

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

**Seventy-ninth Session  
March 30, 2017**

The Senate Committee on Revenue and Economic Development was called to order by Chair Julia Ratti at 3:39 p.m. on Thursday, March 30, 2017, in Room 2135 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 Julia Ratti, Chair  
Senator David R. Parks  
Senator Ben Kieckhefer  
Senator Michael Roberson  
Senator Heidi S. Gansert  
Senator Patricia Farley

**COMMITTEE MEMBERS ABSENT:**

Senator Aaron D. Ford, Vice Chair (Excused)

**GUEST LEGISLATORS PRESENT:**

Senator Yvanna D. Cancela, Senatorial District No. 10  
Senator Pete Goicoechea, Senatorial District No. 19  
Senator Tick Segerblom, Senatorial District No. 3  
Senator Joyce Woodhouse, Senatorial District No 5

**STAFF MEMBERS PRESENT:**

Russell Guindon, Principal Deputy Fiscal Analyst  
Joe Reel, Deputy Fiscal Analyst  
Tina Nguyen, Committee Manager  
Lex Thompson, Committee Secretary  
Colleen Lennox, Committee Secretary

**OTHERS PRESENT:**

Alex Ortiz, Clark County  
Tina Frias, Department of Aviation, Clark County  
Keith L. Lee, Southwest Airlines; Airlines for America  
Robert Goldberg, Economic Development Authority of Western Nevada  
Dino Vendetti, Seven Peaks Ventures  
Doug Erwin, Economic Development Authority of Western Nevada  
Steve Hill, Executive Director, Office of Economic Development, Office of the Governor  
Cassandra Charles, Planned Parenthood, Las Vegas East  
Jazz Sheffer  
Alma Hernandez  
Elisa Cafferata, Nevada Advocates for Planned Parenthood Affiliates  
Wendy Stolyarov, Libertarian Party of Nevada  
Patricia Slotnick, R.N.  
Derek Washington, Black Democratic Empowerment Project; Get EQUAL NV  
Belen Delatorre  
Shane Piccinini, Food Bank of Northern Nevada; Three Square  
Molly Rose Lewis, National Association for the Repeal of Abortion Laws  
Stacey Shinn, Progressive Leadership Alliance of Nevada  
Marlene Lockard, Nevada Women's Lobby; Nevada Coalition for Women's Equity  
Kim Palmer, Planned Parenthood  
Cheryl Blomstrom, Nevada Taxpayers Association  
Bryan Wachter, Retail Association of Nevada  
Curtis Calder, City Manager, Airport Manager, City of Elko  
Marily M. Mora, A.A.E., President/CEO Reno-Tahoe Airport Authority

CHAIR RATTI:

I call this meeting to order at 3:39 p.m. I will now open the hearing on Senate Bill (S.B.) 421.

**SENATE BILL 421**: Revising provisions governing certain taxes on the gross receipts from the rental of transient lodging in Clark County. (BDR S-447)

SENATOR TICK SEGERBLOM (Senatorial District No. 3):

Senate Bill 421 was designed to correct an oversight from S.B. No. 1 of the 30th Special Session.

Senate Bill No. 1 of the 30th Special Session established a tax upon the rental of transient lodging to fund a National Football League (NFL) stadium project, which is now the Raiders Stadium. If the stadium project fell through, then the tax proceeds would go to the University of Nevada, Las Vegas, for two years to raise \$200 million to build a college stadium. If the college stadium fell through, then the tax proceeds would go to the Las Vegas Convention and Visitors Authority (LVCVA) to pay for renovation or expansion of its convention center facility or to pay off its bonds.

The LVCVA has the revenue to pay off its bonds and does not need additional revenue to pay off the bonds sooner. Senate Bill 421 replaces the LVCVA with the Clark County School District as a contingent recipient for the tax revenue if the Raiders and the University do not build stadiums. This seems to be appropriate considering concerns about education in Nevada. Clark County has an amendment to S.B. 421 that I support.

ALEX ORTIZ (Clark County):

Clark County has a proposed amendment to S.B. 421 ([Exhibit C](#)) which has been accepted by the sponsor of this bill, Senator Segerblom. To help me present this amendment is our Community Affairs Manager for the Department of Aviation, Tina Frias. I would like her to present our position as neutral and also talk about the amendment.

TINA FRIAS (Department of Aviation, Clark County):

Our position on this proposed amendment is neutral, but it is important to note that a stadium in close proximity to the airport could impact safety, security and operations at the airport. We provided a document ([Exhibit D](#)) expressing the stadium's anticipated impact on aviation to the Southern Nevada Tourism Infrastructure Committee (SNTIC) during the discussions that led to S.B. No. 1 of the 30th Special Session. Senate Bill 421 proposes to amend the language of S.B. No. 1 of the 30th Special Session.

To protect McCarran International Airport as an economic engine for southern Nevada, Clark County submits a recommended amendment to enable aviation input on any collegiate stadium in close proximity to the airport.

KEITH L. LEE (Southwest Airlines; Airlines for America):

We support Clark County's amendment to S.B. 421. This is important to us as airlines, and I note that there is a stated impact evaluation process online,

[Exhibit D](#). I will refer to items 5 and 6 of this exhibit. Item 5 states that regardless of Federal Aviation Administration standards and requirements with respect to runways, a pilot in command has ultimate say as to whether he or she wishes to land or take off on a designated runway. There is possible impact to the airport from the stadium lights and a number of other engine-out procedures that are key on takeoff. The pilot must keep control of the aircraft and get it turned around and brought back down to land if necessary, and any obstructions in the path create problems. Direct your attention to item 6 on [Exhibit D](#), which indicates that Southwest Airlines is now developing a performance-based navigation instrument flight pattern and approach to Runway 19R, which is the closest runway to the proposed stadium site.

CHAIR RATTI:

I will close the hearing on [S.B. 421](#). I will open the hearing on [S.B. 349](#).

**[SENATE BILL 349](#)**: Revises provisions relating to economic development.  
(BDR 18-1105)

SENATOR BEN KIECKHEFER (Senatorial District No. 16):

I am here to present [S.B. 349](#), and I am joined by two individuals who will provide expert testimony on the subject matter at hand. Sometimes it is hard to understand by only reading the bill. I will present from my presentation ([Exhibit E](#)) in conjunction with the bill. This approach will walk through what [S.B. 349](#) tries to accomplish.

[Senate Bill 349](#) is designed to make several improvements to the State's entrepreneurial ecosystem. It will create the infrastructure necessary to foster business growth through the startup community, particularly in high-tech growth. This is done through the creation of training, technology and mentorship programs necessary to prepare businesses to grow once they acquire capital and the qualified employees who are ready to work in those companies. Additionally, [S.B. 349](#) would leverage private investment from within Nevada into those chosen companies.

Page 2 in the handout, [Exhibit E](#), shows the goals set by [S.B. 349](#). A quick overview of [S.B. 349](#) is on page 3.

This program can partner with our regional development agency (RDA) programs. Examples of the five types of programs are on page 3, [Exhibit E](#).

Aside from that infrastructure, the venture capital fund is a critical component. Its structure is outlined in section 9 of the bill and is funded through a tax incentive program with a 50 percent tax credit for investors from Nevada. This tax incentive program is described in section 11 of the bill. The incentive was intended to be 50 percent tax credit against investments; however, the bill does not say any percentage. This was an oversight, and we anticipate an amendment to that effect. Today's presentation is given as if that amendment were already in place.

The bill itself creates a couple of bodies which are shown on page 4, [Exhibit E](#). The first is the Volens et Potens Committee. Volens et Potens (VeP) means willing and able and is drawn from the slogan on our 1861 territorial seal as a tribute to our history as a pioneering State and reflective of our hope of Nevada's emerging growth as a technology center.

The Volens et Potens Committee, as generated by the bill in section 8, subsections 2 through 7, will serve as the program oversight entity and as liaison to the RDAs involved with this program.

The VeP Committee's membership and responsibilities are shown on page 4, [Exhibit E](#). This nonprofit board of directors serves as the infrastructure board referred to in section 10 of the bill. The VeP Committee will also be required to ensure that businesses receiving investments through the venture fund have the appropriate State nexus as outlined in the bill.

An overview of the VeP Infrastructure Board membership and responsibilities can be seen on page 5, [Exhibit E](#), and in section 10, subsection 1 of the bill.

The infrastructure board oversees the allocation of the \$15 million in tax creditable investment to be used equally as outlined in the bill in section 10, subsection 5, paragraph (a). Ultimately, when all pieces are brought into place, the tax credit programs would generate a \$30 million investment.

There are \$15 million worth of tax credits as outlined in the legislation that will generate a total of \$30 million worth of investment.

CHAIR RATTI:

I thought it was \$7 million.

SENATOR KIECKHEFER:

Seven and a half million dollars per year.

CHAIR RATTI:

Seven and a half million, per year?

SENATOR KIECKHEFER:

That is outlined in section 11, subsection 3, paragraphs (a) and (b) of the bill in addition to the \$15 million in tax creditable investments that will be used as mentioned earlier. The tax creditable \$15 million will then be used to leverage a total of \$15 million additional dollars that are not tax creditable. The whole VeP investment structure and breakdown can be seen on page 6, [Exhibit E](#).

The general partners will bring in \$3 million. The tax creditable portion will generate a favorable return on investment which covers overhead, and this favorable rate of return will generate \$7 million in outside additional investment. This gives a total of \$30 million that would be used to invest in the companies.

The flow for the funds is in a chart outlined on page 7, [Exhibit E](#). In the bottom left-hand quadrant, there is a blue box that says State of Nevada. Start there. Remember the 50 percent tax credit that needs to be amended into the bill? There will be \$15 million worth of tax credits generated by this bill. They move up into the blue box that says Nevada companies \$30 million investment. That amount goes into this box and it will generate a total of \$30 million worth of investment. From the Nevada Companies \$30 million Investment box, follow the arrow down to the right where \$15 million flows into the infrastructure board box. Five million dollars flow up into the VeP Fund, which is the venture capital fund that will make investments into Nevada companies. Five million dollars flow out the bottom and to the left, into the infrastructure programs. The infrastructure programs are things such as code schools and accelerator programs.

CHAIR RATTI:

Senator Kieckhefer, you are saying \$5 million but do you mean \$15 million?

SENATOR KIECKHEFER:

No, I mean \$5 million. Are you looking at the VeP Infrastructure Board box?

CHAIR RATTI:  
I have got it.

SENATOR KIECKHEFER:

Then, from the Infrastructure Board box, \$5 million would go down to the VeP GP box which is for management of the fund. The other \$15 million out of the original \$30 million pool from the Nevada Companies \$30 million Investment box flows up into the VeP Fund box venture capital fund. The \$30 million in VeP Fund box is a combination of: \$5 million from the tax creditable portion, \$10 million from the Non or Nevada Residents \$10 Million Investment box that includes investments from the general partners. These add up to a \$30 million pool within the VeP Fund box which will then flow into investments in Nevada-based companies. I will allow Robert Goldberg and Dino Vendetti to explain more about that process and how it cycles back through the life cycle of a venture fund. That is what the bill does. A couple of changes need to be made. One of them is the clear delineation of a 50 percent credit, not a full credit, and a few other changes we need to work on. Senate Bill 349 is an effort to drive Nevada-based investment into Nevada companies to make sure we grow the next big thing in our State rather than luring one in from somewhere else.

Robert Goldberg is a board member with the Economic Development Authority of Western Nevada. He has a long career in tech startups and investment as well as venture capital processes. To my left is Dino Vendetti. He has much experience in Silicon Valley with startup tech, entrepreneurial environments and venture capital in the California and Oregon entrepreneurial ecosystems.

ROBERT GOLDBERG (Economic Development Authority of Western Nevada):  
Senator Kieckhefer mentioned I am a long-time Nevada resident with venture and entrepreneurial experience. I joined the economic development efforts of the State last year. I want to impact and help Nevada citizens improve their opportunities.

In providing opportunities, Nevada has made amazing progress over the last six years. The next big challenge is to continue the wage growth seen in the State. One of the most effective ways to do that is through the growth of technology industries. Nevada has been effective in attracting businesses from out of state. The State has designed a number of programs to meet this demand and will continue to help its workforce retool and reeducate. One piece that is

significant and game-changing is S.B. 349, which provides the ability for us to support our local grassroots entrepreneurs and allow them to grow and flourish here as opposed to leaving the State for that purpose.

As an entrepreneur, I have received venture capital at all stages of growth in amounts varying from a few hundred thousand dollars to hundreds of millions of dollars. I have been an investor in technology companies, and I have also been a limited partner in venture funds.

I support S.B. 349 because it accomplishes the goals outlined, and I support the entrepreneurial ecosystem. Senate Bill 349 aligns interests between the State investors and entrepreneurs to create an ecosystem that can perpetuate itself beyond this initial funding. The fund should not require any additional State funding and will have an enormous impact on the State. I support S.B. 349 both by being here and when the legislation is passed, I intend to invest in this fund.

DINO VENDETTI (Seven Peaks Ventures):

I spent the first part of my career in startups and the last 20 years of my career in venture capital. Most of that was in Silicon Valley and some in Seattle. I moved to Oregon six to eight years ago and focused on growth in the tech ecosystem. I have been on a journey similar to Mr. Goldberg's.

I want to share some of the lessons learned by Oregon when it pursued a program similar to S.B. 349. One of the biggest takeaways is that there are a few key ingredients needed to build a thriving, regional tech ecosystem that is sustainable. One is enough flow and density of entrepreneurs. Next is a talent factory that trains and retrains talent that those companies would need to hire. Also needed are experienced mentors. The most difficult element is the need for enough critical mass of organized capital. It turns out that is hard to pull together.

When I moved to Bend, Oregon, in 2010, there was not a single venture capital fund in the State. It surprised me because there were hundreds of millions of dollars of venture capital invested in the State, but all of it was sourced elsewhere. I spent two years raising Oregon's first fund, which was exceedingly difficult. It was only a \$7.5 million fund. Four years later, Oregon is attempting to raise a second fund which is targeted to be a \$30 million fund. The good news is the experiment initiated by Oregon has proven that it could build and



kickstart this tech ecosystem. Our first fund is a top-performing fund in the industry.

This can be done; it is being done elsewhere. One critical element is how to reduce friction and get to the point where there is some organized, professionally managed venture capital in the State. As I reviewed the proposed legislation for S.B. 349, I saw that it will go a long way to kickstart a venture capital fund and can pull together quickly what might have otherwise taken five to seven years to pull together. The number of businesses that could be built and created in that time would be impactful.

SENATOR GANSERT:

As far as the State providing funds and in the matching dollars, that would be incremental. If someone wants to invest money, would it be incremental, or not all at once, in how this rolls out?

SENATOR KIECKHEFER:

Under the bill, the Governor's Office of Economic Development could issue tax credits up to the amount of \$7.5 million per year for the next two years. Tax creditable contributors to the fund then have five years to utilize those credits. It is the same structure we have used for other tax creditable bills.

CHAIR RATTI:

I want to build on your question to seek understanding of how this works. That would imply that the only investors, at least for the \$7.5 million times 2, would be businesses because the tax benefit is only for businesses.

SENATOR KIECKHEFER:

Correct. It is a General Fund tax liability.

CHAIR RATTI:

Why would a business pay \$1 million for a \$500,000 tax credit?

SENATOR KIECKHEFER:

Because the business gets to buy into a venture capital fund at a 50 percent discount.

CHAIR RATTI:

They are then able to reap profits?

SENATOR KIECKHEFER:  
Yes.

CHAIR RATTI:  
There are two opportunities for individuals to invest, and those would be if they are selected to become general partners at the \$1.5 million investment mark. Is that correct?

SENATOR KIECKHEFER:  
Yes. There will be two general partners selected, and there is a certain amount of investment required. Then the committee would solicit additional investment from the public at large. But that investment is nontax creditable, so an individual could invest personal dollars.

CHAIR RATTI:  
What is the exit strategy for anyone? The business has gotten its tax credit; does it get the profits of the fund in perpetuity?

SENATOR KIECKHEFER:  
That relates to the life cycle of a fund.

CHAIR RATTI:  
Yes, the life cycle would be helpful.

MR. VENDETTI:  
A typical venture capital fund is a ten-year limited partnership where the fund seeks out startups they would invest in over the first three to four years. The ensuing six to seven years would be when those companies build, grow, eventually exit, get acquired, go public or whatever their exit is. As each company has a liquidity event, those proceeds would then be distributed to the limited partners in the fund.

CHAIR RATTI:  
What happens at the end of the ten years on the companies that have not been liquidated?

MR. VENDETTI:  
If they have not been liquidated, then a fund typically has two, one-year extensions where it has an option with approval of a majority of the limited

partners. The only time that would happen is when there are a few promising investments that were viewed as valuable. If what you had was only a position in a company that was not going anywhere, the company would shut down at that point. There is also a secondary market where that type of orphan position can be sold if the company is at the end of the fund's life. This type of fund usually winds up in ten years. Returns from these companies usually come in around Year 5 and then start to accelerate in the ensuing 3 or 4 years.

CHAIR RATTI:

I am particularly drilling down on the two general partners. They put in \$1.5 million each. Is that all up front at once or over the course of the fund?

MR. GOLDBERG:

The general partners would act similarly to a limited partner whereas you make investments over the course of three, four or five years when a capital call will be done. This is where the dollars are committed but are not actually in the fund until the capital call is made. In this sort of fund, 60 percent of the capital would be committed in the first 3 to 4 years of the fund and have a reserve of 40 percent over the remaining investment period.

CHAIR RATTI:

In the meantime, they are taking a salary that is upwards of \$176,000. Am I reading that correctly?

MR. GOLDBERG:

That is up to the infrastructure board to decide how the fund will be managed, but that would be a below-market salary in the industry.

CHAIR RATTI:

I am a nonprofit person by trade. Just let me pause for a minute and say, you invest \$1.5 million, but only 60 percent of that is up front and you are drawing a salary of \$176,000 per year. You are basically making your investment back in the first couple of years in salary. Is that correct?

MR. GOLDBERG:

First of all, I do not think it is within the first couple of years if it is \$1.5 million. It is a full-time job.

CHAIR RATTI:

Help me understand, why are the general partners necessary as investors? First of all, is it set up as a nonprofit organization?

SENATOR KIECKHEFER:

No, the fund would be a limited partnership.

CHAIR RATTI:

That helps to know. What value is added when the salaried person is also an investor? Why not hire the talent and not mix those two baskets?

MR. VENDETTI:

Typically, the general partners in a venture fund are the team that scouts for investment opportunities, works with those companies, sits on their boards, manages the fund's investments and makes all the tough calls, such as, do we do any follow-on financing? They are the people tasked to build the businesses. It is a full-time job. In my venture fund, I work almost every day. The limited partners who invest in the fund want me to put my own money into the fund like they did, so they can see that I have skin in the game.

CHAIR RATTI:

Our limited partners are our businesses that receive a tax credit?

MR. VENDETTI:

Plus other individual investors.

CHAIR RATTI:

Would individual investors get any tax benefit?

MR. VENDETTI:

No.

CHAIR RATTI:

If there are individual investors willing to put their money at risk, why do we need the public money? Let me ask you this way, did you have public dollars of support in your venture fund?

MR. VENDETTI:

Yes. Oregon had a different type of program. In my first fund, which was a \$7.5 million fund, Oregon invested \$500,000 of that through a special allocation it carved out from the legislature. The rest of the money came from myself. I was the largest investor in the fund, personally. There were 54 other individuals and or family offices that invested in the fund.

CHAIR RATTI:

It was a \$7.5 million fund, but \$500,000 was public dollars.

MR. VENDETTI:

Yes. A limited partnership investment is a different structure; this program is different. If this program had existed in Oregon, I would have been all over this. This would have allowed us to build an investable pool of capital that would be much larger and would have addressed a large part of the problem we faced.

Here are a couple of statistics. Of the \$300 million in venture capital invested in Oregon last year, only 4.8 percent came from Oregon sources. Compare that to some of our neighboring states, Utah, Colorado and others where close to 15 percent of the venture capital dollars invested in those states came from in-state sources.

CHAIR RATTI:

Help me understand why that is a bad thing. Typically in economic development, we are thrilled when out-of-state dollars are coming into the State. Why is that a bad thing? Why is that worth investing in?

MR. VENDETTI:

It is a great thing when investment dollars come in from out of state, if it happens in later rounds of funding. If you are talking about the early-stage capital, which is what this fund would be focused on, you need local investors who are successful entrepreneurs who have built businesses. This is because your job is to help new entrepreneurs avoid the land mines they will run into, help them to navigate their journey and build a sustainable company. It turns out this is a really hard thing to do. You want a foundation of early-stage capital that is resident in the state. There will always be larger outside funds that come in later rounds of funding, but the early stage of funding is where those investors are obtaining the biggest pieces of ownership in those companies.

Now all the wealth generated by those investments will be recycled in Nevada, not in California.

Right now, in Oregon, 96.2 percent of the wealth generated by the investors in 2016 is going to recycle outside of Oregon. To me, that is an unacceptable situation. What you want is for the recycling effect of wealth and talent to accelerate inside the state. If the state can benefit economically from the success of these startups, they are more likely to turn around and reinvest more capital in projects within the state. I have seen that prove out. That is how Silicon Valley became Silicon Valley. It was a constant recycling of wealth and talent generated from both the investors side and the entrepreneurs side.

CHAIR RATTI:

Do you know if in Silicon Valley there was a commitment of public dollars to get there?

MR. VENDETTI:

The history of Silicon Valley was tied to defense industry after World War II and quite a bit of public funding was received.

I have been inspired by the experiment in Oregon to track a growing number of states. I have a mission to crack the code: What does it take to create a prosperous, sustainable, tech ecosystem in regional markets outside of the major metros and the coast? Increasing numbers of states are forming these public-private partnerships to do exactly that because left to its own, it is really hard to raise the capital. You can raise tiny little pieces here and there, but to raise a \$30 million venture fund, that is not going to happen.

SENATOR KIECKHEFER:

The question over the public input is one that I arrived to gradually because I was looking at a potential piece of legislation to do a direct appropriation from our General Fund to partner with RDAs to do the entrepreneurial ecosystem work. It occurred to me that if I am going to put a dent into the General Fund through a direct appropriation to do something, would not it be more effective to leverage that money I was already willing to spend on behalf of the taxpayers and draw in-State business investments into other Nevada companies and create this cycle? If we were going to spend the money anyway, why not leverage it up?

CHAIR RATTI:

If I understand, that \$15 million investment, at the end of ten years the whole project wraps. It is not in perpetuity. That \$15 million is invested, it is gone and the whole project wraps. Is that correct?

SENATOR KIECKHEFER:

Yes. The idea is that this is a one-time infusion and we would not do this again.

CHAIR RATTI:

If this one winds down, why would you not do it again?

MR. VENDETTI:

As the managers invest this fund, and they will invest that over the next three to four years, they will build up a portfolio of companies. The fund itself will be fully allocated. The hold will be maybe 0.33 percent of the capital in reserve for follow-on investments in those companies in the portfolio. At that point, based upon their success in the first fund, they would seek to raise a second fund just like I am doing now in Oregon. The second fund should be funded purely from private sources. In my point of view, this legislation is kickstarting, with some leverage, the creation of a fund that could then raise the next fund, the next and the next from purely financial investors.

SENATOR KIECKHEFER:

You had asked earlier why we would want to do this if we were able to attract private investors who do not get a tax benefit? I do not think I answered that question. Since the overhead and management expenses of the fund are paid by the tax creditable portion of the investments, the nontax creditable investors receive an enhanced return on their investment. You can see their investment which goes along the top line of the flow chart. One hundred percent of their investment gets invested into Nevada companies rather than covering overhead. They get a higher rate of return than they would in a fund where that does not take place.

This is an effort to lure people to invest in a state where there is not a traditional history of successful venture capital infrastructure. Once it is proven up and we have the ecosystem in place, it will generate entrepreneurs and the businesses that are prepared to grow. Then, without the additional multiplier, Nevada will become a much more attractive place to invest.

SENATOR GANSERT:

If the fund is successful and it grows, what does the State get back? Does the State get a piece of it? I know the general partners can get 20 percent to 25 percent depending upon the profits.

SENATOR KIECKHEFER:

Yes. Of the State's \$5 million creditable piece that is invested in the companies, it would get its equity percentage back through the same formula that all other investors do.

SENATOR GANSERT:

It would be viewed just like a general partner, so it has an equity stake?

SENATOR KIECKHEFER:

Limited partner.

SENATOR GANSERT:

Limited partner, with \$5 million of the potential \$30 million?

SENATOR KIECKHEFER:

Yes.

CHAIR RATTI:

Just to make sure I am tracking this, the State is investing \$15 million, but only \$5 million of that investment is eligible for limited partnership status?

SENATOR KIECKHEFER:

Can you repeat the question please?

CHAIR RATTI:

When you answered Senator Gansert's question, you said the \$5 million that was invested in the fund would be limited partner status and be able to have a return on investment, but we are investing \$15 million. That sounds like only 0.33 percent of it was eligible for return on investment.

SENATOR KIECKHEFER:

One-third of the tax creditable portion would be eligible for return on investment because only 0.33 percent is invested. One-third is to pay for ecosystem work and one-third to pay for management of the fund.



SENATOR GANSERT:

Since \$10 million is going to overhead, is that to cover the 10 years? You put the money in and that is covering the duration of the fund and maybe there are extensions on the fund?

SENATOR KIECKHEFER:

It would only be \$5 million for management.

SENATOR GANSERT:

I see \$5 million for infrastructure and \$5 million for the general partners, right?

SENATOR KIECKHEFER:

Yes, that is the general partnership.

SENATOR GANSERT:

Oh, because part of it is to build the infrastructure. Thus, \$5 million is to build the infrastructure, \$5 million is overhead, and then \$5 million is an equity investment.

SENATOR KIECKHEFER:

Yes.

CHAIR RATTI:

Mr. Vendetti, your example is a community; you are talking about Bend.

MR. VENDETTI:

Yes.

CHAIR RATTI:

We are talking about a state, specifically Nevada with two metro centers that are a six-to-eight-hour drive depending on your approach, and cultural worlds apart. To me, when you are talking about building an entrepreneurial culture, how would you approach that in a state and would this model even work in a state?

MR. VENDETTI:

Nevada feels like a tale of two cities. You have Las Vegas and Reno, south and north.

CHAIR RATTI:

And 15 other wonderful counties.

MR. VENDETTI:

Exactly. Oregon is similar. In Oregon, Portland is the major metro, and everywhere else is kind of ignored. Whether it is Bend, Eugene or Corvallis, those are the three other metro areas in the State that have critical mass. Portland is so much larger that it dominates. This whole ecosystem development that I have been involved in, in the early years, 60 percent to 70 percent of my effort was focused on Bend to get it on the map a little bit. Then the last three or four years it has been statewide.

We have shared everything we have done in Bend with all the other economic development teams around the state. The largest number of our investments in tech companies are in Portland. The way I would describe it is every community has its own conditions and reality. Las Vegas will be different from Reno which will be different from other parts of the State, but the fund should be investing, seeking out and finding the best companies to invest in throughout the entire State.

SENATOR GANSERT:

Models have been employed in different states. What would be helpful is to look at the success of those, whether it be Oregon or Utah. It would be nice to get some numbers around how you can multiply dollars invested, whether they are State dollars—State dollars are really important—and I know you tossed in a lot of that. How much have they invested in, and what has been the multiple on investment in jobs maybe, I am not sure if that is readily available or not. It would be helpful to demonstrate how you build this critical mass and infrastructure and how it creates the cycle that you have talked about.

MR. VENDETTI:

In Oregon, every investor group or fund that has received any kind of state funding reports back a number of different metrics each year. One of them is job creation, number of employees per startup, etc. Of those funds that have taken state money, there have been thousands of jobs created.

SENATOR GANSERT:

That might be helpful information to have.

CHAIR RATTI:

I agree with Senator Gansert. We get lots of proposals for economic development. This is a very different proposal, but typically when those proposals come forward, there is some kind of economic impact piece that we can look at that shows us if we take this \$15 million in public money it will turn into some sort of return on investment for the State. It is a different model, so I do not know if that is possible for this model, but it would help to tell the story.

Similarly, when we do those things, we focus on things like average wage and health benefits, some of the pieces that make sure that the kinds of companies that we are developing are not the kinds of companies that are going to require public subsidy once they get set up. Have you seen any models, or in that reporting how does that play out?

MR. VENDETTI:

We track all of this. I am happy to share what we are doing in Oregon with you all. We do annual salary surveys with all of the portfolio companies. We track wages, jobs. All of that gets fed back to the Oregon Growth Board, which is the entity that does this funding for Oregon.

In Oregon, our situation is a little different. We have a personal income tax and we have no sales tax. Eighty percent of the state revenue comes from personal income tax. The way you craft the programs needs to align with the reality of the business conditions in the given state. Different things will work in different states. Even in Oregon, we are woefully behind in evolving the program we have in place. It is a constant effort to continue to create enough critical mass where you have got a sustainable ecosystem.

CHAIR RATTI:

Knowing we have lots of other things going on today, we will go ahead and move on with your additional testimony. My point of view, and this Body generally, is we have moved for tax credits as a General Fund spend. It is a lot of money for what we have going on in the State. I think it is very interesting.

DOUG ERWIN (Economic Development Authority of Western Nevada):

I am here to testify in favor of S.B. 349. I am an entrepreneur turned nonprofit executive. I run the Economic Development Authority of Western Nevada (EDAWN) entrepreneurial development program. Every day I work with startups and entrepreneurs in our community that are looking to grow their companies. If

you think about the importance of startup communities, you just need to look in your packet for the information by Kauffman Foundation ([Exhibit F](#)).

Kauffman Foundation has stated that startups are responsible for all new net job growth. They are the engine that creates the new jobs in our Country. Those startups are increasingly faced with many choices about where they can choose to establish their headquarters. For Nevada to remain competitive, we need to support the growth of our entrepreneurial ecosystem statewide.

Through my experiences both running companies and through helping many startups at EDAWN, I have seen the challenges firsthand that face our early-stage companies in our community, whether that is accessing qualified mentors, attracting good executive talent, having high quality programming or accessing capital. These are all problems that face our founders who are looking to grow and start their companies locally. I think S.B. 349 is important to the entrepreneurial community because it addresses many of the challenges. It provides the critical infrastructure funding for the programs that help startup ecosystems flourish, such as accelerators and code schools. Code schools are things that help people become software developers that can feed those kinds of companies. It improves access to capital for the Nevada-based startup both at the seed and early stages, which are the hardest times to raise capital for companies. One of the best parts about this is that it engages legacy business and local investors to participate in the success of the Nevada technology ecosystem. This keeps the wealth in our community and creates that cycle that started Silicon Valley.

This one-page infographic ([Exhibit G](#)) is a good example of what we are attempting to create in our ecosystem. I strongly believe in the power of entrepreneurship to drive economic prosperity for all Nevadans, and I urge you to support this important legislation which will help strengthen our competitiveness and help grow our burgeoning technology sector.

CHAIR RATTI:

I am looking at an online article that says a recent Kauffman Foundation white paper postulates that states should avoid state venture capital funds. It sounds like you are familiar with them; are you familiar with that?

MR. ERWIN:

Yes, I work closely with Victor W. Hwang and the folks at Kauffman. Historically, the way states have structured partnerships has not been that effective, but there are definitely good examples. We have been able to build on the lessons from those. We are in close connection with Kauffman on that and would be happy to talk with you. There have been missteps in other states in how they have done it. The benefit of coming late to the party is that you get to learn from all the other people's mistakes.

CHAIR RATTI:

Coming late to the party then, are you familiar with how many states are doing something like this?

MR. ERWIN:

I do not know the exact number off the top of my head, but there are many different types of programs, such as Ohio that does a direct investment seed program. Utah Science Technology and Research put hundreds of millions of dollars to work. There are examples of things that work and things that have not worked that are a good reference.

CHAIR RATTI:

Perhaps because you have this relationship with Kauffman Foundation you could get us a summary of what other states have done.

MR. ERWIN:

We can look at that information for you.

STEVE HILL (Executive Director, Office of Economic Development, Office of the Governor):

The Governor's Office of Economic Development is neutral on S.B. 349. As this Committee knows, we also have the Battle Born Venture Program in the State which gives us experience in this area. There is a need for additional venture capital which is the majority reason that the Battle Born program is in place—to attract others because we have to leverage it with other programs. The venture capital industry is a catch-22. You need capital to attract business and you need deal flow to attract capital. This program has the strength in that it would not only attract capital but the mentorship programs that would allow those companies to flourish. Throughout my time in this job, we have encountered many companies that have started in Nevada, but when they go through the

next round of funding, the real funders of those companies want those companies near where they are. Just as we would not consider investing in a company in Texas, we would want to keep our eye on them and be able to help them. Wherever that money comes from is usually a strong pull for where that company ultimately lands. I have talked with the sponsor of the bill. We have seen some opportunities for efficiencies that could be potentially generated both in the management of this fund and in conjunction with the Battle Born program.

You had asked about the north-south issue. As we would have some responsibility for the management of this program, we would look to have someone in northern Nevada and in southern Nevada, someone on the ground working to find the opportunities in both areas.

CHAIR RATTI:

I will close the hearing on S.B. 349 and open the hearing on S.B. 415.

**SENATE BILL 415**: Proposes to exempt sales of feminine hygiene products from sales and use taxes and analogous taxes. (BDR 32-631)

SENATOR JOYCE WOODHOUSE (Senatorial District No. 5):

I am here to present S.B. 415, which would ask the voters for a sales tax exemption for feminine hygiene products. I will read from my written remarks ([Exhibit H](#)).

I will go over the bill and then Senator Yvanna Cancela will provide you with some context and an explanation of the importance of this bill.

Starting with section 1 of S.B. 415, this contains the findings that must be made by the Legislature pursuant to the Nevada Constitution before the Legislature enacts any tax exemption.

By way of introduction to section 2, you will recall that, unlike most other states that can enact sales tax exemptions through legislation, Nevada State sales tax rate of 2 percent was passed by the voters in 1955 by referendum and can only be amended by the voters. Therefore, section 2 states that a valid question will go to the voters at the general election on November 6, 2018, asking them to exempt feminine hygiene products from sales taxes. Section 4 spells out the language that will appear on the ballot in 2018.

Because the Nevada Constitution also requires tax exemptions to have expiration dates, section 7 sets 2028 as the year that feminine hygiene exemption expires. Sections 10 and 11 provide a definition of feminine hygiene product in *Nevada Revised Statutes* (NRS) 372, the general sales tax chapter, which applies to the State rate and local sales taxes, and also in NRS 374, which applies to the Local School Support Tax (LSST). Section 12 amends NRS 374.287, the LSST chapter, to add the exemption for feminine hygiene products because this chapter is amended by the Legislature and therefore not covered by the ballot question.

Subsection 2 of section 13 makes the statutory sales tax exemptions for feminine hygiene products effective on January 1, 2019, the same date the ballot question makes the changes to the sales tax effective if approved by the voters. Finally, subsection 2 of section 13 includes a parallel expiration date of December 31, 2028, to match section 7.

SENATOR YVANNA D. CANCELA (Senatorial District No. 10):

Senator Woodhouse explained the logistics for how the bill works. My part of the presentation will speak to the origin and importance of this legislation.

Nevada has more women serving in our Legislature than any other state. Forty percent of our Legislators are female. It is only fitting that Nevada tackles gender inequality in the application of our sales tax laws. This may not seem like a starting point to start talking about gender inequality, but is an important place to have the discussion.

Historically, male-dominated legislatures have decided what is exempted from taxation as a necessity, and it has only been recently that across the Country women legislators have stood up and said, we buy tampons and sanitary napkins because we have to, and we should look at the sales tax around those items.

Talking about tampons and sanitary napkins in a public setting has been awkward in the past. It is because so many women have come forward to have this discussion that we are able to have it here today. It is the twenty-first century. It is time to acknowledge that feminine hygiene products are not a luxury but a necessity of life that every woman must purchase starting around the age of 13 until her early 50s. That is roughly 40 years of purchase.

The U.S. Food and Drug Administration (FDA) classifies tampons as a Class II medical device, and there is a good argument to be made that they should be exempt.

It is easy for opposition to say that the amount of money that would come from this exemption is so minimal that we should not be discussing this, that there are other areas to have this discussion, to which I would answer that the two are not mutually exclusive. We can have the discussion about other inequities in sales tax law, but to ignore the fact that feminine products are taxed at a higher rate and that feminine hygiene products fit within the gender inequality that exists within our taxation system would be a disservice to the people we represent.

Studies look at gender pricing inequities, and they have concluded that on average, women pay 7 percent more for products marketed to women, such as personal care items or clothing, than products similar for men. An example is that oftentimes a pink bike at a store costs more than a blue bike simply because it is marketed to women.

Eight states have exempted feminine hygiene products from state sales tax, but nearly 20 states are considering such legislation. Women are filing class action lawsuits challenging the inequity of sales taxes on feminine hygiene products.

This bill asks that voters decide if it is time to lift the sales tax on these products.

CASSANDRA CHARLES (Planned Parenthood, Las Vegas East):

In Nevada, candy is not taxed, yet I have to pay extra cents every month simply because my body menstruates. Why are tampons and pads labeled as luxury items when dry cleaning, soda and candy are not? This tax is clearly another way to make women and people with uteruses separate from the rest of the population. The tax could add as much as 66 cents onto only one box of tampons. As someone who is struggling to pay for college, tampons are the last thing that I have to pay for, let alone pay tax on. I support S.B. 415.

JAZZ SHEFFER:

To be clear, some of the things not taxed in Nevada are candy, haircuts, dry cleaning, doctor's visits and now with the passage of Question 4, medical equipment. Since tampons are already considered medical devices by the FDA,



it is clear that to continue to tax tampons based upon the fact that the people who use them have uterus would be sexist. Women's care is health care, and that is why I am here in support of S.B. 415.

ALMA HERNANDEZ:

I support S.B. 415. I would like to say that it is not right for anyone to benefit financially because I was born with a uterus. I do not feel that I should be taxed for something that comes natural to me and every woman in Clark County. If men do not have to be taxed for their nocturnal emissions, then I should not have to be taxed for my menstrual cycle.

ELISA CAFFERATA (Nevada Advocates for Planned Parenthood Affiliates):

We support S.B. 415. Our plans of gifting tampons to all of the Legislators were foiled by the gift rules. However, in the north we are donating tampons and pads. We are going to give the receipts to the Legislators because the receipts have no monetary value. The visual is this: Pads are taxed, Peeps are not. It is time to fix it.

WENDY STOLYAROV (Libertarian Party of Nevada):

I will read from my written testimony ([Exhibit I](#)).

PATRICIA SLOTNICK, R.N.:

I will read from my written remarks ([Exhibit J](#)).

DEREK WASHINGTON (Black Democratic Empowerment Project; GetEQUAL NV):

I am here as a male ally of feminism. I do not understand why we are discussing this; it sort of sucks. Why are we taxing women for the things that they need? Please, vote for this bill.

BELEN DELATORRE:

I am here to support the elimination of the tax on feminine hygiene products. Aside from having the burden of having a period every month, I do not think we should have the burden of tax on tampons. We need them.

SHANE PICCININI (Food Bank of Northern Nevada; Three Square):

We support S.B. 415.

MOLLY ROSE LEWIS (National Association for the Repeal of Abortion Laws):

We support S.B. 415. I will read from my written testimony ([Exhibit K](#)).

STACEY SHINN (Progressive Leadership Alliance of Nevada):

We support S.B. 415. I have submitted written testimony ([Exhibit L](#)). I want to be on the record up here with my tampons.

MARLENE LOCKARD (Nevada Women's Lobby; Nevada Coalition for Women's Equity):

Since I am old, I want to put this issue into perspective, and I want to remind everyone of something probably most in this room will not remember. There used to be pay toilets in women's restrooms, particularly in airports. The struggle has been long. It had been a major issue of former Senator Jean Ford and Senator Mary Gojack to eliminate the pay toilets. Now we are ever so slowly making some progress. We support S.B. 415.

KIM PALMER (Planned Parenthood):

I agree with the previous testimony. As a 60-year-old woman, I have been paying taxes for 40 years on all of this. It does not stop with tampons and pads, there are cleansing supplies to purchase also. I support S.B. 415.

CHERYL BLOMSTROM (Nevada Taxpayers Association):

I testify neutral. I want to talk about narrowing a tax base that is already narrow. When the State tries to make the sales tax match the expenditures, it raises the rates. The broader the base, the more products it is applied to; the lower the rate can be, the less aggressive it is. When the tax base is narrowed, the tax is less predictable. Unpredictability results in fluctuations in the tax of retail purchases depending on consumers. Additionally, the sales tax exemption in this case would not be means tested at all, so it is costly.

BRYAN WACHTER (Retail Association of Nevada):

I testify neutral. I will mention what I said during the hearing on durable medical equipment. It would be easier if the Legislature would consider asking the voters to remove all of the Sales and Use Tax Act from the Nevada Constitution and give that control back to the Legislature.

I have two things to clarify for the record. First, Senate Bill 415, section 10, seeks to amend *Nevada Revised Statutes* 372, and section 11 of S.B. 415 seeks to amend NRS 374. The bill defines female hygiene products to include without limitation the sanitary napkin, tampon or similar item used for hygiene. We want to clarify that NRS 372 and NRS 374 allow the Department of Taxation to provide regulatory definitions that would hold true for these. When

we address issues on similar items, the Department already has authority to make these changes to the administrative code. This will help retailers to ensure all items intended to be included are coded into the computer system as tax-exempt.

Two, we are curious if there is an estimate as to what anticipated monetary amount this exemption is worth in total, and what decrease in collections is expected so that if the State needs to make up those funds, it could.

The last thing, with the LSST: As the education dollars decrease, the State has to make up for it. It would be helpful to know the anticipated decrease in dollar amount.

CHAIR RATTI:

On your first point, do you think we need an amendment on the bill to make sure the regulatory process is what is needed?

MR. WACHTER:

Not necessarily. Just as long as there is, and maybe even your staff can clarify this on the record, because the provisions in NRS 374 and NRS 372 already allow the Department of Taxation to make administrative changes, or at least redefine those terms and regulations. That would be sufficient without an amendment.

CHAIR RATTI:

I think we might need Deonne Contine of the Taxation Department. We will follow that up and get back to you.

I will close the hearing on S.B. 415 and open the hearing on S.B. 363.

**SENATE BILL 363**: Makes various changes relating to regional commercial air service in this State. (BDR 18-92)

SENATOR PETE GOICOECHEA (Senatorial District No. 19):

If some of you think this looks similar to S.B. No. 125 of the 78th Session, that is because it is the same bill. We bring you the policy, understanding full well it will go to Finance Committee for an appropriation that is not in the Governor's budget. I will walk quickly through the bill.

It will create the Nevada Air Service Development Commission. The Commission will deal with both small hub and nonhub airports; create a fund to grant money to air carriers that meet the criteria in the bill; enable air carriers to commence and continue service in some of the smaller airports across the State; and it should provide some economic benefit to the whole State.

The Commission will grant funds. The appropriation requested is \$1 million each year. An example of why S.B. 363 will help Nevada is: in the Senate Committee on Education, Richard G. Barrows testified for Elko County School District. Rather than flying down today, he drove for 13 hours because the flight from Elko to here and back went through Salt Lake City. A person cannot fly from eastern Nevada to here without going out of state. The fare was \$1,072. That is hard when it is the only option you have. Drive 13 hours or pay \$1,100.

This Commission grants funding that allows for an 80 percent grant. The other 20 percent would have to be matched by the airport that received the grant. This can be done with landing fees or a number of ways that can be done in kind. If the airport gets \$200,000, it would be required to meet at least \$40,000 in some kind of match.

When we had this bill in the last Session, we did have a couple of carriers that were interested in coming, such as Aviana Airlines. Unfortunately, we did not get the bill out. Aviana Airlines flights were planned to come from Elko, Reno, San Jose, Boise and then we hoped to fill some type of flight connection from Elko to Las Vegas. The ridership is tough.

I will let Curtis Calder and Marily Mora pick it up because they can give you the flight data, how many flights and riders and why we think this will work with a small infusion.

CURTIS CALDER (City Manager, Airport Manager, City of Elko):

The City of Elko owns and operates Elko Regional Airport, which is a commercial airport facility. I want to mention something, even though it is in my submitted presentation ([Exhibit M](#)). Why is this bill necessary? There is competition with other Western States that have similar programs in place that have seen success. We are vying with those for limited aviation resources. There is also a significant amount of air service leakage out of Nevada into neighboring states. In Elko's case, approximately 49 percent of all air traffic and travelers are going through Salt Lake City, driving to Salt Lake and flying out of

Salt Lake City. That is lost revenue for Nevada and the community of Elko. There have also been reductions in federal air service assistance. For example, the Essential Air Service program (EAS), which funded EAS in communities such as Ely, is no longer there. Small Community Air Service Development Program grants, which are federally funded, are much harder to obtain. In Elko's case, we have received only one of those grants in the last 20 years.

There are also changes in commercial aircraft fleets. Anybody who flies a lot sees this. There are larger jet aircraft and fewer of them and then even fewer propeller aircraft. There are not many turboprop aircraft anymore. Much of this is related to a national shortage of pilots. A lot of pilots entering retirement means fewer pilots available. Increased minimum pilot flight time takes the pilots from regional air carriers and places them into larger carriers, increasing the difficulty for these regional routes.

Civil aviation in general is critical to economic development in Nevada. According to a study by the Federal Aviation Administration (FAA), Nevada ranked second in economic impact of civil aviation to state gross domestic product. Essential sectors in our economy such as tourism, gaming, recreation, logistics and mining rely heavily upon civil aviation. Commercial air service enhancement is a critical component for rural economic development and diversification. Investments in civil aviation infrastructure are often underutilized, resulting in excellent economic growth potential. For example; in Elko we have a beautiful FAA Part 139 commercial airport facility with only one carrier that provides only two flights a day. We could accommodate a lot more growth in that facility. There is also a huge capital investment there.

MARILY M. MORA, A.A.E. (President/CEO Reno-Tahoe Airport Authority):  
I will read my written testimony ([Exhibit N](#)).

SENATOR GANSERT:

I believe you have had quite a bit of success for the Reno-Tahoe Airport. Do you want to talk a little bit about those?

MS. MORA:

I will say first off that we have added 14 flights in the last 22 months. Several of those flights have been supported through risk mitigation. Most have been supported through our Reno-Tahoe Regional Air Service Corporation (RASC), which is a community-based organization of about 15 different conventioners,

visitors bureau, businesses and tourism entities that the hotels and casinos have put money into for marketing.

When you try to attract an airline these days, you have to offer more than a normal airline and show that the ridership numbers are there. An airport has to put more on the table to be enticing. Waiving landing fees and rental rates are only a start and by themselves will not be attractive enough. An airport must offer something more. That is why this is a new age. Other states have partnered to help with air service. I think this is why we have been successful at Reno-Tahoe International Airport with risk mitigation as part of the effort.

SENATOR GOICOECHEA:

Our ridership shows it will work in Elko if we can entice them to get there and start flying. We have got a huge mining industry with people who need to be in other places.

CHAIR RATTI:

Ms. Mora, can you talk about where the money for risk mitigation efforts came from in Reno?

MS. MORA:

It came from a group called the Regional Air Service Corporation that has been around since 2000. It was incorporated to be able to sign a risk mitigation agreement because the airport cannot sign that. It was put together to sign on the line for Jet Blue service to New York. The RASC, as a group, put together funds for that both on the mitigation side and on the marketing side. We also had individual entities such as hotel-casinos that partnered, other individual partners were part of that effort.

CHAIR RATTI:

Were there any public funds in that effort?

MS. MORA:

No.

CHAIR RATTI:

That is my question. Have we tried asking the mines and the other vested stakeholders, who want to see air service in Elko, to contribute to a risk mitigation fund?

SENATOR GOICOECHEA:

I do not think we can generate the kind of funding that would be necessary, and I assume Reno-Tahoe would be interested in enhancing their position with this Commission and the grant funding.

MS. MORA:

I should correct that there might be marketing needs. I consider the Reno-Tahoe International Airport can be part of the marketing but not the risk mitigation, which is a direct payment to an airline. From that standpoint, yes, there were funds in that.

CHAIR RATTI:

Are there also Reno-Sparks Convention and Visitors Authority room tax dollars put in?

MS. MORA:

Yes.

SENATOR GOICOECHEA:

When you are flying two flights a day out of Elko going to Salt Lake, it is hard to get support. I know we can get some support and help if we start talking about getting a carrier that will service into Nevada.

CHAIR RATTI:

You said Reno and Elko would be interested. Who else would this fund be available to?

SENATOR GOICOECHEA:

Any small hub or nonhub and Reno-Tahoe, which has been dropped down to a small hub. Anybody that has a commercial carrier.

CHAIR RATTI:

Are there others?

SENATOR GOICOECHEA:

I am not sure whether North Las Vegas would qualify. Mr. Calder would probably have a better answer.

MR. CALDER:

The only airport excluded in this legislation is McCarran International because it is a large hub. Other Clark County aviation facilities such as North Las Vegas would qualify.

CHAIR RATTI:

What about Incline Village? Is that too small?

SENATOR GOICOECHEA:

It does not have a commercial carrier.

CHAIR RATTI:

It has to have a commercial carrier?

MR. CALDER:

Yes.

SENATOR GANSERT:

The purpose of the fund is to mitigate some risk to the airline, and once you demonstrate that it can get the ridership, the carrier picks up the service. And that is how it has worked for Reno-Tahoe, which has been phenomenal.

CHAIR RATTI:

You have asked for \$1 million per year. Maybe this is the right place to interject, it is good for you to be here on a day when one of your colleagues asks for \$15 million, so yours does not look so expensive.

SENATOR GOICOECHEA:

Yes. We are here before this Committee to ask for you to support the policy. Clearly there is need for it.

CHAIR RATTI:

My question is: if the need would not go away, would it be an ongoing appropriation?

SENATOR GOICOECHEA:

It is \$2 million at this point. It would be up to the next Legislature. The proof is in the pudding. If we do have some enhancements, the flights are working and we are able to generate those dollars that will support the State in these smaller



communities, I would feel more comfortable to come back, if we had flights from Elko to Reno and Salt Lake City, asking for \$1 million a year. Right now it is a shot in the dark. We are asking for a couple million dollars to give S.B. 363 a chance.

CHAIR RATTI:

I will enter the following exhibits into the record: Written testimony of Eugene Wong in support of S.B. 349 ([Exhibit O](#)); written testimony of Elisa Cafferata on behalf of Planned Parenthood and written testimony with background information on behalf of Nevada Advocates of Planned Parenthood ([Exhibit P](#)) in support of S.B. 415; and a letter of support for S.B. 363 from Assemblyman John Ellison ([Exhibit Q](#)).

Remainder of page intentionally left blank; signature page to follow.

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CHAIR RATTI:

I will close the hearing on S.B. 363 and we are adjourned at 5:34 p.m.

RESPECTFULLY SUBMITTED:

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Colleen Lennox,  
Committee Secretary

APPROVED BY:

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Senator Julia Ratti, Chair

DATE: \_\_\_\_\_

<b>EXHIBIT SUMMARY</b>				
<b>Bill</b>	<b>Exhibit / # of pages</b>		<b>Witness / Entity</b>	<b>Description</b>
	A	1		Agenda
	B	8		Attendance Roster
S.B. 421	C	3	Alex Ortiz / Clark County	Proposed Amendment
S.B. 421	D	2	Tina Frias / Department of Aviation, Clark County	Evaluation Process SNTIC Impacts on Aviation
S.B. 349	E	7	Senator Ben Kieckhefer	Presentation Volens et Potens Fund (VeP)
S.B. 349	F	2	Doug Erwin / EDAWN	Kauffman Policy Digest, High-Growth Startups document
S.B. 349	G	1	Doug Erwin / EDAWN	Infographic Accenture Silicon Valley Tech Innovation Ecosystem document
S.B. 415	H	3	Senator Joyce Woodhouse	Written Testimony
S.B. 415	I	1	Wendy Stolyarov / Libertarian Party of Nevada	Letter of Support
S.B. 415	J	1	Patty Slotnick	Letter of Support
S.B. 415	K	1	Molly Rose Lewis / NARAL	Testimony in Support, NARAL from Caroline Mello Roberson
S.B. 415	L	1	Stacey Shinn / PLAN	Testimony in Support
S.B. 363	M	17	Curtis Calder / City of Elko	Presentation
S.B. 363	N	2	Marily Mora / Reno-Tahoe Airport Authority	Testimony in Support Reno-Tahoe Airport Authority
S.B. 349	O	1	Senator Julia Ratti	Testimony in Support from Eugene Wong, MW Tech Accelerator Fund, LLC
S.B. 415	P	3	Senator Julia Ratti	Letter and Background Information from Elisa Cafferata; Planned Parenthood Nevada Advocates Affiliates

S.B. 363	Q	1	Senator Julia Ratti	Written Testimony in Support Assemblyman John Ellison
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