

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

**Seventy-Eighth Session
March 12, 2015**

The Senate Committee on Revenue and Economic Development was called to order by Chair Michael Roberson at 3:37 p.m. on Thursday, March 12, 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.

COMMITTEE MEMBERS PRESENT:

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

GUEST LEGISLATORS PRESENT:

Senator David R. Parks, Senatorial District No. 7

STAFF MEMBERS PRESENT:

Russell Guindon, Principal Deputy Fiscal Analyst
Joe Reel, Deputy Fiscal Analyst
Tony Rivano, Committee Secretary

OTHERS PRESENT:

Joan Rutledge, Executive Director, Division of Workforce and Economic Development, College of Southern Nevada,
Ken Evans, President, Urban Chamber of Commerce
Brian McAnallen, City of Las Vegas

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Chair Roberson:

We will begin the work session for Senate Bill (S.B.) 95 sponsored by Senator David Parks. A work session document ([Exhibit C](#)) has been prepared.

SENATE BILL 95: Revises provisions governing the publication of property tax rolls. (BDR 32-630)

Senator David R. Parks (Senatorial District No. 7):

Senate Bill 95 was presented to the Committee on Tuesday, March 10. There were questions and opposition to the bill, and I want to express several factors. There was a proposed amendment from the Nevada Press Association.

The first factor concerns record retention. *Nevada Revised Statute* (NRS) 378.240 requires records be submitted and placed in archives. I do not believe this is a valid claim in support of the publication of the poll tax rolls.

Secondly, I submitted excerpts of NRS 361.4545 ([Exhibit D](#)) and NRS 361.480 ([Exhibit E](#)), which fall under the purview of S.B. 95. These sections deal with required notices to taxpayers. These NRS sections outline when the State's ex-officio tax receivers shall cause the publications of notices for property taxes and informational notices regarding tentative budgets and tax rates. While I am not opposed to an annual simple single notification, I think that the Nevada Press Association's proposal would be a belt-and-suspenders approach to this issue since existing legislation provides adequate notification.

Senate Bill 95 as submitted to you is quite adequate for both transparency and completeness.

Senator Hardy:

You do not recommend the proposed amendment to S.B. 95?

Senator Parks:

That is correct.

Chair Roberson:

I will entertain a motion for approval.

SENATOR FORD MOVED TO DO PASS S.B. 95.

SENATOR SPEARMAN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Chair Roberson:

We will end the work session on S.B. 95 and we will hear S.B. 182.

SENATE BILL 182: Directs the Office of Economic Development to create a pilot program to encourage the growth of existing businesses in this State. (BDR S-867)

Senator Pat Spearman (Senatorial District No. 1):

Senate Bill 182 directs the Governor's Office of Economic Development (GOED) to create a pilot program to encourage the growth of existing businesses in Nevada. Nevada's economy has begun to recover from the Great Recession, and small business development is a key factor to employment recovery. Business owners throughout Nevada are searching for financial support, training and technical assistance.

The pilot program will ensure that Nevada's hard-working business owners, including veterans and military families, have a shot at economic success.

The purpose of the bill's pilot program is to stimulate investment in Nevada's economy by providing technical assistance for businesses that are expanding or are ready to expand.

Section 2, subsection 1 of the bill requires the GOED, in consultation with the Nevada System of Higher Education (NSHE) and other interested parties, to develop, create and oversee a pilot program geared toward providing assistance to businesses already located and operating in the State.

The pilot program will be a collaborative effort, using educational resources and other interested parties to stimulate Nevada's economy in southern and northern Nevada.

As outlined in section 2, subsection 2, paragraph (a), the College of Southern Nevada must mentor and track Clark County businesses participating in the pilot program in cooperation with the geographic information system specialist employed by the College. The Clark County Department of Business License shall coordinate with the College to provide necessary data for the operation of the pilot program. Similarly, section 2, subsection 2, paragraph (b) requires the Nevada Small Business Development Center to mentor and track Washoe County businesses participating in the pilot program. The Bureau of Business and Economic Research of the University of Nevada, Reno (UNR), will coordinate with the Development Center to provide essential data necessary to operate the pilot program.

As outlined in section 2, subsection 3, NSHE centers will provide important services to help carry out the pilot program, including the following paragraphs: (a) An analysis of Nevada businesses that are ready to expand; (b) The identification of skilled labor that exists in Nevada and its potential growth; (c) The targeting of business sectors and occupations that have demonstrated the ability to grow and stimulate our State's economy; (d) A focus on utilizing existing resources; (e) Harnessing the centers' academic expertise to provide economic and market data to contribute to the diversification and growth of the economy; (f) The mapping of Nevada areas to determine locations in which retail sales and other commerce are flourishing and locations in which they have the capacity for further growth; and (g) The selection of businesses and business sectors to participate in the pilot program.

Section 2, subsection 5, states the pilot program's goal is to select ten businesses, five each representing Clark County and Washoe County, to participate in the pilot program.

Section 2, subsection 6, outlines the requirements a business must meet to qualify for the pilot program: have its principal place of business within Nevada; have been in Nevada for at least 2 years; generate at least \$100,000 but not more than \$700,000 in revenue; and have a business plan.

Section 3 requires NSHE to provide services, such as, analyzing data; mentoring the businesses; making optimum business decisions based on data; and tracking the business decisions and growth of each business over the entire period of the pilot program.

Section 5 provides a \$300,000 appropriation from the State General Fund to NSHE to allow the Centers to participate in the pilot program.

Section 6 requires that any money not spent after September 20, 2019, must revert to the State General Fund.

Section 7 provides that the pilot program will begin operating no later than January 1, 2016.

I have taken great pains to make sure that this pilot program is available in both northern and southern Nevada. When it comes to economic development, the State must work together and there cannot be a north-south divide.

Senator Hardy:

What does the business get for participating in the pilot program?

Senator Spearman:

Most small businesses usually fail between 3 and 5 years, and many of these businesses try to operate on their own without assistance. The pilot program allows these businesses access to businesses that have succeeded and experts who understand how to succeed. The business receives hands-on mentoring to help them grow.

Senator Kieckhefer:

Have you worked with the Nevada Small Business Development Center? I believe that the Center has the mapping infrastructure in place and the people who know how to use it. Assisting private sector businesses is a customary practice for the Center. The appropriation in the bill specifically helps small businesses acquire the necessary IT infrastructure, but they already have this.

Senator Spearman:

Some aspects of this bill already exist; however, it is prudent for us to highlight the business centers in our universities. Senate Bill No. 309 of the 77th Session encourages chambers of commerce and NSHE to work together in developing business opportunities. This bill is an extension of S.B. No. 309 of the 77th Session and will encourage the type of synergy that exists between NSHE and Tesla. Many of Nevada's small businesses require the help and mentoring this bill will provide. This bill is not redundant, nor will it supplant existing programs—it is an effort to complement existing programs.

Senator Kieckhefer:

Four years ago, when Senator Kihuen chaired the Senate Select Committee on Revenue and Economic Development, we passed legislation requiring the county assessors to transmit mapping data, based on a parcel basis, to NSHE that was then delivered to the Nevada Small Business Development Center for this purpose. I agree with the process.

Joan Rutledge (Executive Director, Division of Workforce and Economic Development, College of Southern Nevada):

I support S.B. 182. The pilot program outlined in S.B. 182 is a terrific project for the College of Southern Nevada's Division of Workforce and Economic Development. The pilot program falls within our mission and the mission of our new Nevada Workforce Development Center to bring education and workforce development together and to advance economic development. Our goal is to provide training and assistance to current businesses and to ensure their future economic health.

The College of Southern Nevada and the Division are well-positioned to conduct this pilot program. Specifically, we have access to the economic modeling system and incorporated software, including a comprehensive labor market and analysis tool used by the Department of Employment, Training and Rehabilitation and its Research and Analysis Bureau. The software can be used in conjunction with other software and mapping software to provide real-time labor market information.

The Division also provides work readiness skill assessments for southern Nevada businesses and employers and has access to a national ACT career readiness database. The database can be used for analyzing and documenting skill sets for high-demand jobs in our industry sectors. The College has representation at the dean level or above on all of our industry sector councils. Industry intelligence and economic information gathered by these councils will be critical to the pilot program.

The Division's business services coordinator manages the Nevada Workforce Development Center located on our Cheyenne campus in North Las Vegas. The business services coordinator has established working relationships with businesses throughout southern Nevada, local chambers of commerce and economic development organizations. The Division has several customized

training contracts designed to upgrade employee skills and improve business competitiveness that can be used as models for the pilot program.

The College of Southern Nevada looks forward to working with GOED, UNR and the other partners named in the proposed bill to provide ongoing technical assistance to Nevada businesses.

Senator Hardy:

What advantages does this bill have over the programs the Division has in place?

Ms. Rutledge:

The Division has the economic software; however, we require support to perform annual renewals and for the economic software that covers the pilot program period. We also request support for a data analyst to work with the Division's business services coordinator.

Senator Hardy:

Do you have a cost estimate for the data analyst?

Ms. Rutledge:

The Division would be able to engage a data analyst for half of the \$300,000 outlined in section 5, line 36 of S.B. 182, or \$150,000.

Ken Evans (President, Urban Chamber of Commerce):

I support S.B. 182 because the majority of the Urban Chamber of Commerce members are small businesses, specifically small businesses that would benefit from a program and project of this type. As Senator Spearman explained, a critical time frame for many of our business owners is in the 3- to-5-year period. The Chamber would like to work with the pilot program since we have members that will make good participants. The Chamber has a business incubator and development center to serve as a platform for pilot program participation, which can be shared with other partners. The Chamber can provide the assistance, mentoring and an overall platform for small businesses to grow.

The Chamber's ultimate hope is to work beyond the initial pilot program by continuing to provide assistance to the State's existing businesses that are seeking to or ready to expand—this will help the entire State from an economic development standpoint.

Brian McAnallen (City of Las Vegas):

The City of Las Vegas Economic Development Department supports S.B. 182. A successful pilot program will help coordinate existing resources and aid businesses. The City of Las Vegas is encouraged that the bill calls for tighter coordination between education and workforce development by identifying the State's existing skilled labor needed for potential growth. Retention and expansion of businesses have always been a challenge for the State.

Senator Spearman:

Military veterans who start a business require the assistance provided by this bill. Given Nellis Air Force Base's location in southern Nevada, the State has a responsibility to focus on helping veterans in addition to nonmilitary State business owners. The intent of this bill is to help existing Nevada businesses that are struggling.

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Chair Roberson:

The hearing on S.B. 152 is closed and the meeting is adjourned at 4:01 p.m.

RESPECTFULLY SUBMITTED:

Tony Rivano,
Committee Secretary

APPROVED BY:

Senator Michael Roberson, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit		Witness or Agency	Description
	A	1		Agenda
	B	3		Attendance Roster
S.B. 95	C	6	Joe Reel	Work Session Document
S.B. 95	D	1	Senator David R. Parks	NRS 361.4545 Publication of informational notices regarding tentative budgets and tax rates.
S.B. 95	E	1	Senator David R. Parks	NRS 361.480 Notice to taxpayers; individual tax bills.