MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON TAXATION

Seventy-Ninth Session
April 11, 2017

The Committee on Taxation was called to order by Chair Dina Neal at 2:12 p.m. on Tuesday, April 11, 2017, in Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4404B of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda (Exhibit A), the Attendance Roster (Exhibit B), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/App/NELIS/REL/79th2017.

COMMITTEE MEMBERS PRESENT:

Assemblywoman Dina Neal, Chair
Assemblywoman Irene Bustamante Adams, Vice Chair
Assemblyman Paul Anderson
Assemblywoman Lesley E. Cohen
Assemblyman Jason Frierson
Assemblyman Edgar Flores
Assemblyman Al Kramer
Assemblyman Jim Marchant
Assemblyman Keith Pickard
Assemblywoman Ellen B. Spiegel

COMMITTEE MEMBERS ABSENT:

Assemblywoman Teresa Benitez-Thompson (excused)

GUEST LEGISLATORS PRESENT:

Assemblyman Nelson Araujo, Assembly District No. 3

STAFF MEMBERS PRESENT:

Russell Guindon, Principal Deputy Fiscal Analyst
Michael Nakamoto, Deputy Fiscal Analyst
Gina Hall, Committee Secretary
Olivia Lloyd, Committee Assistant

Minutes ID: 733

OTHERS PRESENT:

Michael J. Willden, Chief of Staff, Office of the Governor
Jeanette K. Belz, representing Nevada Chapter, The Associated General Contractors of America
Brian Reeder, representing Nevada Contractors Association
Cyndie Muñoz, Administrator, Administrative Services Division, Department of Motor Vehicles
Riana Durrett, Executive Director, Nevada Dispensary Association
David Goldwater, Secretary, Nevada Dispensary Association
Will Adler, representing Sierra Cannabis Coalition
Wendy Stolyarov, Legislative Director, Libertarian Party of Nevada
Dagny Stapleton, Deputy Director, Nevada Association of Counties
Wes Henderson, Executive Director, Nevada League of Cities and Municipalities
Deonne E. Contine, Executive Director, Department of Taxation

Chair Neal:
We are going to take the bills out of order today. We are pulling Assembly Bill 441 off the agenda today.

Assembly Bill 441: Revises provisions relating to taxes. (BDR 32-710)

We may see Assembly Bill 441 back on Thursday but for now it is not there. We will hear Assembly Bill 486 first, which is on the governmental services tax, and then we will hear Assembly Bill 463. I will open the hearing on A.B. 486.

Assembly Bill 486: Revises provisions governing the distribution of the governmental services tax. (BDR 43-978)

Michael J. Willden, Chief of Staff, Office of Governor:
I am here today to present Assembly Bill 486. This bill revises Chapter 371 of *Nevada Revised Statutes*, which deals with the depreciation schedules for vehicles over 10,000 pounds. In 2009 the Legislature passed Senate Bill 429 of the 75th Session, changing the depreciation schedule on vehicles over 10,000 pounds and creating a new revenue stream that was sent to the State General Fund to help with the economic tough times the state was experiencing at that time.

You will hear from individuals today that this is a diversion from the State Highway Fund. What I want the Committee to understand is this money had never gone to the State Highway Fund until this year. I have provided a handout (Exhibit C). To give you some background, the chart shows that the first year we created government services tax (GST) depreciation schedule revenue stream was in fiscal year (FY) 2010. You can see that over $51 million went to the State General Fund, and zero went to the State Highway Fund. Looking down through the chart for FY 2011 to FY 2016, all of the money from this revenue stream has gone to the State General Fund, and zero to the State Highway Fund.

In the 2015 Session, in the budget process, the Legislature and the Governor approved that FY 2016 would be the last year the GST would go 100 percent to the State General Fund and nothing to the State Highway Fund, and we would start splitting the funds in FY 2017—half of the money would stay in the State General Fund and half would go to the State Highway Fund. Beginning in FY 2018 and FY 2019, the money would go to the State Highway Fund for the first time in the seven- or eight-year process.

In building the *Executive Budget* for the next biennium, we really used three tools to balance the *Executive Budget*. We used the money that was forecasted in the December meeting of the Economic Forum within the Office of Finance, Office of the Governor. This is required by law for the Governor to follow. That Economic Forum provided the Governor about an $8.1 billion State General Fund revenue stream for the 2018 to 2019 biennium, depending on what set of numbers you want to use—gross or net of certain tax credits. In addition to that, the *Executive Budget* includes two other tax streams to help balance the budget and accomplish the things he proposed during his 2017 State of the State Address and in his *Executive Budget*.

The first one that has been talked about quite a few times in the money and revenue committees is the 10 percent marijuana retail excise tax. The Governor has proposed that tax, and that money would go into the State Distributive School Account (DSA). Assembly Bill 486 proposes that 25 percent of the GST depreciation schedule revenue stream goes into the State General Fund in FY 2018 and 75 percent to the State Highway Fund in FY 2018, and the same in following years.

What it does is it creates roughly a $39 million State General Fund revenue stream for the next biennium, and quite frankly, we need that to balance the *Executive Budget* in order to accomplish what the Governor wants to do. Again, I know you will hear testimony in opposition to our proposal to keep a portion of this in the State General Fund. However, if we do not do this, we will have roughly a $40 million hole in State General Fund dollars.

There are concerns I have heard that we are taking money out of the State Highway Fund. Again, I want to reiterate that it has never gone to the State Highway Fund—except for this year. If you look at my table, based on the Economic Forum forecast, the State Highway Fund would get roughly $38 million this year. Our forecast for the next two years, 2018 and 2019, is the State Highway Fund would get around $57 million to $58 million. The amount of money going to the State Highway Fund will increase over time. In summary, we believe we still need a piece of the GST depreciation schedule revenue stream in the State General Fund—25 percent of it. I am happy to answer questions.

Chair Neal:
Are there any questions from the members? [There were none.] I know the history. When we were elected, the money was being taken out of the State Highway Fund to fund the *Executive Budget*. Everyone started to believe the 100 percent would be there in 2018;

we were actually going to make the State Highway Fund whole at 100 percent. We have been taking it out to fund the State of Nevada's needs when we were in a recession. What is the plan to fund it 100 percent?

Michael Willden:
Again, I would emphasize that we never took money out of the State Highway Fund. The bill in 2009 [Senate Bill 429 of the 75th Session] created the new revenue stream. That was the first time that revenue stream was created. When that bill passed, it was set up like that for four years—FY 2010, FY 2011, FY 2012, and FY 2013—and the money would all go to the State General Fund. The revenue stream was created to help the State General Fund at that point in time, speaking frankly, because of the recession.

In the 2013 Legislature, again needing that revenue stream for the State General Fund, they extended it for a couple more years. In the 2015 Session, we believed we would need one year of all of the GST going to the State General Fund—that would have been FY 2016—and that we could split the difference in 2017 and be done. Again, trying to accomplish what the Governor wanted to do in his *Executive Budget* for the next biennium, we still believe that 25 percent needs to come to the State General Fund.

Chair Neal:
How much of the 25 percent is going to be put in the Rainy Day Fund [Account to Stabilize the Operation of the State Government]?

Michael Willden:
The revenue from the GST goes into the State General Fund; it does not go directly to the Rainy Day Fund. The *Executive Budget* does include calculations. For FY 2016, the last year we closed, and I may not have the number correct, but I think we transferred about $64 million to the Rainy Day Fund. It had no money in it for some period of time because of the economic troubles we have experienced. For FY 2017, I think the forecast is around $60 million would go to the Rainy Day Fund; then in FY 2018 and FY 2019 roughly an additional $40 million per year would go to the account. The Governor's *Executive Budget* as proposed, would have, over the four year period of time, approximately $200 million going into the Rainy Day Fund. Again, preaching to the choir probably, we believe it is important to have a Rainy Day Fund. We know we cycle through economic bad times, and we certainly would not want to have the state in a position that if there is another economic bad time, there is no Rainy Day Fund to go to. There is no direct connection from the GST to the Rainy Day Fund. The GST goes into the State General Fund. There is a calculation in statute for the unused or excess State General Fund dollars at the end of a fiscal year, and part of those excess dollars trigger to the Rainy Day Fund.

Chair Neal:
I agree that a Rainy Day Fund is needed. It is something we have not seen for a very long time. However, normally you create a Rainy Day Fund when there is a surplus of money, not 75 percent of the State Highway Fund and then 25 percent goes somewhere else. If we do not have a surplus, perhaps the State Highway Fund should stay at 100 percent.

Michael Willden:
Again, I do not want to sound disrespectful. We would just disagree. We think it is important to have money in our checking account and to put money in our savings account. We believe we need to do both as good managers of the state's money.

Assemblywoman Bustamante Adams:
I appreciate your explanation. I know it is always painful because I think we give the perception that we are taking the money from the State Highway Fund. It just sits wrong. You said this is intended for FY 2018 and FY 2019 only. Is that correct?

Michael Willden:
If I said that, I misspoke. The bill does not have a sunset on it. We have worked on the *Executive Budget* for 2018 to 2019, so the dollars I am talking about now are used for the 2018 to 2019 *Executive Budget*. The bill does not have a sunset on it like previous bills this Committee has processed related to the GST.

Assemblywoman Bustamante Adams:
I will make changes to my notes. Is there an intention to put a sunset on it? If not, why are we leaving it open?

Michael Willden:
We are leaving it open right now for two reasons. We need the money for 2018 and 2019, and we do not know what the next biennium's needs will look like. The Economic Forum meets again in May and will give us a better look at what those years look like. At this point in time, we believe future Legislatures may need these funds in the State General Fund. Again, we are not saying none of the money goes to the State Highway Fund. If you look again at my chart (Exhibit C), it will increase from zero to $38 million and to $58 million. The State Highway Fund will start getting significant new resources they have not had for most of the last decade. The State Highway Fund will get additional resources—and going forward—the State General Fund will also need these resources.

Assemblywoman Bustamante Adams:
I know this is not the Assembly Committee on Transportation, but is there discussion from your team's perspective about some changes to the State Highway Fund as far as vehicle miles traveled or any other topics that might put the State Highway Fund back into a better position financially?

Michael Willden:
Those discussions happen every day—vehicles, miles traveled, or impactive electric vehicles. I would say there is no concrete plan of how that is going to move forward.

Assemblywoman Bustamante Adams:
Has there been any discussion on the Rainy Day Fund? Right now I think the parameters are pretty loose. I believe in putting money away, but we sweep it out just as fast as we put it in. Has there been any discussion about putting additional parameters, so we do not do that?

Michael Willden:
Again, the Governor's intent, as expressed in his State of the State Address and reflected in his *Executive Budget*, is to build the Rainy Day Fund back up. Making four years of deposits is his plan. We anticipate roughly $60 million to $65 million per year in this biennium, and $40 million per year in the following biennium and the coming biennium. He believes that is the appropriate thing to do. As you know, there are triggers in statute. Once the ending fund balance at the end of the year hits a certain amount, that triggers money to the Rainy Day Fund. He believes we need that. I did not bring the charts with me, but we—the Legislature and the Governor—swept the Rainy Day Fund clean multiple times over the last seven or eight years during economic tough times. Where there used to be a couple hundred million dollars in that account, it got swept out.

Assemblywoman Spiegel:
If I recall from the 2009 bill [Senate Bill 429 of the 75th Session] and the aftermath of the bill, when we passed it, I know a number of us were surprised by the impact that account had on our poorest constituents because we raised the amount that would be taxed if a vehicle was ten years or older. We changed the depreciation schedule in such a way that when people ended up at the bottom rate, it was higher than where they had been. Have you looked at reconfiguring things? Has there ever been any discussion to putting anything back that would ease the burden on our poorest constituents?

Michael Willden:
I am going to get into a little bit of an "I do not know" area here. My understanding of the GST, and your staff can help me with this, is it was a change in the depreciation schedule on vehicles over 10,000 pounds in weight. I think most of the vehicles we drive weigh less than 10,000 pounds. This depreciation schedule change was on heavyweight vehicles. Maybe staff can help me with that. I believe that is correct.

Russell Guindon, Principal Deputy Fiscal Analyst:
I will handle that question since I was here in 2009 when it was put in place. The 10 percent depreciation change was to both depreciation schedules that are in the law. It is all vehicles—pickups, trucks, cars—but there are two different depreciation schedules. The 10 percent was added to both depreciation schedules. It was not just trucks over 10,000 pounds; it was all vehicles.

Assemblywoman Spiegel:
It sounds like nothing was contemplated to go back and look at it for vehicles owned by our poorest constituents.

Michael Willden:
I appreciate Mr. Guindon's help. There is nothing currently contemplated.

Chair Neal:
Are there any additional questions from the Committee? [There were none.] I need one final clarification. Just to simplify it, this will be a permanent movement of the 25 percent into the State General Fund because there is no sunset date. Is that correct?

Michael Willden:
That is how the bill is currently written.

Chair Neal:
Seeing no additional questions, you may take a seat, and we will have those in support of A.B. 486 come to the table. [There was no one.] Is there anyone speaking in opposition to A.B. 486?

Jeanette K. Belz, representing Nevada Chapter, The Associated General Contractors of America:
I was hoping not to have to come up here and testify today because of what Mr. Willden said with regard to looking at this just for this biennium. We are disappointed that the bill does not have a sunset. We feel if it had a sunset we would be having this conversation again in a couple of years. As it is, we would not have that luxury and would have to bring it up in another way.

I was also here in 2009 and this funding stream was originally set up to go the State Highway Fund, and then it was co-opted fairly quickly after that because it was an opportunity. Mr. Willden is totally correct. The money has never gone to the State Highway Fund, but it has been in statute with the intent that it would go there. The money keeps getting moved, and the time frame for it going to the State Highway Fund keeps getting moved. If you add up all those numbers over the years that have not gone to the State Highway Fund, I would suggest that is a pretty significant amount. We would certainly encourage the Committee to consider a sunset on this bill.

Brian Reeder, representing Nevada Contractors Association:
I represent more than 600 member firms throughout the southern Nevada construction industry. Basically, we agree with what Ms. Belz has just put on the record. Back in 2009 when the Legislature passed Senate Bill 429 of the 75th Session, it would eventually send this money to the State Highway Fund, but then those dates moved. It was our understanding

that money was needed during the recession. What this bill does is it puts a portion of that money—25 percent—into the State General Fund on a permanent basis. That is really our issue. We would be glad to discuss this further with the Office of the Governor. I am happy to answer any questions.

Chair Neal:
Members, do you have any questions? [There were none.] We will move to those neutral on A.B. 486.

Cyndie Muñoz, Administrator, Administrative Services Division, Department of Motor Vehicles:
We wanted to put on the record that we are in the neutral position on this bill.

Assemblyman Kramer:
For the record, would you, or perhaps Mr. Willden, tell us when money is collected at the Department of Motor Vehicles (DMV), where does that money go? How much of it goes to the State General Fund? How much of it goes to local governments? How much of it goes to the Department of Transportation (NDOT)?

Cyndie Muñoz:
Are you asking just about the GST tax?

Assemblyman Kramer:
I am asking about all funds collected at the DMV.

Cyndie Muñoz:
We collect over $1.4 billion per year.

Assemblyman Kramer:
My point is that some of it goes to the State General Fund, some of it goes to local governments, and some of it goes to NDOT. I am trying to see the significance of how much money this is in comparison to some of those other numbers.

Cyndie Muñoz:
Right now, the DMV does not receive any of this money. For FY 2017, 50 percent of it is going to the State General Fund and the State Highway Fund. All of the money we collect is distributed to different entities—the counties, the school districts, et cetera. I do not know the exact numbers. I am sorry.

Chair Neal:
Are there any additional questions? [There were none.] I will ask the bill sponsor back to the table for closing remarks.

Michael Willden:
I do not really have any closing remarks other than to reiterate this money is used to balance the Governor's *Executive Budget*. It represents approximately $39 million to $40 million that is part of the overall *Executive Budget*. We would urge the Committee to keep that in your minds and consider that.

Chair Neal:
Thank you. There being no further questions I will close the hearing on A.B. 486 and open the hearing on Assembly Bill 463.

Assembly Bill 463: Revises provisions relating to the taxation of marijuana. (BDR 32-982)

Riana Durrett, Executive Director, Nevada Dispensary Association:
I serve as the Executive Director for the Nevada Dispensary Association (NDA). The sponsor of the bill was held up in another committee, so I am happy to get the hearing started on his behalf. The Nevada Dispensary Association was formed in 2014 in order to develop and promote best practices in the marijuana industry. The NDA represents over 80 percent of dispensaries statewide, with 90 percent in southern Nevada. Most of our members are vertically integrated, so they own dispensary, cultivation, and production facilities.

Today I have asked one of the NDA founders and board members, David Goldwater, to walk you through Assembly Bill 463 as he has extensive experience with Nevada's tax legislation and extensive experience as a Nevada taxpayer—especially being that he owns cultivation, production, and dispensary licenses in Clark County.

David Goldwater, Secretary, Nevada Dispensary Association:
I am a board member of the NDA. Before you today is A.B. 463. Assemblyman Araujo just arrived, so I will let him tell you his thoughts, and I will give him the courtesy of introducing his own bill.

Assemblyman Nelson Araujo, Assembly District No. 3:
My apologies for being late. I think we have the two right players here to introduce the bill. I wanted to reaffirm this is a conversation that is long term this session, and we still have a lot of conversations to engage in. I want to make it very clear to everyone I plan on making sure all stakeholders have a say in this process. I look forward to having a great hearing, continuing the dialogue, and making it work for the great state of Nevada. I will turn it back over to Mr. Goldwater.

David Goldwater:
What Assemblyman Araujo recognized in introducing this bill was after the passage of State Question No. 2 from the 2016 General Election is we would have two concurrent programs running together. One is the retail marijuana program and the other

a constitutionally mandated medical marijuana program. Those two programs were going to be running with different tax rates, making the same commodity taxed in a different fashion.

Additionally, in many of the free-market aspects of medical marijuana and retail marijuana, one could easily see that the medical marijuana program was going to be at a severe disadvantage, and that would be a tragedy. Many people are helped by the medical marijuana program. There is going to be economic incentives to participate in the medical marijuana program, and we wanted to do everything we could to preserve the medical marijuana program for the patients who benefit from it.

Our attempt in A.B. 463 was to do just that. On the Nevada Electronic Legislative Information System, you will see a matrix we put together (Exhibit D). It is sort of a scenario. I think it is the most informative if I walk you through this to see what happens currently, and then I will walk you through what is proposed in the bill.

Currently in our medical marijuana program, marijuana is taxed twice—sometimes three times—as it changes hands through the process. There is a 2 percent excise tax at the wholesale level. When the cultivator moves the product from the cultivation facility to a production facility, there is another 2 percent tax on that transaction. When the cultivator or production facility moves whatever product they have to the dispensary, there is another 2 percent excise tax on that product. When it is ultimately sold to the customer, the patient, there is another 2 percent excise tax there.

Generally that 2 percent is on the wholesale price, so in our scenario here (Exhibit D), the wholesale price we used for ease of math is $1,000. Generally speaking, the keystone markup is the doubling of it at the retail level—the 2 percent on the retail price. That is the current scenario. Question 2 has but one retail tax in it currently. That one tax is a 15 percent tax at the wholesale level. When the production or the cultivator takes their product to the dispensary, there is a 15 percent tax. We did not want to have those two separate tax systems. It made it cumbersome for the retailer and the cultivator. It would have required a different inventory tracking system that would have required separating those inventories, which in our experience working with other states was the one thing they recommended we not do.

What A.B. 463 attempts to do is to bring that medical marijuana tax in line with what we have in Question 2—a 15 percent tax at the wholesale level, so we do not have to separate the inventory. It may seem counterintuitive that a member of the NDA board is asking to actually raise taxes because that 2 percent step-up tax is much lower than the 15 percent, but this is the most elegant solution that accomplishes those two goals—straightforward inventory practice and preserving the medical program as we know it today.

Walking through both the proposed legislation and what is currently happening, I think you get to understand it better. There are other proposed taxes that are not addressed in A.B. 463, but that is, generally speaking, how we treat the excise tax. Additionally, in this bill there is the concept of capping the fees to local governments. Local governments do not have the power to tax. What they do have is that their business license fees are essentially a percentage of the gross revenue of the business. In unincorporated Clark County, for example, the business license fee is 3 percent of your gross revenue. In North Las Vegas, I think that business license fee can be upwards of 9 percent. In the City of Las Vegas, it is a different amount. I do not think the City of Sparks has it. You can see there is a variance from jurisdiction to jurisdiction. That has been challenging for the proprietor. It has created some competitive issues between wholesalers and different vendors. It has created a disparity that Assemblyman Araujo has tried to solve in A.B. 463 by saying, let us just put a cap on it. We picked an arbitrary number, 5 percent, as the halfway mark for purposes of discussion, thereby sending a message to local government and a message to the industry that this is a good place to start. We are going to know what the tax level at the local government is going to be. That is what this bill does. I am happy to answer any questions.

Assemblywoman Spiegel:
You just mentioned 5 percent was an arbitrary number. Could you tell me how you came up with that number?

David Goldwater:
We sort of picked a number somewhere in between the range of business license fees that exist now. As I mentioned, unincorporated Clark County is 3 percent; some of the other jurisdictions are upwards of 9 percent. It was a starting point. It was a point for negotiation.

I am also a member of the Governor's task force working group [The Task Force on the Implementation of Ballot Question 2: The Regulation and Taxation of Marijuana Act] on this matter in regard to taxation. The anecdotal sweet spot we found is at the retail level if the level of taxation is about 30 percent, we think we could have a robust regulated market and also beat back the black market that might exist. Anything in excess of that, there is probably going to start to be a more robust black market rise up because the price disparity between the legal and illegal is so great. We have been shooting for that level of taxation. Five percent worked, but it is certainly within your purview to discuss.

Assemblywoman Spiegel:
How does the 5 percent and the overall 30 percent you are speaking about compare with other jurisdictions, such as Colorado and Oregon?

David Goldwater:
It is in the neighborhood. Some of the jurisdictions—Washington, for example—have some higher rates of taxation. In their legislature, they are trying to bring it down. Colorado has also been shooting for a 30 percent total taxation. I think they are a little bit higher now. There is not a ton of data. Again, it is anecdotal, but that seems to be the collective sweet spot, so to speak.

Assemblyman Araujo:
To go back to Assemblywoman Spiegel's first question, that is really what I was trying to get to. After we are done presenting from many of the stakeholders who are open to the conversation and know we are still trying to find that great spot, I wanted to make sure you know that is part of what you are going to hear today. I have made it very clear that I am going to have my door open and that dialogue will take place.

Assemblywoman Bustamante Adams:
I know there are several bills regarding the topic, and we cannot go into what is in the Senate. Are there conversations about building a consensus, so we do not have competing measures?

David Goldwater:
There are. Senator Ratti has taken one of her bills [Senate Bill 487] and proposed using it as a vehicle to encompass a lot of concepts that are out there. Everybody seems to be working in good faith. Everybody seems to be progressing every day on the subject. We will hopefully arrive at a spot where we satisfy the Executive Branch's goals, the Legislative Branch's goals, and take care of industry and patients alike, preserving the medical marijuana program, and paving the way for a robust retail market as well.

Assemblyman Flores:
I wanted to go a little bit further into a comment you made between the black market and the correlation to the tax level. You indicated that the black market will go up if that percentage is too high. I wanted for you to give me some more information on that—any data you may have. We specifically saw this in Colorado. Could you show how in Colorado we saw that maybe go up, and then discuss how the black market would fluctuate based on that number?

David Goldwater:
I do not have a lot of data. I have looked for it. There are a lot of studies that suggest certain things. I really prefaced it by saying these are sort of colloquial anecdotal guesses. It is not too hard to figure out. It is a common sense issue. If an eighth of an ounce of marijuana costs you $50, and with tax now it is $65 because of total all-in 30 percent taxation, most people will say that for an extra $15 they would like to go to a safe, good, regulated place where they know they are getting marijuana that has been tested, weighed, and know it is from a good quality operator—they do not have to operate in some back alley. When that number goes a little bit higher, if you start laying a 40 percent or 50 percent tax, now you are talking for an eighth of an ounce of marijuana costing $75 to $85, rather than $65.

Now, as a consumer, think about it in your own terms. You may consider going to your old friend the drug dealer to save yourself these taxes. One important thing to note is that the regulated industry are good operators. The wholesale costs are down compared to the street costs, and that is a good thing. We use that as an advantage against the black market. It is the taxation and regulation that puts that added cost there. I can tell you, first hand, that the regulated medical marijuana operators are pricewise very competitive with the prices you see on the street today.

Assemblyman Pickard:
I am interested to know what you think the timeline might be for the county commission. As I understand it, this is part of the Governor's $70 million figure that he anticipated. We have removed medical marijuana, which makes sense, but the edible marijuana products, how do we tax those? Is this intended just to carve this out so we understand the ordinary cultivated raw material, as it were? Can you explain why we have carved that out, and how we then might capture them in another bill? What is the thought there?

David Goldwater:
There are two parts to that question. First, the Governor's $70 million has nothing to do with this particular bill. That is a separate issue altogether. The second part of your question is what happens here. The scenario sort of paints this out. Today, on an edible, for example, the marijuana would move from cultivator to the production facility. When that occurs, that is a 2 percent excise tax under today's tax structure. That producer then takes that marijuana, turns it into oil, puts it into a cookie, a brownie, or a vape pen, and then they sell it to the retailer, and another 2 percent excise tax is assessed on whatever the value of that is. That product is subsequently sold to the customer, or patient, and another 2 percent is placed on that. What we are trying to do here is to say that all products are taxed at 15 percent of the market value when they go from either production or cultivation to retail. The Department of Taxation, who is here today, will tell you how they came up with that figure, but we are going to have that market value taxed at 15 percent, both for medical and retail marijuana.

Chair Neal:
Members, are there any additional questions? [There were none.] I will now take testimony from anyone who wants to speak in support of A.B. 463.

Will Adler, representing Sierra Cannabis Coalition:
The Sierra Cannabis Coalition looked at A.B. 463 not as an anecdotal sweet spot, but a necessity to keep the medical marijuana program strong and alive. Going to other states, especially Colorado, we have seen a line literally taped on the floor, separating recreational from medical plants. This has actually caused Colorado to double up on their state staff, double up on the employees for regulatory processes, and double up on their electronic tracking systems. They actually saw an increase in cost in their medical marijuana program just to keep it around, and there has been an increase in cost for the vendors to have medical patients still be able to buy medical marijuana after recreational sales happened.

This bill would streamline it, so we only have one product line—from the cultivation through production—until it hits the dispensary. It will allow us to keep our efficiencies in place, keep our costs low, and then delineate the cost for the patient at the register. I think this bill is very essential and necessary, especially for that portion. As far as the standardization of fees, it is just simplicity itself that will help out. You will know there is not a competitive disadvantage to being in one county, one state, or another—everybody is the same. There is going to be less price shopping and less competitive undercutting because of fees. It will be standardized for everybody across the state, and we appreciate that. I am here for any questions.

Chair Neal:
Members, do you have any questions? [There were none.]

Wendy Stolyarov, Legislative Director, Libertarian Party of Nevada:
While the Libertarian Party of Nevada does not normally endorse tax schemes, we do think that this is excellent for its simplification of the existing system. We think it would reduce a lot of red tape. We appreciate the measure and thank Assemblyman Araujo for bringing it forward.

Chair Neal:
I will now take testimony from anyone speaking in opposition to A.B. 463. [There was no one.] I will now take testimony from those who are neutral on A.B. 463.

Dagny Stapleton, Deputy Director, Nevada Association of Counties:
We wanted to get our views regarding section 3 on the record. Section 3 limits the amount of fees that local governments can charge marijuana establishments. This is something, as the presenter articulated, that is in response to industry concerns regarding the way that fees vary from jurisdiction to jurisdiction.

In response to these concerns, we have been working with our members on this issue, as well as with representatives of the industry. Our members have indicated to us they are sensitive to those concerns and are willing to cap the fees to make them uniform across jurisdictions. We have had preliminary discussions on this with the bill sponsor, and he has had an open door for us. We look forward to continuing this conversation.

Wes Henderson, Executive Director, Nevada League of Cities and Municipalities:
We are neutral on this bill and pretty much on all the marijuana bills that are out there right now. I want to make three points that the League is looking at. Regarding medicinal marijuana, we want to make sure that cities that do not have a dispensary but wish to have one have an avenue to apply for a license. We also want to make sure we keep our existing license and regulation authority, and we are involved in the conversation seeking to come upon a fair cap. We look forward to continuing to work with others as these bills process through the system.

Assemblywoman Spiegel:
We had spoken about the 5 percent arbitrary number. I heard testimony that some of the jurisdictions had their rates as low as 3 percent and some as high as 9 percent or 10 percent. I was wondering if either of you had any thoughts about the appropriateness of the 5 percent figure?

Wes Henderson:
We are having those conversations, but we have not landed on the exact number we would like. As Mr. Goldwater said, 5 percent is a good starting point.

Dagny Stapleton:
The Nevada Association of Counties is in the same position. I do not think there would be a willingness to go below 5 percent from our members, but they are definitely willing to look at a uniform cap, and we are working together with the cities—sort of as a group—to try to figure out what that number is.

Deonne E. Contine, Executive Director, Department of Taxation:
The Department of Taxation is neutral on the tax change. However, I do agree with the efficiencies one rate creates, both in the taxation context and in the regulatory.

Chair Neal:
Are there any questions from the members? [There were none.] I will ask the bill sponsors back to the table for closing remarks.

Assemblyman Araujo:
I just wanted to say thank you again for allowing us to present A.B. 463. I know Ms. Durrett did want to make a quick clarification for the record.

Riana Durrett:
I just wanted to clarify on behalf of the industry that when we say, "starting point," we do not mean "starting-off point," where we expect to go upward. We meant we wanted to start the conversation. We understand there are certain entities that will want to go upward, and the industry is looking to go downward. By starting point, we meant we wanted to start that conversation.

Chair Neal:
I will close the hearing on A.B. 463. The next item on our agenda is the work session. I will open the hearing on Assembly Bill 94.

Assembly Bill 94: Repeals the prospective expiration of the NV Grow Program. (BDR S-217)

Michael Nakamoto, Deputy Fiscal Analyst:
The first bill on today's work session is Assembly Bill 94 (Exhibit E). This bill was sponsored by Assemblywoman Neal and was heard on March 16, 2017. To give you a brief overview, the 2015 Session the Legislature passed Assembly Bill 399 of the 78th Session, which created the NV Grow Program as a pilot program, designed to stimulate Nevada's economy. Assembly Bill 94, as it is drafted, removes the pilot designation from this program and repeals the prospective June 30, 2017, expiration date. The bill also requires

an appropriation of $300,000 from the State General Fund to the Nevada System of Higher Education. One-half of the appropriation is to be used by the Nevada Small Business Development Centers (SBDCs) to provide services necessary to assist and carry out the program, and the other half of the appropriation is to be used by the College of Southern Nevada (CSN) to hire counselors to assist small businesses participating in the program.

On page 2 (Exhibit E) you will see a summary of the amendments brought forward. The first set was in the proposed amendment [pages 4 through 8 (Exhibit E)] testified to by Assemblywoman Neal at the March 16 meeting. This would add the SBDC in Clark County as a participant in the program and move the administration of the geographic information system (GIS) from the SBDC in Washoe County to CSN. It would change the role of the SBDCs in Clark and Washoe Counties, expand the number of businesses that are able to participate in the program, and decrease the threshold by which the business must meet in terms of revenue to participate in the program from $100,000 per year to $50,000 per year, increase the appropriation for the SBDCs from $150,000 to $200,000, and specify that the appropriation to CSN should be used to hire a lead counselor.

Subsequent to the hearing, Assemblywoman Neal did propose further amendments to section 8 of the proposed amendment, which are summarized on page 2 (Exhibit E). These include the appropriation in subsection 1 being increased from $200,000 to $250,000, with $200,000 being used by the Nevada SBDCs for direct program expenditures relating to the NV Grow Program; and $50,000 to the Latin Chamber and the Urban Chamber of Commerce—via the Nevada SBDCs—for direct program expenditures relating to the NV Grow Program. In subsection 2, the amount of the appropriation would be increased from $150,000 to $175,000. The use of that is clarified to specify that CSN may use a portion of that appropriation for the hiring of a lead counselor, but it must also be used for the hiring of a GIS specialist. It also specifies that the remaining amount can only otherwise be used for direct program expenditures by CSN relating to the NV Grow Program—such as marketing tools, stipends, and field trips. The intent for these particular appropriations is to not have them used for administrative costs, but rather specifically for program costs related to NV Grow.

As a last note, this bill was determined by the Fiscal Analysis Division as being eligible for exemption, so that is something to bear in mind. I am happy to answer any questions.

Chair Neal:
Are there any questions on the work session document (Exhibit E)? [There were none.] I will entertain a motion to amend and do pass A.B. 94 with the changes outlined in the work session document.

> ASSEMBLYWOMAN BUSTAMANTE ADAMS MOVED TO AMEND AND DO PASS ASSEMBLY BILL 94.
>
> ASSEMBLYMAN PICKARD SECONDED THE MOTION.

Is there any discussion on the motion? [There was none.]

> THE MOTION PASSED. (ASSEMBLYMEN BENITEZ-THOMPSON, COHEN, AND FRIERSON WERE ABSENT FOR THE VOTE.)

The floor statement will be assigned to Assemblyman Flores. I will close the hearing on A.B. 94 and open the hearing on Assembly Bill 269.

Assembly Bill 269: Provides for the regulation and taxation of vapor products. (BDR 32-873)

Michael Nakamoto, Deputy Fiscal Analyst:
The second bill on today's work session is Assembly Bill 269 (Exhibit F). This bill was sponsored by Assemblywoman Bustamante Adams and was heard in this Committee on May 21, 2017. This bill revises the definition of "other tobacco products," for the purposes of taxation and regulation of these items to include vapor products in the definition. The bill additionally imposes a tax of 5 cents per fluid milliliter of consumable product on vapor products, which is collected by the Department of Taxation.

You can see in the work session document (Exhibit F) those who testified in support and opposition. There are no amendments to this bill. The bill is also eligible for exemption, so the next stop may well be the Assembly Committee on Ways and Means. I am happy to answer any questions.

Chair Neal:
Are there any questions on the work session document (Exhibit F)?

Assemblyman Pickard:
My recollection was that we were not taxing products that did not contain nicotine. Is that a misunderstanding on my part?

Assemblywoman Bustamante Adams:
Yes. I spoke to the industry. They do have that in California—not taxing nicotine—but what consumers have done is they have gone around that. They buy it at zero nicotine and then add their own. It is a loophole so I decided not to entertain that.

Assemblyman Kramer:
For the record I wanted to say I would be for this if it was a tax on nicotine, but if it is a tax by the milliliter with no portion of that based on the amount of nicotine, I am a no. That is my reason.

Chair Neal:
I will take that comment from you again when there is discussion on the motion. We are just taking questions on the work session document. I will now entertain a motion to do pass A.B. 269.

ASSEMBLYMAN PICKARD MADE A MOTION TO DO PASS ASSEMBLY BILL 269.

ASSEMBLYMAN FLORES SECONDED THE MOTION.

Is there any discussion on the motion?

Assemblyman Kramer:
I would be a yes on this if it were based on the amount of nicotine. As it is based on a per milliliter, without correspondence to the amount of nicotine, I am a no for the vote.

Assemblyman Paul Anderson:
I certainly have some reservations, particularly on the enforcement side of things—how we recognize what is what, if we are going to be taxing it, the expense or expanse of the personnel, and the process we need to enforce the mechanism. I would like to see further discussion about it as it moves forward. I will vote yes on this motion, assuming it makes it into the Assembly Committee on Ways and Means. I think we can have further discussion and maybe there is some other language that may help us through the process. By the time it gets to the floor, if we have not changed from the current topic, I would reserve my right to vote no.

Assemblyman Pickard:
I will ditto what Assemblyman Paul Anderson just stated. I also just want to put on the record that there has been some discussion floating around that this is a tax increase. I do not see this as a tax increase. I see this as capturing something that should have been taxed, but has not been taxed. I am going to be voting yes on this.

Chair Neal:
Are there any additional comments on the motion? [There were none.]

THE MOTION PASSED. (ASSEMBLYMEN KRAMER AND MARCHANT VOTED NO. ASSEMBLYMEN BENITEZ-THOMPSON, COHEN, AND FRIERSON WERE ABSENT FOR THE VOTE.)

I will close the hearing on A.B. 269 and open the hearing on Assembly Bill 281.

Assembly Bill 281: Revises provisions governing the filing of a commerce tax return. (BDR 32-922)

Michael Nakamoto, Deputy Fiscal Analyst:
The third bill on today's work session is Assembly Bill 281 (Exhibit G), which was heard in this Committee on April 6, 2017, and sponsored by Assemblyman Kramer. This bill requires that, for the purposes of the commerce tax, businesses with Nevada gross revenue of less than $4 million, who are exempt from the tax, are no longer required to file a statement with the Department of Taxation within 45 days after the end of the taxable year.

Instead, the business may make a declaration with the Office of the Secretary of State at the time of the renewal of that entity's state business registration, indicating under penalty of perjury that the business had Nevada gross revenue of less than $4 million for the prior taxable year.

There were several amendments proposed for this bill. The first one was proposed by Mr. Taylor and Mr. Scherer [pages 3 and 4, (Exhibit G)] on behalf of the Nevada Registered Agent Association that would remove the Secretary of State's role from this particular process. Instead, the business would still be required to file with the Department of Taxation, but could file its declaration with the Department either upon the current due date for the tax, which is August 15 of each year, or at the time the entity files its business license renewal with the Secretary of State's Office.

The second proposed amendment was from Ms. Dobay [page 5 through 9, (Exhibit G)], on behalf of the Council on State Taxation, that would, for the purposes of the commerce tax, allow the business to declare its own "privilege year" instead of using the current taxable year that coincides with the state's fiscal year. It would also allow businesses that are part of the same consolidated group for federal tax purposes to file a single return for the commerce tax, rather than separate returns.

There was a third amendment proposed by Mr. Leleu on behalf of NAIOP. There is nothing written in the work session document, but he brought up the idea of removing common area maintenance charges from rental properties from the definition of revenue for this tax.

The last note I have on this particular bill is it has been determined by the Fiscal Analysis Division as being eligible for exemption. I am happy to answer any questions.

Chair Neal:
Are there any questions on the work session document (Exhibit G)?

Assemblyman Pickard:
Just to clarify, we are looking at potentially three amendments. Is that correct?

Chair Neal:
Yes, but we are not taking all three of those amendments. We are only taking the amendment from the Nevada Registered Agent Association. Are there any additional questions on the work session document (Exhibit G)? [There were none.] I will accept a motion to amend and do pass Assembly Bill 281, with the first amendment from the Nevada Registered Agent Association.

> ASSEMBLYWOMAN SPIEGEL MOVED TO AMEND AND DO PASS ASSEMBLY BILL 281.
>
> ASSEMBLYWOMAN BUSTAMANTE ADAMS SECONDED THE MOTION.

Is there any discussion on the motion? [There was none.]

THE MOTION PASSED. (ASSEMBLYMEN BENITEZ-THOMPSON, COHEN, AND FRIERSON WERE ABSENT FOR THE VOTE.)

The floor statement will be assigned to Assemblyman Kramer. I will close the hearing on A.B. 281 and open the hearing on Assembly Bill 370.

Assembly Bill 370: Provides for transferable tax credits for the rehabilitation of historic buildings. (BDR 32-536)

Michael Nakamoto, Deputy Fiscal Analyst:
The fourth bill on today's work session is Assembly Bill 370 (Exhibit H), which was heard in this Committee on April 6, 2017, and sponsored by Assemblywoman Swank. This bill provides for the issuance of transferable tax credits that would be issued by the State Historic Preservation Office of the State Department of Conservation and Natural Resources to persons who perform qualified rehabilitations on certain historical buildings. The credits that may be awarded are equal to 20 percent of the eligible costs and expenses incurred in the qualified rehabilitation, and may be taken against the modified business tax, branch bank excise tax, insurance premium tax, and the tax on gross gaming revenue currently imposed on nonrestricted gaming licensees.

There are several amendments to this bill, which are listed on page 2 (Exhibit H). These were proposed by Assemblywoman Swank after the hearing. In section 3, the first change would be to specify that the building must also be eligible for the National Register of Historic Places in addition to the requirements that are already in the bill. Additionally, there would be a minimum project cost of $20,000 that would be placed in the eligibility requirements, as well as a maximum amount of credits that may be awarded per project of $3 million. The next change would be to section 9, to extend the period by which the credits may be used before they expire—from four years to five years—and in section 12 of the bill, there would be a requirement that when tax credits issued under this program are transferred, the amount of the credit transferred and the entity to whom the credit is transferred must be reported to the Director of the Legislative Counsel Bureau. That summarizes the amendments.

You will note at the bottom of page 2 (Exhibit H) this bill was determined by the Fiscal Analysis Division as being eligible for exemption. I am happy to answer any questions.

Chair Neal:
Are there any questions on the work session document (Exhibit H)?

Assemblyman Pickard:
I am assuming the appropriate person to report that to is the Director of the Legislative Counsel Bureau. I am wondering if the Department of Taxation should actually get that notice because they are the ones that have to manage the process.

Chair Neal:
If you are willing to accept to add that in as the policy, it is common in other tax credit programs that they report to the Department of Taxation and the Nevada Gaming Control Board. If you want to make the motion to add that as an amendment, that would make four amendments to this bill. Are there any additional questions on the work session document (Exhibit H)?

Assemblyman Paul Anderson:
I know it came up at the hearing, but I am not sure if there was clarification on the sale of the property. What would happen to those credits?

Michael Nakamoto:
The way that the bill is structured the credits are not actually issued until the project is completed. If the building happens to sell during the middle of the renovation, assuming the provisions for which the credits would be granted are still met, I believe the eligibility for the credit would transfer over to the new owner of the building.

Assemblyman Paul Anderson:
I do not believe that is stated explicitly. That is just an assumption that this is how tax credits normally would work in this situation.

Michael Nakamoto:
It is an assumption by staff, based on the idea that since the application is made and they have to meet the qualifications for which the application entails, then only after the building is completed and the documentation has been submitted do the credits actually get issued. Yes, I think it would follow that the credits would go to the new owner of the property.

Assemblyman Paul Anderson:
I apologize if I missed this piece as well. Are there credits that are ongoing, paid out over a period of time, or is it a one-shot credit once the project is completed?

Michael Nakamoto:
The way the bill is structured the credits would be issued as a one-time issuance based on the amount that the State Historic Preservation Office of the State Department of Conservation and Natural Resources determines they would be eligible for at the time they review all the documentation and make their determination.

Assemblyman Paul Anderson:
One last clarification on the bill—would the budget impact be unknown? We certainly do not know how many people would participate in the program. I see we have limited the maximum amount of credits per project. Is there no other cap to the process itself?

Michael Nakamoto:
That is correct. Your Fiscal Analysis Division staff does not know how many projects could potentially apply and be granted credits.

Assemblyman Paul Anderson:
These are transferable, just like any other transferable tax credit. I could sell them on the market or utilize them against my own tax structure. Is that correct?

Michael Nakamoto:
Yes, that is correct.

Assemblyman Paul Anderson:
I appreciate the clarification.

Chair Neal:
I will entertain a motion to amend and do pass with the three written amendments and the fourth verbal amendment from Assemblyman Pickard.

> ASSEMBLYMAN PICKARD MOVED TO AMEND AND DO PASS ASSEMBLY BILL 370.
>
> ASSEMBLYWOMAN BUSTAMANTE ADAMS SECONDED THE MOTION.
>
> THE MOTION PASSED. (ASSEMBLYMEN BENITEZ-THOMPSON, COHEN, AND FRIERSON WERE ABSENT FOR THE VOTE.)

The floor statement will be assigned to Assemblyman Paul Anderson. I will close the hearing on A.B. 370 and open the hearing on Assembly Bill 439.

Assembly Bill 439: **Revises provisions governing taxation of the sale, storage, use or other consumption of certain property by a licensed veterinarian. (BDR 32-1017)**

Michael Nakamoto, Deputy Fiscal Analyst:
The last bill on today's work session is Assembly Bill 439 (Exhibit I), which was heard in this Committee on April 4, 2017, and was sponsored by Assemblyman Araujo. This bill provides that for the purposes of state and local sales and use taxes, the Department of Taxation shall consider a licensed veterinarian to be a consumer, rather than a retailer, of tangible personal property that is used, furnished, or dispensed by him or her in the performance of his or her professional services in the practice of veterinary medicine.

You can see the testimony in support and testimony neutral on page 1 (Exhibit I). There is a summary on page 2 (Exhibit I) of the amendment that was brought forward on behalf of the Nevadans for Affordable and Accessible Animal Care [pages 3 and 4, (Exhibit I)], which would specify that over-the-counter sales of tangible personal property, such as dog food, medications administered by the pet owner, and other pet supplies are to be considered retail sales, and would require the veterinarian to collect the applicable sales tax from the consumer.

There is an additional proposed amendment [pages 5 and 6, (Exhibit I)], prepared by our Legal Division, on behalf of Assemblyman Araujo, which clarifies the intent of what has been brought forward in the amendment submitted by Nevadans for Affordable and Accessible Animal Care [pages 3 and 4 (Exhibit I)]. It basically states the tangible personal property that is used, furnished, or dispensed by the veterinarian, in providing medical care or treatment to animals, as part of the performance of his or her professional services, in the practice of veterinary medicine, that is where the veterinarian is considered to be the consumer and not the retailer. I believe that gets to the intent of the first amendment. I am happy to answer any questions.

Chair Neal:
Do the members have any questions on the work session document (Exhibit I)? [There were none.] I will accept a motion to amend and do pass A.B. 439, with the proposed amendment.

> ASSEMBLYWOMAN SPIEGEL MOVED TO AMEND AND DO PASS ASSEMBLY BILL 439.
>
> ASSEMBLYWOMAN BUSTAMANTE ADAMS SECONDED THE MOTION.

Is there any discussion on the motion?

Assemblyman Paul Anderson:
I wanted to make a point that this is probably something that should have been done, or brought to us, by the Department of Taxation in many respects. I think by changing decades of precedent through a technical bulletin may have been a pathway that created a bigger problem than was needed. While I support the bill, and support the policy, I think certainly the Department of Taxation should have come through with a bill, or something in statute, that would have clarified this even better, and more for maybe other precedents that have been set over decades. I do support the measure and just wanted to put that on the record.

Assemblyman Pickard:
This bill has actually given me a lot of concern, and it is probably in part because I am new to taxation generally. As I understood it, the Department of Taxation would normally have the discretion to make these kinds of changes, and by putting this in statute, we remove that discretion. I agree with Assemblyman Paul Anderson in that the Department of Taxation

really handled this poorly with the decades later reinterpretation of the law. As I said during the hearing, that to me seemed like rule making activity, which should have fallen under the process outlined in *Nevada Revised Statutes* Chapter 233B, and it did not. The fact that they would then penalize veterinarians for not following the rule that was never properly promulgated causes me a great deal of concern if that is what actually happened. That said, I resist the idea of trying to take something that would normally fall within their discretion, put it in statute, thereby making it harder to change in the future. I will vote yes but want to reserve my right to change that vote later.

Assemblyman Kramer:
I have two problems with this. One, it opens the door to taxing services in Nevada, and it seems like that should be a bigger discussion than what we have had on this bill. Second, it assumes that the software needed to itemize your bill and have tax on some and no tax on others, whether it is a product being delivered or a service being delivered, is something that is easy to come by, when in fact it is not. The larger firms, with multiple offices can do this, but the smaller shops are going to have a very difficult time doing this—they are stuck in the process of actually charging sales tax on their services because the ability to itemize is not there. For those reasons, I am going to be voting no.

Chair Neal:
Are there any additional comments on the motion? Assemblywoman Cohen, I know you just arrived. We are on A.B. 439, which is the veterinary bill. Seeing no additional conversation, we are voting to amend and do pass A.B. 439.

> THE MOTION PASSED. (ASSEMBLYMAN KRAMER VOTED NO. ASSEMBLYMEN BENITEZ-THOMPSON AND FRIERSON WERE ABSENT FOR THE VOTE.)

The floor statement will be assigned to Assemblywoman Spiegel. I will close the hearing on A.B. 439 and open the meeting for public comment. [There was none.] There being no further business we are adjourned [at 3:33 p.m.].

RESPECTFULLY SUBMITTED:

____
Gina Hall
Committee Secretary

APPROVED BY:

____
Assemblywoman Dina Neal, Chair

DATE: ______________________________________

EXHIBITS

Exhibit A is the Agenda.

Exhibit B is the Attendance Roster.

Exhibit C is a document titled "Government Services Tax (GST): AB 486," presented by Michael J. Willden, Chief of Staff, Office of the Governor.

Exhibit D is a letter dated April 10, 2017, regarding Assembly Bill 463 to members of the Assembly Committee on Taxation, authored by Riana Durrett, Executive Director, Nevada Dispensary Association, mentioned by David Goldwater, Secretary, Nevada Dispensary Association.

Exhibit E is the Work Session Document for Assembly Bill 94, dated April 11, 2017, presented by Michael Nakamoto, Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau.

Exhibit F is the Work Session Document for Assembly Bill 269, dated April 11, 2017, presented by Michael Nakamoto, Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau.

Exhibit G is the Work Session Document for Assembly Bill 281, dated April 11, 2017, presented by Michael Nakamoto, Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau.

Exhibit H is the Work Session Document for Assembly Bill 370, dated April 11, 2017, presented by Michael Nakamoto, Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau.

Exhibit I is the Work Session Document for Assembly Bill 439, dated April 11, 2017, presented by Michael Nakamoto, Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau.