

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

**Seventy-Eighth Session
April 10, 2015**

The Senate Committee on Revenue and Economic Development was called to order by Chair Michael Roberson at 4:35 p.m. on Friday, April 10, 2015, in Room 1214 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4404B 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

STAFF MEMBERS PRESENT:

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

Chair Roberson:

We will have a work session on six bills.

SENATE BILL 323: Establishes a program to provide loans to certain small businesses owned by minorities and women. (BDR 18-956)

Joe Reel (Deputy Fiscal Analyst):

I have provided work session documents. Senate Bill (S.B.) 323 ([Exhibit C](#)) establishes a program to provide loans to certain small businesses owned by minorities and women. This bill is authored by Senator Aaron D. Ford and was heard in the Senate Committee on Revenue and Economic Development on

April 9. Senate Bill 323 requires the Governor's Office of Economic Development (GOED) in consultation with the Director of the Department of Business and Industry to develop and carry into effect a program wherein certain disadvantaged small business enterprises owned by minorities or women may obtain loans to finance the expansion of their businesses in this State.

The bill defines a disadvantaged small business enterprise as a small business in this State of which at least 51 percent is owned by a natural person who is a woman or a member of a racial or ethnic minority. In addition, management and daily business operations are controlled by one or more natural persons who are women or members of a racial or ethnic minority. A small business is defined as a business whose gross receipts do not exceed \$1 million for the year immediately preceding the date of an application.

The Governor's Office of Economic Development is required to develop the procedures to apply for the loan, and the procedures must include a requirement for the application to contain information about the applicant's business and the planned use for the loan.

The GOED must approve the loan if the business satisfies certain criteria and the loan will enable the business to acquire capital equipment necessary to enable their business to expand and hire additional employees.

If the GOED approves the loan, the loan must be made on such terms as GOED finds to be in the best interest of the State. The Director of the Department of Business and Industry must fund the loan with the proceeds of revenue bonds in an amount not to exceed \$10 million issued pursuant to the bill.

The bill authorizes the Director to issue or request the issuance of revenue bonds in the manner provided by the State Securities Law, and the proceeds of these revenue bonds must be used to pay for the cost of the program.

The primary testimony on the bill was brought forward by Senator Aaron D. Ford. Additional testimony in support was provided by members from the Urban Chamber of Commerce, R&R Partners and the Las Vegas Metro Chamber of Commerce. There was no testimony in opposition or neutral. There were no amendments.

Chair Roberson:

I will entertain a motion.

SENATOR HARDY MOVED TO DO PASS S.B. 323.

SENATOR KIHUEN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Senator Aaron D. Ford (Senatorial District No. 11):

Thank you for considering this bill. I received an email from the Kenny C. Guinn Center for Policy Priorities that detailed more information to share. Across the Intermountain West, women or minorities own businesses or a small percentage of businesses that have less access to capital and business loans. This supports what we are talking about here and what we are trying to do. We want to support and grow locally owned businesses. I appreciate your support for that and commend the Guinn Report to you for your consideration.

Chair Roberson:

The next bill is S.B. 381 ([Exhibit D](#)). This is Senator Ford's bill.

SENATE BILL 381: Creates the Nevada Task Force on Financial Security. (BDR S-1037)

Mr. Reel:

Senate Bill 381 creates the Nevada Task Force on Financial Security. Brought forward by Senator Ford and Assemblywoman Irene Bustamante Adams and heard in the Senate Committee on Revenue and Economic Development on April 7, this bill creates the Nevada Task Force on Financial Security and consists of five voting members to conduct a comprehensive examination during the 2015-2016 interim of the financial security of individuals and families in Nevada, including their opportunities to build assets and reduce debt.

The bill sets forth the membership of the task force, which includes the Minority Leader of the Senate or a designee, the Majority Leader of the Assembly or a designee and two members appointed by the Minority Leader of the Senate to

meet certain criteria as set forth in the bill. In addition, one member appointed by the Majority Leader of the Assembly also has criteria set forth in the bill.

The bill sets forth certain required information that must be included in the study and specifies the cost of the task force is paid from gifts, grants and donations received by the task force.

The task force is required to submit a report of its findings and recommendations to the Legislative Counsel Bureau on or before September 1, 2016.

The testimony was brought forward by Senator Ford and Assemblywoman Bustamante Adams. Additional testimony in support is listed in the work session document. There was no testimony in opposition or neutral to the bill, and there are no amendments.

Chair Roberson:

I will entertain a motion:

SENATOR SPEARMAN MOVED TO DO PASS S.B. 381.

SENATOR KIHUEN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Chair Roberson:

We will have a work session on S.B. 411.

SENATE BILL 411: Allows the imposition of additional statutory taxes in a county to fund capital projects of the school district based on the recommendations of a Public Schools Overcrowding and Repair Needs Committee and voter approval. (BDR S-140)

Mr. Reel:

Senate Bill 411 ([Exhibit E](#)) allows the imposition of additional statutory taxes and accounting to fund capital projects at a school district based on the recommendations of a public schools overcrowding and repair needs committee

and voter approval. This was brought forward by Senator Debbie Smith and heard in the Senate Committee on Revenue and Economic Development on April 9.

This bill authorizes the board of trustees of a school district to establish by resolution a public schools overcrowding and repair needs committee to recommend the imposition of one or more statutory taxes for consideration by the voters of the 2016 general election to fund capital projects of the school district. The bill further requires that if such a committee is established and submits its recommendation to the board of county commissioners by April 2, 2016, the board of county commissioners is required to submit a question to the voters at the November 8, 2016, general election asking whether any of the statutory tax or taxes recommended by the committee should be imposed on the county.

If a majority of the voters approve the question, the board of county commissioners is required to adopt an ordinance imposing the approved statutory tax or taxes. The proceeds resulting from the imposition of the taxes must be deposited in the fund for capital projects for the school district.

The provisions of the bill authorizing the board of trustees of a school district to establish such a public schools overcrowding and repair needs committee expire by limitation on April 2, 2016.

The testimony was brought forward by Senator Ford on behalf of Senator Smith. Additional testimony in support was provided by the Truckee Meadows Regional Planning Agency, Economic Development Authority of Western Nevada, the Washoe County School District, The Chamber, Building Construction Trades Council of Northern Nevada, Nevada Association of Realtors, Retail Association of Nevada and Washoe County. Additional neutral testimony is listed in the work session document. There was no testimony in opposition.

Senator Kieckhefer expressed concerns regarding the committee membership: specifically, the appointment of representatives of the business community. Subsequent to the hearing, the Legal Division and Committee staff worked with Senator Kieckhefer and Senator Smith. Proposed Amendment 6418 to S.B. 411 is submitted for consideration in [Exhibit E](#). The amendment changes paragraph (l) of subsection 1 of section 1 to revise the way the appointments are made in each county with respect to members who represent economic development, the

gaming industry, business and commercial interests other than the gaming industry, and home builders.

Instead of these appointments being made exclusively by the board of trustees pursuant to the bill as introduced, the amendment would provide for those appointments to be made as follows: one member who represents economic development in the county would be appointed by the regional development authority as defined in *Nevada Revised Statutes* (NRS) 231.009 for that county; one member who represents gaming would be appointed by the gaming association with the largest membership in the county, or if there are no members of a gaming association in the county, then the board of trustees would make the appointment; one member who represents business or commercial interests other than gaming would be appointed by the local chamber of commerce with the largest membership in the county, or if there is not a local chamber, then the board of trustees would make that appointment; a member representing the home builders in the county would be appointed by the association of home builders with the largest membership in the county, or if there are no members of an association of home builders, then the board of trustees would make that appointment.

Chair Roberson:

I will entertain a motion.

SENATOR KIECKHEFER MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 411.

SENATOR SPEARMAN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Chair Roberson:

Next is S.B. 412.

SENATE BILL 412: Provides for a credit against taxes imposed on certain employers that make a matching contribution to certain college savings plans. (BDR 32-1033)

Mr. Reel:

Senate Bill 412 ([Exhibit F](#)) provides for a credit against taxes imposed on certain employers that make a matching contribution to certain college saving plans. This bill is sponsored by Senator Becky Harris and Senator Mark Lipparelli. This bill was heard in the Senate Committee on Revenue and Economic Development on April 3.

Senate Bill 412 provides a tax credit against the Modified Business Tax to an employer who matches the contribution of an employee to the Nevada College Saving Program and is effective January 1, 2016, or the Nevada Higher Education Prepaid Tuition Program and is effective July 1, 2016. The tax credit is an amount equal to 25 percent of the matching contribution, not to exceed \$500 for each contributing employee each year. Any unused credits may be carried forward for 5 years. The testimony on the bill was brought forward by Senator Becky Harris and Grant Hewitt and Linda English from the Treasurer's Office. There is additional testimony in support of this bill in the work session document. There is not any testimony in opposition or neutral. There are no amendments.

Chair Roberson:

Is there a motion to do pass on S.B. 412?

SENATOR KIECKHEFER MOVED TO DO PASS S.B. 412.

SENATOR HARDY SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Chair Roberson:

Next on the work session is S.B. 507.

SENATE BILL 507: Revises provisions relating to economic development.
(BDR 18-1204)

Mr. Reel:

Senate Bill 507 ([Exhibit G](#)) revises provisions relating to economic development. This bill was brought forward on behalf of the Department of Administration and GOED. This bill was heard in the Senate Committee on Revenue and Economic Development on April 9.

Senate Bill 507 authorizes the Board of Economic Development and the Executive Director of the Office of Economic Development to approve and issue transferable tax credits to new or expanding businesses in Nevada to promote the economic development in this State. The businesses that intend to locate or expand in Nevada may apply to GOED for transferable tax credits in accordance with the procedures established by the Executive Director in consultation with the Board. The application may be approved if the Board or the Executive Director under those circumstances determines that the approval of the application will promote the economic development of this State and aid in the implementation of the State Plan for Economic Development and the business satisfies the criteria established by the Executive Director for the transferable tax credits.

The Board and Executive Director may not approve applications for transferable tax credits that exceed \$500,000 for fiscal year (FY) 2016, \$2 million for FY 2017 and \$5 million for each fiscal year thereafter. The bill expands the Executive Director's annual report to the Governor and the Legislative Branch on the Catalyst Account to include information regarding the issuance of transferable tax credits to new or expanding businesses.

The bill revises the existing provisions governing economic development to account for the new provisions regarding issuance of the transferable tax credits and clarifies that the existing provisions governing grants or loans from the Catalyst Account are consistent with the new provisions regarding the issuance of tax credits.

The bill also permits a county or an incorporated city whose application for a grant or a loan from the Catalyst Account was approved before the effective date of the bill to surrender the grant or loan, or any part thereof, in exchange for the issuance of the tax credits upon such terms and conditions as agreed to by the Director and the parties on the contracts.

Primary testimony in support of S.B. 507 was provided by Steve Hill, GOED Director. Additional testimony in support of the bill was provided by the

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Las Vegas Metro Chamber of Commerce. There was no testimony in opposition or neutral, and there are no amendments.

Chair Roberson:

I will entertain a motion.

SENATOR KIECKHEFER MOVED TO DO PASS S.B. 507.

SENATOR FORD SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Chair Roberson:

Senate Joint Resolution (S.J.R.) 13 was put on the waiver list today. The deadline is waived for the remainder of Session. We will continue to work on this. We will not take a vote on S.J.R. 13 today. Work session is complete.

SENATE JOINT RESOLUTION 13: Proposes to amend the Nevada Constitution to limit the total amount of property taxes that may be levied on real property. (BDR C-1004)

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Chair Roberson:

The meeting is adjourned at 4:55 p.m.

RESPECTFULLY SUBMITTED:

Gayle Rankin,
Committee Secretary

APPROVED BY:

Senator Michael Roberson, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit		Witness or Agency	Description
	A	1	Agenda	Agenda
	B	1	Attendance Roster	Attendance Roster
S.B. 323	C	2	Joe Reel	Work Session Document
S.B. 381	D	2	Joe Reel	Work Session Document
S.B. 411	E	4	Joe Reel	Work Session Document
S.B. 412	F	1	Joe Reel	Work Session Document
S.B. 507	G	2	Joe Reel	Work Session Document