20 years, but the business stays 18 years, does the business now owe back taxes since they did not meet the requirement? That is the difficulty with stretching it beyond 5 years. Auditing will have to be kept up, and some level of penalty would have to be attached for not staying in business for longer than 5 years.

Assemblyman Randy Kirner (Assembly District No. 26):

Is this abatement transferrable?

Mr. Hill:

No, it is not. The requirements are inured to anyone who buys the company, but the corporation is the recipient of the abatement. When the corporation ceases to exist, so does the approval.

Assemblywoman Kirkpatrick:

We want a clear record of what is in and what is out and what those regulations should anticipate in unintended consequences. I have a level of comfort that with the tax expenditure part you are required to submit your stuff. I hope you track the data of the potential sales that were lost so that we know what the resale values are, and the resale certificate is commonly used from wholesale to retail. It is something that we do. It is important that we track it so that in the tax expenditure report for those who will be here 20 years from now, the plusses and minuses will be reflected.

To Assemblywoman Benitez-Thompson's point, there needs to be clarity. You are not saying this certificate is good for up to 20 years. You are saying this certificate is good for no less than 5 years, but as long as you do business in our State. Is that what I heard?

Mr. Hill:

Yes, that is correct, and it is well stated.

Senator Spearman:

I am looking at a report that was released on February 12, a quantitative analysis of subsidies by state ([Exhibit D](#)). It piqued my interest because Nevada is mentioned specifically as one of the states—Nevada and Texas. We remember Texas from another competition we had recently.

Referring to [Exhibit D](#), according to the *New York Times* database, expenditures for subsidies range from \$33.4 million a year in Nevada to \$19.1 billion a year in Texas and total of \$80.4 billion a year nationwide. That is \$12 a citizen annually in Nevada and \$759 a citizen annually in Texas.

The part that captured my attention was the end of the third introductory paragraph. The author states: "By subsidizing firm relocations, states try to foster local agglomeration at the expense of other states, which gives rise to beggar-thy-neighbor characteristics of subsidies."

The subsequent paragraph also states that it distorts the manufacturing income by a quotient of at least 3.9 percent over the long term. The author states that we get into these subsidies to lure companies to Nevada—that may or may not pay off—but the citizens are still on the hook for that subsidy in some form or another.

Let us justify this for the citizens who will pay \$12 per year. That could be the difference between a prescription and a tank of gas.

Mr. Hill:

The *New York Times* has done numerous studies. There is also a report about tax expenditures. It is a big number in Nevada—\$1.3 billion. The tax abatements and incentives that are in our control are a very small part of that. That number does not relate much at all to the programs in GOED. We are included in that number, but it is a very small percentage of that number.

In that particular study in the *New York Times*, Nevada is shown as having the lowest amount of abatements of any state in the Country, unless that has been updated and changed. Uprooting a company from another state into Nevada through purely an incentive program is not a major focus for GOED. It is difficult and expensive for companies to relocate. Most of the companies we see are looking to expand and have a broad selection of states to choose from, and we would like to have them in Nevada.

In this particular industry and this bill, we want to keep the work that should be done in Nevada in our State. We have a situation where we are so uncompetitive with other states that companies that provide helicopter tours in Nevada fly to Arizona in order to have the maintenance done and then fly back to where they have their equipment parked and where they are conducting business. That is why this legislation would have such an immediate impact on job creation.

Senator Spearman:

Just for the record, I was not quoting from the *New York Times* study. I was quoting from *A Quantitative Analysis of Subsidy Competition in the U.S.* by Ralph Ossa of the University of Chicago. The release date was February 12. The author has covered a number of different quantitative analyses based upon information that he received from states records, not something that was made up.

As a veteran, I am delighted any time we attempt to do something for veterans, and I am aware of the challenges veterans face when retiring. We have to have an answer that will justify whatever vote we take. Twelve dollars may not mean much to some people, but I have constituents on very fixed incomes and that amount means a lot to them. If this bill were to pass, I want to be able to say this is the right thing to do because ... We need to quantify or explain our reason for passing the bill.

Mr. Hill:

In the analysis that Dr. Tretheway conducted, he showed that as companies use the abatement incrementally, these companies would create more in revenue, more potential jobs for people and more jobs in the indirect impact category. This will have an incremental and immediate, positive net impact on the State. While we have to lower rates, the positive impact outweighs that.

Assemblywoman Benitez-Thompson:

We as legislators have a high reading of the bill, and when we think of business, it connotes a certain set of the population. For the record, I want to get to the heart of the public policy as intended. If you own a patent on a propeller—you have developed a propeller—which is allowed in the language of the bill, and you form an LLC and hire two other people, then your residence, your home or property could be abated from personal property tax. Is that the intent of the bill? I do not think it is. The way these requirements read, it could mean that.

There is no requirement to continue to hire, for instance, companies such as Tesla or Apple, where we want to see growth in hiring. We are allowing small businesses or individuals—where it states “An owner of a business or a person”—S.B. 93, page 2, line 3—we need to be mindful that it can be just one person with a patent and an LLC. Can you clarify for the record the type of business and/or person you are targeting?

Mr. Hill:

The law refers to a person in a business sense throughout that statute. It is not necessarily indicative that the person would override the employment requirement. A new business would have to employ five people, and three—or 3 percent—for an existing business. I agree with you as far as the qualifications are concerned, up to the part you include the home. I hope someone else can answer that specific question—unless that is a part of the business. The home is actually real property ...

Assemblywoman Benitez-Thompson:

On page 2, line 7 through 8 of S.B. 93, it states “personal property taxes imposed on an aircraft and the personal property used to own it.” Could this be someone who happens to be very well off who maintains his or her plane on the property site?

Mr. Hill:

There is real property tax on real property and personal property tax on personal property. This bill only provides an abatement of personal property tax. Real property is attached to the ground, cannot be moved—a house, for example—and your example would be real property. There is no abatement on real property. A building is real property. The personal property is the machinery that companies use to perform maintenance repair, tools or an actual aircraft.

Chair Roberson:

We will now hear from testifiers on behalf of this bill. We will then hear Assemblywoman Bustamante Adams present Assembly Bill (A.B.) 161.

Ed Mirzakhanian (General Manager, Dassault Aircraft Services):

I have my written testimony in support of S.B. 93 ([Exhibit E](#)).

Kenneth Scherado (Lone Mountain Aviation, Inc.):

I am here to speak in support of this bill. My company is based at the North Las Vegas Airport. We are one of the largest general aviation maintenance organizations in southern Nevada. I have 17 employees maintaining numerous general aviation aircraft—corporate turboprop types of airplanes. I compete with other maintenance organizations throughout the area. We deal with people in areas, not locales. Our general market is the western part of the United States. I am a Part 145 repair station, certified by the FAA. I can draw maintenance from

numerous areas around the western part of the United States. I have to compete with those states along with having to pay the sales tax.

Recently, we had to compete with a company in Idaho for a local job in excess of \$35,000. We ended up reducing our cost to our customer by the amount of the sales tax to keep the job in Nevada. It cost over \$3,000 in profit off the parts, because the client was willing to go out of state to avoid paying taxes. This happens regularly on a number of jobs throughout our area with the business we do.

We are looking to expand our business. Lone Mountain Aviation has been in discussions with Henderson and the Clark County Department of Aviation with regard to expanding our business at the Henderson Executive Airport and creating a facility as big as or bigger than I have at the North Las Vegas Airport.

Senate Bill 93 would help us to invest our revenue and expand our business in a competitive manner. We can draw business from numerous other states. My company has the availability to provide a service to customers out of state, where I fly the customer's airplane into Nevada, do the work, deliver it back to the customer. If I am able to tell the customer that he does not have to pay the sales tax—this is a huge incentive. It provides us with an opportunity to expand our business and grow. There are questions regarding the workforce within the State. How are we going to draw on employees? How will we get trained individuals? A new American Institute of Maintenance (AIM) School opened in Las Vegas; I am on the Board of Advisors for the school. We would be able to hire these people directly out of school. We would draw from the people already in Nevada—people from the Rancho High School program, going through the AIM school, graduating, earning their Airframe and Powerplant licenses and working directly for the companies who are here.

This bill will provide incentive for companies in the State to be able to invest in other companies. My company is always looking to grow, invest and expand in other markets. We recently started expanding our avionics side. If you look at the cost of the components in an avionics installation, we could easily hit \$100,000 per aircraft, which means \$8,000 in sales tax, which we could abate to the customers and provide opportunities. We lose jobs because of that tax. Companies we compete with in Southern California easily can outsource the work because they can outbid us. I have seen the loss of revenue, loss of jobs

and the loss of opportunities for profits and expansion. We are competing with Idaho, Utah and Colorado for this business. You can move an airplane 500 miles in a couple of hours. This type of opportunity provides benefits to our employees, the customers and us.

Mayra Calzadilla Vieito (Senior Counsel, Gulfstream Aerospace Corporation):

We are a business manufacturer, headquartered in Savannah, Georgia. We manufacture midcabin and large-cabin aircraft. We have various price points—the biggest price point we have is \$65 million for each aircraft. Based on that, we have a savvy customer base. We have a maintenance repair facility in Las Vegas. We also have facilities in Long Beach, California. Here is an anecdote. We had a customer come in for a maintenance overhaul project—representing a significant amount of money. The customer received an invoice when the work was completed on his aircraft. The sales tax was itemized on the line item of the invoice for the repair—and on an aircraft this is very significant. The response was: my aircraft is mobile, a Gulfstream, so why would I come to Las Vegas and have to deal with the sales tax when I could go to your Long Beach facility and have the same exact work done and not have to pay the sales tax?

We are advocating for our customers. It is important to our customer base to have a sales tax exemption, especially when they can get the same service in adjacent states, specifically Long Beach, California. From my perspective, Gulfstream is in favor of S.B. 93. It is important to our customers and to our future business in this State.

When we look at a business plan with regard to expansion, jobs, investments, we always look at a 20-year business plan. From our perspective, dollars are flexible until you start pouring concrete. Once we start pouring the concrete, we need to make sure that the return we are going to get for our investment is the return we were looking for. Senate Bill 93 is important for us and our customers. We strongly urge you to pass this bill.

Assemblywoman Kirkpatrick:

We attempt to do a good thing. So far, the overarching theme has been if you do not pass this bill, we will leave the State. We need people who want to invest in our State for the long term. I hope this theme is not continued because it makes me reluctant to try to bring other industries to the State.

I want to make a point on your 20-year plan. Where do you see yourself in 20 years? I struggle putting something in place for 20 years and binding future Legislators because I do not know what the State will look like in 20 years. I am curious as to how you know where you will be in this State 20 years, hypothetically. I want to make sure that my kids can ask that question 20 years from now. How do you envision your business in 20 years?

Ms. Vieito:

We do not intend to pull out of the State of Nevada. That is not our position. We would love the opportunity to continue to expand in Nevada. This is our starting position. I am not in a position to make a commitment for the corporation. What I can tell you is that unless Nevada passes this bill, it puts Nevada at a competitive disadvantage with other locations. We certainly do our planning over 20 years. Looking at all possibilities for investment areas, it would be more attractive to us to have the opportunity to have the sales tax exemption valid in this State.

Assemblywoman Kirkpatrick:

Later, can you get me all of the other fees and taxes that you pay at your California location so that I can compare them? I would like to compare them apples to apples.

Ms. Vieito:

Yes, I will.

Mark Cunningham (Senior Director, Sundance Helicopters):

Sundance Helicopters was founded in 1995 in Las Vegas. We had one helicopter and two employees. We were the first tour company to create a flight over the Las Vegas Strip, and in 1998, we established the first relationship with the Hualapai Nation in Arizona. We created the first tour operation from Las Vegas to the Grand Canyon West Rim that has created hundreds of thousands of experiences for our Las Vegas visitors every year. It has created an entirely new industry in helicopter tourism.

Sundance is considering building a new maintenance facility—a multimillion dollar maintenance hangar at McCarran International Airport. I assure you, Assemblywoman Kirkpatrick; we just renewed our lease for the next 25 years. In order to grow and expand our maintenance facilities, we are

very keen to ensure that S.B. 93 passes. We do satisfy the requirement in the bill. We have also purchased new aircraft to revitalize our fleet and will consequently be hiring several of the highest-compensated employees, including pilots, technicians and quality assurance staff to service this equipment. All these accomplishments for Sundance Helicopter stem from our investments in this business in Nevada over the past 30 years.

The intent of this bill is to support the aviation sector in Nevada. It is intended for continued growth and is an acknowledgement of Sundance Helicopters and many of the Nevada aviation companies standing before you here today.

Senate Bill 93 is correct in addressing an area where Nevada can become more competitive to neighbors to attract and retain an aviation investment.

We have heard that both California and Idaho offer aviation tax exemptions; Arizona is considering to expand its sales tax exemption for all aircraft, parts, labor and maintenance. This is a serious concern for us. It is the work of the Governor's Office on this issue to make this an important first step—to make Nevada friendlier to the aviation industry that we support.

Sundance Helicopters is proud to be a resident in Nevada business, employing Nevadans, collaborating with dozens of local businesses—from limousine companies to catering companies. We also carry a Department of Defense contract and do quite a bit of work out in the range, assisting our UAV partners and other businesses emerging in our region. Any aviation company knows that it is an expensive business with high fixed costs. These factors must be taken into consideration when assessing the future survival and viability of any business. This bill is important since we want to expand and maintain our maintenance facilities in Nevada.

Our headquarters are in Las Vegas, but many of our team members must fly out to Arizona every day to our tour base at Grand Canyon West in Arizona. Passage of this bill will support our long-term plan to keep the majority of our maintenance facilities and services here in Nevada.

Galen Aswegan (Apex Aviation):

I am a retired entrepreneur, investor and an aircraft owner. I have been introduced to a company in the Henderson area, Apex Aviation, I will invest and

help it grow. Apex performs quite a bit of maintenance. The company is restricted to the day-to-day maintenance. This company does not bother bidding on contracts because it is not competitive. We hope this bill will allow us to expand to more than just the day-to-day maintenance.

I want to move my personal plane from southern California to Henderson. To give an example, I have to have an engine overhaul. I have two choices: repair the engines for millions of dollars or buy new engines that have already been repaired and install them for a much less cost, but the sales tax kicks in. The sales tax alone allows me to fly the plane anywhere. I helped this company expand already. Those skills are already here. The workforce is here in Nevada. We just signed 5-year leases for hangars in Henderson. I would like to build facilities, but the difference between a 10-year bill and a 20-year bill makes me think. I need more than 10 years. I support the long-term bill. It will be good for Nevada.

Bill Reynolds (Business Development Manager, Unmanned Systems Inc.):

I have my written testimony in support of S.B. 93 ([Exhibit F](#)).

Scott Lether (Drone America LLC):

Drone America is a UAV start-up business. As Dr. Tretheway said earlier, it is going to be a multibillion dollar industry. We are working with the FAA and are going to incorporate and implement any advantages to get our prototypes flying. We have partnerships with University of Nevada, Reno, Truckee Meadows Community College and University of Nevada, Las Vegas—we want to hire the graduates and keep the talents within Nevada. As our business grows, we want to grow with the State. Overall, this is an opportunity for this assembly to act on this bill.

Donna Miller (President, Life Guard International, Inc.):

I have my written testimony in support of S.B. 93 ([Exhibit G](#)).

Rae McElroy (COO, Executive Vice President, Economic Development Authority of Western Nevada):

We support S.B. 93. We are an economic organization working with existing businesses to recruit businesses from outside the area. This bill would be a way for Nevada to stay competitive and incent companies that look to expand their operations in Nevada—especially the ones providing high-paying, quality jobs.

The proposed 20-year period affords businesses the opportunity to recover their capital investments.

Reza Karamooz (President, Nevada Business Aviation Association):

Our association is comprised of 375 members who are in the aviation, aerospace and unmanned systems industries in the State. Many who testify today belong to our group. We represent a wide array of folks who are going to be affected by S.B. 93. We are here on their behalf to provide community support for this bill.

I want to share one story with you. Last March, I asked one of our members if a bill like this were passed, how it would affect his business. He said the business has a Boeing Business Jet—which is a 737 that has been reconfigured for VIPs so casinos can serve their clientele—that will fly from Las Vegas to the State of Washington for a \$2 million checkup for repairs. Not only is the revenue going out of State, but also the shop that performs the maintenance is unable to staff certified mechanics to perform the task. We have a financial duty to our shareholders and must seek maintenance repair on our aircraft elsewhere because 8.1 percent on \$2 million is a hefty amount to pay in Nevada.

If this bill passes, it would capture the business that belongs to Nevada that we are shipping out. It captures the jobs that belong to Nevadans. Senate Bill 93 is a net tax gain in the first year. How do you do a tax abatement and have a net tax gain? Nevada is not getting the business. It creates good-paying jobs, over 400 on the low side and 1,350 jobs on the high side. Conservatively, the wage would be 25 percent higher than our State average. We want these jobs.

The tax is upstream. The customer does not see a tax line item on the bill. When the plane is repaired, there is no tax line. Many local shops do not bother to bid on the large jobs because they know they will not get the jobs. As a result, these same shops do not bother to equip themselves with the tools necessary to do the job. Once S.B. 93 goes through, these businesses can make investments in buildings, facilities, equipment and personnel to accommodate the larger businesses. It is important to have the 20-year term. These major investments require a long-term commitment that cannot be paid in 10 years.

In most states where these types of exemptions and abatements were passed, legislators have renewed them or made them permanent. We are one of only a handful of states that do not provide abatements or exemptions. Our neighboring states are taking our business. This is a serious issue. These jobs belong to Nevada.

George Ross (City of North Las Vegas):

I testify on behalf of the City of North Las Vegas, which, as you have heard, has an airport and has a great deal of developable, potential industrial land. The City is in favor of S.B. 93.

Tom Hall (President, Reno-Stead Airport Association):

We look to develop Reno-Stead Airport, which is 5,300 acres of land. We would like to use this tax incentive to expand and invest in the development of a facility. I have also been the past chair of the Reno Air Racing Foundation. I handed out brochures. I would like to talk on behalf of our students.

Through the Reno Air Racing Foundation, we have created a pipeline or pathway for students who want to pursue a career in aviation and engineering, but we need the jobs to feed into. I was here 2 years ago in support of this bill and I am still in favor of it. I hope you pass S.B. 93.

John Burrue (Reno Flying Service):

I am here on behalf of American Medflight Air Ambulance and Reno Flying Service. Between our two companies, we employ 50 pilots, nurses, medics, mechanics and a small handful of administrative staff. Our pilots and nurses are making \$70,000 to \$120,000 per year as an average salary range. I am proud to say that our little company regularly flies into California and takes business away from California. I am proud of that because we are an employee-owned company, a Nevada company. We are in Nevada because we love Nevada.

I have an airplane that heads to California clients, flies clients in California and flies back to Nevada with the California revenue.

We are in favor of this bill because we want to expand our operation. We operate eight aircraft between the two companies. I would like to have ten by the end of this year. The way we compete with California companies is we utilize slightly older, slightly smaller, well-maintained airplanes that we can sell

at a slight discount compared to what California companies offer. Senate Bill 93 allows my company to reinvest the money that we are bringing from neighboring states to expand our job base, grow the number of aircraft we operate and bring more people and more jobs into the State.

Chair Roberson:

We appreciate that you are taking business away from California and bringing it into Nevada.

Paul Moradkhan (Las Vegas Metro Chamber of Commerce):

As our State's largest business organization, we support this bill. We support Lieutenant Governor Mark Hutchison and Assemblywoman Bustamante Adams in their efforts on Nevada's job creation and economic development. The Chambers of Reno and Sparks also asked me to pass along their support of S.B. 93.

Brian McAnallen (City of Las Vegas):

The City of Las Vegas supports S.B. 93. We echo Mr. Moradkhan's sentiments and appreciate your efforts in supporting this bill.

John Pfeifer (Aircraft Owners and Pilots Association):

I support S.B. 93. My territory is Arizona, California, Hawaii and Nevada. It is good to be in Carson City. We do not have any businesses in Nevada, but we do have 4,000 members in Nevada, many of whom own small and large businesses and would benefit by this bill.

Ben Griffith (Capitol Partners):

I represent the Northern Nevada Development Authority. Briefly, we meet the aerospace basic requirements. The passage of S.B. 93 would have a positive statewide impact. The median household income will increase because of this bill. The Sierra region has over 60 aerospace manufacturers already, and the passing of S.B. 93 will make it easier, with all the airports around, to move the customers closer to the manufacturers. This also provides our business development professionals with a key tool as opposed to the big gap in competitiveness advantage we have now.

Shannon Hogan (NAIOP Northern Nevada):

We support S.B. 93 because of the economic benefits it brings to Nevada.

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David Cherry (City of Henderson):

I express Henderson's support for this piece of legislation. We have submitted a letter from Mayor Andy Hafen ([Exhibit H](#)) in support of S.B. 93.

Chair Roberson:

Mr. Hill will come up for a few words.

Mr. Hill:

I want to thank all of you for your willingness to hold this hearing in a joint fashion. It is important and has allowed all the participants to be here at one time. I want to thank everyone who has worked on this issue for the past 3 years. I hope the testimony exhibited the importance. I hope you consider this bill favorably.

Chair Roberson:

We are closing the hearing on S.B. 93 and open the hearing on A.B. 161.

Assemblywoman Bustamante Adams:

As I testified earlier on the previous bill, S.B. 93, I was the cochair of the Subcommittee on Economic Development for the Southern Nevada Forum. If you read the bills, you will notice there is identical language in both S.B. 93 and A.B. 161, with one difference. If you look at page 3, lines 42 and 43 of A.B. 161, it states the approval of the abatement for an applicant for a period of no more than 10 years. During the meeting we held in Southern Nevada, we went through the provisions line by line, and we were in unanimous agreement on all the provisions except for this one. We were evenly split. Some said keep it at 10 years, some suggested no cap at all and some recommended that we make it 20 years. That is the only difference in the bills. My suggestion is that we keep it at 10 years and this is why. Regarding S.B. 385 of the 77th Session, Mr. Chair, you had introduced the same bill with a threshold at 10 years. We thought it was a good policy then, and we still believe so.

As for the requirements of the new capital investment, \$250,000 is low compared to some of the other abatements we have done for other entities. Therefore, the cap should reflect the same. The threshold does not keep the industry from reapplying in another 10 years. The business can come back; the business has proven there is a return on investment and it has delivered on its promises. It also does not prevent the business from coming back the next

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session in 2 years, if 10 is too long. Yes, this is a great investment for Nevada, we are going to go ahead and move it to 20.

Lastly, 10 years is a reasonable time of accountability for taxpayers to evaluate the return. In closing, that is the difference between the two bills. My recommendation is that we keep the threshold at 10 years.

Assemblywoman Kirkpatrick:

I want to clarify that you meant for 10 years. Is that correct?

Assemblywoman Bustamante Adams:

That is correct. Ten years is the recommended threshold.

Senator Ford:

I have a question for Mr. Hill on the time frame. What is your response and what is the reason for 20 years? I heard some of the testimony in support, but I would like your testimony as GOED director.

Mr. Hill:

You have heard testimony from members in the industry. In Nevada's competitive situation, surrounding states do not require a time limit on the benefits of the tax situation. Limiting that in Nevada makes it more difficult for companies to make the decision to come here, particularly when they are investing money in the hard assets that are difficult to move. So in addition to the competitive aspect, in order to achieve all of the benefits in terms of employment and great jobs, 20 years is appropriate.

Senator Ford:

Last Session, the bill was for 10 years. If you are increasing it to 20 at this juncture and that is your recommendation, why not have an increase for the requirements of investment and things of that sort?

Mr. Hill:

We attempt to create a great business environment in this State for all companies so they can grow. The beginning of the process was in last Session, an exemption. That exemption would have existed for all companies. The companies would not have had to create jobs or make investments or anything on that checklist. If possible, that would have been the best policy. This bill is

an attempt to get as close as we can in order to provide that opportunity for all Nevada businesses.

Senator Ford:

Senator Spearman read a study, and in view of the testimony of what we just heard, including your reporting requirements to demonstrate the growth and the advantages in terms of number of people employed, the amount of revenue we have raised in this State over the course of this 20-year period with checkbacks with the Legislature ...

Mr. Hill:

We have a reporting requirement for all abatements for the length of time they exist. We will be reporting on each one of the abatement applications that are approved.

Assemblywoman Kirkpatrick:

This might not be fair, but it is a true question. I just hope that there is one bill that everyone can agree on. Your office seems to be getting the credit. Assemblywoman Bustamante Adams put in the most work on this bill, and I do not want that to be lost.

We make a tax expenditure report so that we can go back and evaluate things that work for our State as a whole. We are focused on our State. Contrary to what people say in the next 2 years, people are going to have their 20-year plan together. You will not have the regulations together until the fall. My concern is future legislation. What if only a few businesses participate—people look at the numbers, not the history—and future Legislators decide to get rid of this? What would you do then? Maybe we should split it down the middle at 15 years and reevaluate it 2 years from now to determine if this industry expands within our State. I would like 20 years, but wonder if future Legislators will decide to get rid of it.

Mr. Hill:

Based on the testimony today, we have at least three commitments to move this bill forward. I hope and trust that the next Session's Legislators will not do that, but it would be their prerogative. We will have contracted with those companies that will have made a commitment between now and the next Legislative Session. That contract would remain in place, even if the policy

moving forward did not. There will be an opportunity to review it during the next Session. If it needs adjustment, this Body could do that. It would not disadvantage businesses that had worked through the process with us during the period between now and then.

Assemblywoman Kirkpatrick:

It is important for future Legislatures to be able to come back and revisit it. It grandfathers whomever might have participated and have been approved, right? Thank you.

Mr. Hill:

Yes.

Assemblyman Armstrong:

I wrestle between the 10- and 20-year difference from a policy standpoint. It seems to me that businesses could apply for 10 years, and after that they could apply for another 10 years. This expires in 2035. These businesses would then be considered as existing businesses and would have to meet the qualifying criteria as such. In a 20-year plan, they would be forecasting for growth. Would it be a better policy after 10 years to have these businesses recommit to the State?

Mr. Hill:

The level of significant investment is certainly based on the size of the company when it starts. A base of \$250,000 investment for a smaller startup company is a significant start. We have also heard of potential companies with \$25 million investments. With a 20-year certainty rather than a 10-year period, the investments, real property and buildings are a significant aspect to their investments. Companies have the ability to return and reapply under an expansion component, but that does not make that investment decision as smooth as it would be if it were a 20-year period. From a competitive standpoint, Nevada's surrounding states do not require companies to do anything like that. The benefits are available to companies without requiring any of those steps.

Assemblyman Armstrong:

Obviously, if these companies can do a 20-year plan, then at the 10-year point, they can plan on the additional factor to be considered when initially making

that investment. Thinking of Senator Kieckhefer's point as to whether the business just has a patent, then it is not real property or any other expansion. If the company has the patent, then all it needs is three new employees.

Mr. Hill:

That is right. Rather than repeat the answer, I will add one thing. Given the decisions that have been made in the past, this particular tax situation for this particular industry is a real difference maker. The idea that the policy could change in that period after they have made the commitment is a big deal. These businesses are committing now to move to other states. The reliance on that kind of difference in the time frame is more important.

Senator Spearman:

With respect to my colleague, Senator Ford, what about incremental reporting? I know in most businesses, although they mimic a 5-, 10-, even a 20-year plan, they are milestone steps.

I am over the moon that people want to come to Nevada. This is part of our long-term diversification. It would be less than judicious and rather irresponsible of this Body not to balance what we have to do to attract businesses with the impact that it has on our citizenry.

Mr. Hill:

Yes, we will be auditing on an incremental basis, and we are required to report on the results of those audits along the way. We will not wait for 20 years to see how things turned out.

Senator Spearman:

Who are "we"? Who does the auditing? Is that simply the State? Are there any provisions for some type of cohort auditing that the State would do and then provide some type of oversight with respect to the figures that the businesses produce so that we have some kind of accountability? We should have some collaborative accountability in place as we talk about developing these policy infrastructures.

Mr. Hill:

The audits are performed by the Department of Taxation. The company provides information, and the Department of Taxation audits that information and reports that information to GOED. Then we put the report out.

Senator Spearman:

I am looking for a way that we can say succinctly, positively and without a doubt to the taxpayers who will be footing this bill: these were the promises, these are the results and this is how we know why. If there are checks and balances in place that ensure what the State believes has happened and the corporations believe has happened has indeed happened—then we can report in an accurate fashion—to the citizens who have footed the bill. Does that make sense?

Mr. Hill:

I think it does. It is not a process that we have in place, but we can talk about it.

Senator Spearman:

I think there are several studies that have said one of the reasons we do not have the information that we need when we consider these types of policy adjustments for recruiting businesses is because there has not been reciprocity in how that is accounted for either on the state or the corporate level.

My second question also deals with reciprocity. As Assemblywoman Kirkpatrick said, it almost sounded like a threat. Do this or we will not bring business to Nevada. As much as I want businesses to relocate to Nevada, and the aviation industry will probably be one of the leading industries with respect to economic growth in this Country, I am concerned that we have not only an articulated commitment but also one indeed that says we are going to be here for the long haul.

Some people said that we have such a great business tax structure, but we all know that it is not just the tax structure that allows people to consider Nevada. In light of the realities that we face now—not 20 years from now, but currently—with respect to some of the quality-of-life indicators: education, quality of life for our seniors, all of the things that we are facing right now in this Legislative Session, we have to have some type of expectation for the

return on investment. If it was just the tax structure, we would be the heaviest state in the nation. We know that it is not just that.

As companies consider Nevada, I am happy to consider abatements and other policy issues that would give businesses incentives to come to Nevada. I also know that with more people, we will require more services, and that also means we have to have some type of formal commitment to be in it for the long haul. For me, I am not interested in dating; I want us to get married.

Mr. Hill:

I agree with you. Often we talk about having a great business environment in Nevada. Generally, I think we have a great business environment. In this particular situation for a very attractive industry that produces high quality jobs and offers opportunity for Nevadans, we have had a bad business environment. All we are attempting to do with this bill is to come close to leveling the industry playing field for Nevada.

I was in business for a long time before I took this job, and I know of no business that does not intend to be there for the long haul. These incentives are to attract businesses to come back to Nevada and not to come for a short period. Businesses are going to want to be here for the long haul. It works for some, not for all. This bill requires that businesses stay and make it, not just choose to stay and be successful for 5 years or any of the benefit from this legislation is recaptured from them.

Senator Spearman:

I have heard a lot about the surrounding states and how amenable their tax structures are to this particular industry. In comparison with what their policies are now and what ours are now, we should take into account what the business climate should be 20 years hence. I look back to what their policies were 20 years ago and how stable their policies are now to see if there is a likelihood that the policy might change. When I cited the report from February 12, when one state makes an abatement to recruit an industry then usually the surrounding states do something similar and this sets up a bidding war. I want to know where they were 20 years ago and where they might be 20 years hence.

I am anxious to pursue economic diversification but know that we have a fiduciary responsibility to the people who sent us here to protect their business and economic interests.

Mr. Hill:

I do not know what the business environment was in the surrounding states 20 years prior to this. I do know that you are right that states have recognized the value of this particular industry and have adjusted their policies to attract the business. From that standpoint, it has been a better business environment, particularly throughout the West. I refer to Dr. Tretheway. He said that other states have already acted and Nevada has not. There is an exemption for sales tax for all the states around us. There is a full or partial exemption for the personal property tax and for registration fees in all the states around us. There is not a next step available for states around us; Nevada needs to be competitive with them. A reaction that we cause by the action contemplated here is not at all likely given that the surrounding states already have these policies in place.

Senator Hardy:

The businesses need a comfort level in consistency and predictability before they make an investment. It is easy to buy a car in the 3- to 5-year loan category, but when you start putting real estate down or start pouring concrete, that is when you need a 30-year loan on a home. We are giving these businesses an opportunity to do a 20-year loan rather than a 10-year loan. It is attractive as far as brick and mortar is concerned. Are we going to have a good neighbor? We would like a good neighbor for 20 years, not just 5 or 10 years. We want the area to be uplifted. In 2 years if this is reversed, it does not mean that we are reversing the contracts that we have been good for. The State is good for its contracts and for the businesses that buy into this. In 2 years, Legislators can come in and do whatever they want to the people who are in the future, but not to the people who are in our year. This 2-year window is crucial so that the businesses can get on the ground now so that they can be here for 20 years. I see this as a quick opportunity that is going to happen in the next 2 years. People will say, we should get in on the good deal and we should get in on it now.

We have somewhat of an anvil in 2 years to wait to see what is going to happen. I invite all you companies to come in the next 2 years because we will sign the contract and be good for it.

Assemblywoman Kirkpatrick:

Sorry to belabor this point, but Mr. Hill, you sell us short sometimes. Nevada has a good auditing process in place and we have standard clawback provisions. You can go to the tax expenditure report and to the economic development Website and see specifically what those clawback provisions are. We receive a quarterly report so that we know what people are doing and things that come before us—whether it be the catalyst fund or the abatements. I do not want people to think that we do not have a very tight mechanism to go back and revisit this and truly see what it is.

I always speak on your behalf. I have worked too hard for five sessions to make sure we put this in place. I do not want to see it lost considering everyone here today who are in support of S.B. 93 and not support 90 percent of this bill, disagreeing on one line. That is the legislative process, right? I hope that the Governor's Office also supports this bill with the exception of the time frame and we can work that out later.

Mr. Hill:

Right. The work that this Body has done over the past several sessions has improved all the aspects—incentives and abatements being performance-based with accountability and transparency, and good information, not just transparent information, but good information. You can see positive results of the clawback efforts. I was skeptical that that would actually happen at first.

Chair Roberson:

We have heard two bills today with only one difference between the two. We discussed S.B. 93 and have had plenty of people testify in support of S.B. 93. I would like to hear from anyone in support of the 10-year period, which is A.B. 161 versus the 20-year period, which is in S.B. 93. Anyone neutral or opposed to the 10-year provision? Any final comments?

Assemblywoman Bustamante Adams:

I understand the aerospace industry is one of our best assets, and we want to make the investment in an area in which we excel. We have done the research

to say that this is one of them. It is an investment; these are existing businesses, they want to grow. I support that and represent the recommendations from the Economic Development Subcommittee in the Southern Nevada Forum. It was just that one point about the return on our investment and that there is accountability in the process.

Assemblywoman Kirkpatrick:

I want to point out that I think it is unfair that no one came forward in support of any part of Assemblywoman Bustamante Adam's A.B. 161.

Chair Roberson:

Just to be clear, I do not think that is what I asked them.

Assemblywoman Kirkpatrick:

I want it clear because a lot of hard work has gone into both bills, and they should be equally recognized. They are similar with just that one difference.

Chair Roberson:

I agree. The way I asked the question—we could have all who testified come up again who we know support AB. 161 other than possibly the change in the time period for the abatement. I believe I am correct in assuming everyone in this room who testified in support of S.B. 93 also supports the same provisions that are in A.B. 161. We all appreciate the hard work you have done on this bill, Assemblywoman Bustamante Adams.

Senator Spearman:

I piggyback what Assemblywoman Kirkpatrick said. I support your plan because that is what I was getting at—if we have a tight period in terms of evaluating instead of a protracted one and whether we do or do not have a plan in place with the proper accountability and transparency. Sometimes you ask a question because you do not know the answer. Sometimes you ask a question when you do know the answer, but you ask it because you know that others need to know the answer too but will not ask the question.

Chair Roberson:

I close the hearing on A.B. 161.

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Chair Roberson:

The joint meeting is adjourned at 7:11 p.m.

RESPECTFULLY SUBMITTED:

Jennifer Pearce,
Committee Secretary

APPROVED BY:

Senator Michael Roberson, Chair

DATE: _____

Assemblyman Derek Armstrong, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit		Witness or Agency	Description
	A	1		Agenda
	B	6		Attendance Roster
S.B. 93	C	20	Reno-Tahoe Airport Authority	Estimated Effects of a Partial Tax Abatement on the Aviation Industry in Nevada
	D	2	Senator Pat Spearman	A Quantitative Analysis of Subsidy Competition in the U.S.
S.B. 93	E	3	Ed Mirzakhanian	Written Testimony
S.B. 93	F	2	Bill Reynolds	Written Testimony
S.B. 93	G	2	Donna Miller	Written Testimony
S.B. 93	H	1	Andy Hafen	Letter