MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON TAXATION

Eightieth Session
March 12, 2019

The Committee on Taxation was called to order by Chair Dina Neal at 4:07 p.m. on Tuesday, March 12, 2019, in Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4406 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/80th2019.

COMMITTEE MEMBERS PRESENT:

Assemblywoman Dina Neal, Chair
Assemblywoman Lesley E. Cohen, Vice Chair
Assemblywoman Shea Backus
Assemblywoman Teresa Benitez-Thompson
Assemblyman Chris Edwards
Assemblyman Edgar Flores
Assemblyman Gregory T. Hafen II
Assemblyman Al Kramer
Assemblywoman Susie Martinez
Assemblywoman Ellen B. Spiegel
Assemblywoman Heidi Swank

COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

None

STAFF MEMBERS PRESENT:

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

OTHERS PRESENT:

- Renee Kuhlman, Director of Policy Outreach, Government Relations & Policy, National Trust for Historic Preservation, Washington, D.C.
- David Cherry, Communications and Intergovernmental Relations Manager, City of Henderson
- Steven Conger, representing Nevada League of Cities and Municipalities
- Rebecca Lynn Palmer, Administrator and State Historic Preservation Officer, Office of Historic Preservation, State Department of Conservation and Natural Resources
- Kevin Raiford, Professor, Department of Business Administration, College of Southern Nevada
- Sharon Hauht, Owner, Happy Trails Kitchen, Las Vegas, Nevada
- Eleanor Loveless-Missark, Marketing Manager, Etem Transportation Services LLC, North Las Vegas, Nevada
- Brian McAnallen, representing City of North Las Vegas
- J. Kyle Dalpe, Interim Executive Director of Legislative Affairs, Nevada System of Higher Education
- Ricardo Villalobos, Executive Director, Division of Workforce and Economic Development, College of Southern Nevada

Chair Neal:
[Roll was taken and Committee rules and protocol were reviewed.] We have two bills on the agenda today. I will open the hearing on Assembly Bill 178. Assemblywoman Swank, please come to the table.

Assembly Bill 178: Provides for transferable tax credits for the rehabilitation of historic buildings. (BDR 32-297)

Assemblywoman Heidi Swank, Assembly District No. 16:
I have Renee Kuhlman on the phone with me today. I would like to talk about tax credits in Nevada, hand things off to Ms. Kuhlman, then talk the Committee through the bill. I have to apologize to the Committee. I gave the wrong version of this bill to drafting. Instead, I will refer to the hard copy in front of you (Exhibit C), which says at the top "Mock-Up: Proposed Amendment 4582 to Assembly Bill No. 370, First Reprint." This version is from the 2017 Session and was an amendment to Assembly Bill 370 of the 79th Session. As I go through the bill, I will be referring to (Exhibit C) instead of to the current version of the bill, Assembly Bill 178. You also have an additional conceptual amendment (Exhibit D) that I will be reading from.

With me today I have Renee Kuhlman on the phone from Washington, D.C. She is the Director of Policy Outreach for the National Trust for Historic Preservation. The National Trust has been an invaluable resource in putting together a historic tax credit system that works for Nevada. Before I hand things off to Ms. Kuhlman to talk you through the PowerPoint (Exhibit E), I would like to briefly mention why Nevada should have a state historic tax credit.

The point of a state historic tax credit is to get the federal historic tax credit. The federal historic tax credit is a 20 percent tax credit against income taxes paid to the federal government. For too long, Nevada has not been getting its fair share of federal support. In the most recent years we have had two federal historic tax credit projects. By implementing a state historic tax credit, what we are seeing in other states is that businesses will apply for the federal historic tax credit and thus bring those dollars back.

I will use Texas as an example. Texas implemented a state historic tax credit in 2013. Between the years of 2010 and 2013, before the tax credit was in place in Texas, there were 17 federal historic tax credit projects—a lot more than we have had. That brought in $31 million in credits. Once the historic tax credit was put in place, the number of federal historic tax credit projects jumped from 17 to 33, with $81 million in federal tax credits coming back to the state. That is a jump of $50 million by merely putting a state historic tax credit in place.

Leveraging federal dollars is one reason we should have a tax credit. Another is that many of our older buildings in Nevada are just now becoming old enough to take advantage of historic tax credits. The general rule of thumb is that a building has to be 50 years old or older—prior to 1969. Many of our buildings in southern Nevada are just aging into that historic period. In addition, small businesses are more likely to be in older buildings. In many ways, a state historic tax credit is a small business tax credit.

We have a component in here for affordable housing. One of the reasons to add in an affordable housing piece for a state historic tax credit is that by working on the buildings that already exist in low-income communities, we keep those communities intact. We are not moving them out to another place—into a newer building. We are keeping that social network in place.

Tax credits bring about jobs for more Nevadans. If you look at a rehabilitation project, about 70 percent of your costs are labor costs. With new construction money, most of it goes out of state to purchase construction materials, but when rehabilitating a building, you have labor dollars, and labor dollars are local dollars. They support Nevada workers and keep the dollars in our local communities.

A historic tax credit is not all about loving old buildings. It is about leveraging federal dollars, assisting small businesses, keeping low-income communities intact, and employing more Nevadans. I will hand things off to Ms. Kuhlman to walk you through the PowerPoint presentation (Exhibit E).

Renee Kuhlman, Director of Policy Outreach, Government Relations & Policy, National Trust for Historic Preservation, Washington, D.C.:
Thank you for the opportunity to speak with you today. As Assemblywoman Swank mentioned, the National Trust for Historic Preservation has been tracking this type of incentive for about 20 years. I am pleased to let you know the information we collected was just released in November 2018.

There are currently 35 states that have a historic tax credit [page 3, (Exhibit E)]. These states have found them to be very useful in increasing the number of rehabilitations of their older and historic structures. In order to get the tax credit, you have to be certified historic and certify that the rehabilitation is preserving those features. Basically, you are incentivizing private dollars to revitalize your community.

There have been seven new state incentives created in the past six years. This page [page 4] has a list of all the states, with Illinois being the most recent. They have done a pilot project in five communities, and recently they have created their own state historic tax credit.

I will now go into the reasons why states are adopting these credits [page 5]. I want to spend some time going over page 6 [Fills Critical Financing Gap] to show you why these tax credits are important. This example comes from Kentucky. I am not a numbers person, but this was explained to me in a way that made sense because I am a homeowner. The professor explained when a developer says the project is "not penciling out," basically they are not able to cover the costs of the rehabilitation and have an income-producing project in that building. In the beginning you go to the bank and tell them you have a historic building you would like to rehabilitate. They tell you that without any federal historic tax credits it is going to cost you about $8,000 per month if you borrow enough to do this $1.5 million renovation. Your monthly mortgage payment will be about $8,000. If you have a federal historic tax credit that helps fill in that financing gap, and now you only have about $6,500 for your monthly mortgage payment because you are not having to borrow as much money to be able to do this renovation, you may be able to get a business into the building that can pay a certain amount of rent in order for you to pay the monthly mortgage payment. If you have a state historic tax credit, you can see how this boosts the number of credits—you have now lowered the amount of the monthly mortgage payment and are able to get in businesses to be able to pay the rent. So when they say "the project pencils out," they are saying they can actually renovate the project and get a tenant in who will be able to pay that much money.

Another reason states are putting these historic tax credits in place is they have used them to target problems they are having [page 7, (Exhibit E)]. For example, four states have increased their percentage of credits for creation of affordable housing—Connecticut, Delaware, Maine, and Maryland. They have a 20 percent state historic tax credit, which mirrors the federal historic tax credit of 20 percent on the rehabilitation, and they increase the credit if affordable housing is created. Massachusetts does it a little differently. They have a capped program and set aside 25 percent of the overall credits for those projects that are creating affordable housing. This is a great project in Maine that is profiled on this page [page 7, (Exhibit E)]. You can see where they took an old cloister and are turning it into affordable housing units.

I wanted to show you an example of what is being worked on in Tennessee, which gives a bump up if they are in a Main Street America program. This is a project that is in a small town in Tennessee—Cleveland, Tennessee [page 8]. It is an example of what these rehabilitations can cause. In this instance there was an old Ford dealership in downtown. They turned it into 14 loft-style apartments and put in a restaurant on the other side of the building. Because they now had people living downtown again, a microbrewery opened next door, then a winery, and then a bank building. The tax credits are revitalizing the area. As I mentioned before, if you have the state historic tax credit, you would have even more of these catalytic projects happening.

Another reason states are putting these in place: it is putting vacant buildings back on the tax rolls. They are either currently underutilized or are vacant buildings. There are some statistics on page 9 from Wisconsin, where 60 percent of the buildings had been vacant for 10 to 30 years. Ohio has tracked that 82 percent of their buildings where they have used the historic tax credit were vacant.

As Assemblywoman Swank mentioned, there have been two projects in Nevada so far using the federal historic tax credit [page 10]. You are in good company because before Texas passed their state historic tax credit, they had very few. As a matter of fact, Texas had the same amount of rehabilitation projects happening in that huge state as Delaware, so they were on par with Delaware.

The next page shows you a place that is near and dear to my heart [page 11]. I am a huge country music fan. This example is from Bristol, Virginia. What is great about this example is right down the middle of its main street: one side of the street is in Virginia and the other side of the street is in Tennessee. It is literally a town that is split in half. On the Virginia side you have an amazing tax credit. On the Tennessee side you do not have one. You can see where the private investment is flowing to. On the Virginia side of the street you see seven buildings that have been renovated with $29 million being spent in that economy, creating jobs and renovating those buildings. The taller building to the left, in the background, is an old hotel that has been renovated for hotel purposes. On the Tennessee side of the street, they have had two buildings renovated and have seen only $2 million in expenditures. This is a great example showing the difference a state historic tax credit can make.

State historic tax credits increase local property values [page 12]. This is another reason why local mayors and officials really like seeing a state historic tax credit put in place. It goes back to putting those vacant properties back on the tax rolls. This page shows an example of a former brewery that was turned into a hotel and restaurant. I bring this up because these numbers are easy for me to remember. It was $1.4 million prior to renovation and $14 million after renovation.

This page shows you that historic tax credits help towns of all sizes [page 13]. These towns are in Louisiana. The folks in New Orleans have seen great use of the historic tax credits—it is a very historic town. Louisiana also has towns with less than 1,000 population that have used the historic tax credits. So it is a one-size-fits-all incentive.

You can see on page 14 (Exhibit E) that it starts to pay back the state's investment during construction. Every tax project is different. Sometimes you are renovating a former school, commercial building, et cetera. The end use could be different. You could be putting in a hotel, restaurant, or bar. On average, states have found that 30 cents to 40 cents of every dollar comes back during the construction phase. So it is those taxes on labor and materials that Assemblywoman Swank was talking about, coming back before the state pays out any money. It is sort of generating the money up front.

The next page [page 15] shows a project in North Carolina. They have a great state historic tax credit, but they only get the credit after the work has been completed—after the rehabilitation has been done and after the money has been invested—that is when the state is giving out the credits.

Page 16 shows a project in Biddeford, Maine, which is a Main Street program. The state then recoups the rest of that money by the taxes on the business that is put in the building. These all have to be income-producing projects. This is an example of a bookstore/restaurant/coffee shop. Again, these have catalytic impacts. With this particular project, there was a person who came in for coffee and learned about a vacant building two doors down. They had been looking for a building to locate a new restaurant in, and so they chose to locate in Biddeford, Maine.

These are key provisions you would want to consider [page 18, (Exhibit E)] that other states have found important to examine:

- You want to ensure this is going for certified historic buildings—not just any old building, but those your state historic preservation office considers to be historic and have their remaining features left.
- You want to ensure it is for a certified historic rehabilitation—you are paying to ensure these rehabilitations are done well and are preserving your past.
- You want to ensure it is a good percentage—that you are going to be able to have private investment interested. Wisconsin has a 5 percent credit and it really was not doing anything to attract private investment. When they moved it to 20 percent, they saw a 67 percent increase in the number of rehabilitations.
- You definitely want to try to offer it against different taxes you may have in your state because it makes it more attractive to a wider variety of people.
- You want to track it with the federal historic tax credit so it is not a burden on the staff reviewing it. If they are reviewing a federal historic tax credit project, you know they could simply be reviewing the same project for a state historic tax credit.
- You want to target for specific needs—states can be innovative with targeting for whatever needs they have.

The last key point is transferability [page 19, (Exhibit E)]. The biggest issue some states have had is they create this credit but are not able to get the credit into the hands of those who have the tax liability. For example, if I were to renovate a building in Virginia, where I live, I do not have that much tax liability I personally pay. In Virginia I would be able to be in a partnership, and we would be able to allocate the state historic tax credit within that partnership. There needs to be a mechanism to get that state historic tax credit into the hands of someone who can use it. States have done this in three ways: allocation within a partnership, as in Virginia where there are direct sales of the credit. If I get a credit in Colorado, for example, there is a business entity that needs that credit, and then we could do a transaction. States such as Maryland and Minnesota offer refundability, so someone could just have it off their taxes.

The next page shows what West Virginia did [page 20]. This is my hometown of Bluefield. The West Virginia Legislature decided they really wanted to try to attract new business to West Virginia. They decided to do that through the historic state tax credit. They now offer a 20 percent credit with a $30 million aggregate. They set aside part of it for a per-project cap and $5 million for small projects. They decided to offer that in two ways—through a certificate and through the syndication of partnership. It is starting to really have an impact in West Virginia. They, too, have had a lot of folks interested in renovating buildings using the state historic tax credit. I have high hopes for Bluefield. I am happy to answer any questions you may have. I appreciate the opportunity to talk to you today.

Assemblywoman Neal:
Do the Committee members have any questions about the presentation?

Assemblyman Kramer:
You have mixed the terms "state tax credits" and "federal tax credits," and they are not the same. When you talk about the 25 percent application, I believe you are talking about a state tax credit. I know if you get a $1 million federal tax credit, it is really $10 million because it is $1 million per year for 10 years. How does a state tax credit work and how much does it really kick back toward the project you are working on?

Assemblywoman Swank:
First, there have been changes to the federal historic tax credit. It now needs to be taken over five years. It used to have a much longer term when you could take the credit. I am sorry if I was not clear. Usually those are separate programs. The federal historic tax credit is a 20 percent tax credit against income taxes paid to the federal government. This would be a state historic tax credit, which would be a 20 percent tax credit against various taxes I will list when I go through the bill. They would track together. In applying for one, you would be able to apply for the other and use them simultaneously.

Assemblyman Kramer:
You say the federal credit is five years' worth. Is the state credit one year or five years?

Assemblywoman Swank:
When I go through the bill, you will see it is also five years.

Assemblyman Hafen:
In the presentation (Exhibit E), if I understand correctly, we are proposing a 20 percent tax credit, but we will see an actual return during the construction phase back to the state of 30 to 40 percent. Is that correct?

Renee Kuhlman:
I have been interested in that question myself. For example, the state of Ohio tracked their own numbers and had their economist look at it. They said 32 cents on the dollar was coming back to the state. I had another developer out of Mount Airy, North Carolina, who was doing their own tracking of how much in taxes they were paying the state on the redevelopment projects they were doing, and they were at 33 cents on the dollar. There was another state that did a study and theirs was at 31 cents on the dollar. Wisconsin was 40 cents coming back. I think it depends upon how your state taxes are structured, in terms of the construction monies that will be coming in. The other thing is, it depends upon how much construction is happening, but these states are finding it is between 30 cents and 40 cents coming back.

Assemblyman Hafen:
If I understand this correctly, we are generating the revenue back from the tax credit through the dollars earned, which I think is excellent. Another thing I think I heard was this would not actually create new positions because we already have the federal historic tax credit. Could you clarify for me how the federal historic tax credit and the state historic tax credit would work together?

Assemblywoman Swank:
Are you asking about any additional staff at the state level to run the program? We would have additional staff, and I believe the Office of Historic Preservation within the State Department of Conservation and Natural Resources and the Department of Taxation will be putting a fiscal note on this, as we will need a small number of people in order to administer and get the program up and running. Madam Chair, would you like me to walk the Committee through the bill now?

Chair Neal:
Yes.

Assemblywoman Swank:
I am going to start with section 3 of the amended bill (Exhibit C) as the first two sections are self-explanatory. Sections 3 through 6 really just lay out definitions, but I wanted to highlight the definition that is in section 5. It lays out the qualities a building has to be in, in order for it to qualify for the program: The building must be at least 50 years old [subsection 1]; must be a nonresidential property [subsection 2], so a commercial property,

but this does also include apartment complexes; and must be on the State Register of Historic Places or the National Register of Historic Places [subsection 3]. It could be a contributing part of a historic district, or it could be listed individually on either the State or National Register.

Moving on to section 7, subsection 1, this lists the taxes the qualified expenses could be credited against. These include the modified business tax, branch bank excise tax, tax on gross gaming revenue generated by nonrestricted gaming licenses, insurance premium tax, or any combination of those taxes. Section 7, subsection 2, lays out the process for being deemed a qualified rehabilitation. That is an interaction between the Department of Taxation that receives the application and forwards it to the State Historic Preservation Office (SHPO). Their office determines eligibility, and the Department of Taxation calculates the amount of estimated tax credit. Section 7, subsection 3, lays out the requirements for a person, an entity, applying for the credit. I want to mention in this subsection that eligible costs must be $20,000 or more—so this is not just putting a new roof on; it is a substantial rehabilitation. Section 7, subsection 4, contains the content for the application. Section 7, subsection 5, states that a notice of approval of an application goes both to the applicant as well as the Nevada Gaming Control Board (GCB). That is because there is the ability to take a credit against some of your gaming taxes. Section 7, subsection 6, lays out a timeline for determination of issuing tax credits and some general timelines. Section 7, subsection 7, states that the applicant has to provide details of the rehabilitation, both to SHPO and the Department of Taxation. Section 7, subsections 8 through 10, allow for the adoption of regulations by SHPO, the Nevada Tax Commission, and the GCB.

Moving on, section 8, subsection 1 [page 5, (Exhibit C)] lays out that the transferable tax credit equals 20 percent of eligible costs and expenses, but that there is a per-project cap of $1 million. It is a 20 percent tax credit with a $1 million per-project cap.

Moving to the conceptual amendment (Exhibit D), this becomes the new subsections 2 and 3 of section 8. This gets to meeting some of the specific needs of Nevada. The new subsection 2 of section 8 states that affordable housing projects get a bump up to a 30 percent tax credit, but still maintain that $1 million per-project cap. It just means that smaller projects can get up to that $1 million. We know we have some challenges as far as affordable housing in our state. The new subsection 3 of section 8 states that buildings that are part of the Nevada Main Street Program, which is a program that went in place last session [Assembly Bill 417 of the 79th Session], get a tax credit of 25 percent. It is run through the Office of Economic Development, Office of the Governor (GOED), or if the building is in a Certified Local Government, which is a program through the Office of Historic Preservation. If it meets either of those requirements, the tax credit bumps up to 25 percent, but again with the $1 million per-project cap.

Section 8, subsection 2 (Exhibit D), which is the old section 8, subsection 2 (Exhibit C), places a total cap—an aggregate for all tax credits—at $10 million per fiscal year. Section 8, subsection 3 (Exhibit D), which is the old section 8, subsection 3 [page 5, (Exhibit C)], allows some protections for the state.

Section 9 of the bill (Exhibit C) gives applicants five years over which to receive the tax credits. This is mainly because smaller businesses tend to be in older buildings and may not be paying enough in taxes in one year to get up to that $1 million, so we want to give them enough time, over five years, to get the full tax credit back for their project. Section 10 lays out the deadline, once the application goes to the Department of Taxation, and gives priority to rehabilitations that promote tourism. Section 11 [page 6] states there will be repercussions to the applicant for filing false information. Section 12 is some reporting requirements. I hope that walk-through gave you a clearer version since you did not have the correct version to read, and again I apologize for that. Ms. Kuhlman and I are happy to answer any questions.

Assemblywoman Spiegel:
I have a question about the affordable housing component in the conceptual amendment (Exhibit D). Is this for affordable housing that is rental housing? Is it contemplated that it could be done for condominiums or something that could be sold? Are there requirements associated with it that would require the housing to remain affordable for a certain period of time? How do we make sure that there is not an initial piece that is affordable and then it automatically booms and goes to market rate?

Assemblywoman Swank:
Yes, it can apply to rental housing as well as housing that is sold as a condominium. We had not contemplated saying it has to stay as affordable housing for a certain period of time. That is a really good idea. I would be happy to pull that into the bill.

Assemblyman Hafen:
I enjoy the concept of a tax credit to incentivize private businesses, and it looks as if it would actually make the state money through these tax credits, which I think is great. How was the five years calculated, and do you think that is enough time for them to recapture the full 20 percent tax credit, or some of the affordable houses—30 percent and 25 percent? How would that math work?

Assemblywoman Swank:
We looked at other states and five years seemed to be a common number of years. We are not attached to five years if there is a number that would work out better. Projects have to be at least $20,000 to qualify, so they are going to be larger projects. We would be open to extending that if the Committee wanted.

Assemblyman Edwards:
Do you have an idea how many projects would actually be done in the future and what the ballpark tax credit total would be per year?

Assemblywoman Swank:
It is an aggregate cap of $10 million per fiscal year, so we could not go beyond that as far as a tax credit. It could be as few as 10 projects. When I think about the buildings I know of across Nevada, we do not have a lot of very large historic buildings. On the larger end,

I think of the Bridger Building in downtown Las Vegas. That building sat empty for 10 years and now it is just being used for storage. That would be one of the larger buildings. We have a lot of modest historic buildings that are very significant, as many of you saw in Ms. Kuhlman's presentation. Those would end up on the smaller end of things. You could end up with a large number, depending on what that distribution was in a given year and when you hit that $10 million aggregate cap.

Chair Neal:
On your proposed amendment discussion of the bill: To be eligible for the transferable tax credits, when they submit the application and provide the proof necessary [lines 8 through 11 of page 3, (Exhibit C)], what we typically see are individuals who are able to take this credit after they complete the progress or the work. With your bill, it seems as though they can immediately take this credit.

Assemblywoman Swank:
They would have to be certified at the very end. It would track right along with how the federal historic tax credit works. First you have to be deemed eligible and then there is a pretty lengthy form in which you have to lay out all of the costs you want to claim as being eligible costs for the tax credit. Then it has to be approved by the Department of Taxation and SHPO. It is not until after certification, when you finish the project, that you could actually claim those tax credits over the ensuing five years, unless there is something incorrect in the bill that we need to fix.

Renee Kuhlman:
I wanted to add to what Assemblywoman Swank just said. What most states do is they have their $10 million, the applications come in, they determine the projects they are going to give out and write a letter saying they are allocating up to $1 million for a particular project. The project comes in and shows the actual costs, then they get certified. At the end you get the credits. You are allocated a certain number, they have to be approved, and that is when you get it. That is the process.

Chair Neal:
In section 8 of the proposed amendment [lines 33 through 35 on page 5, (Exhibit C)], how are you going to withhold the transferable tax credits, in whole or in part? When is the clawback really triggered? What if in the middle of the project you find out that they have not performed? Can you withhold the tax credit and possibly pursue a suit?

Assemblywoman Swank:
It could be in the middle or it could be at the end when you may find out they had falsified information. As I understand it, it could be at different points that this could get triggered if some falsification is going on. There are several points before you start to issue the tax credits.

Chair Neal:
Do the Committee members have any additional questions? [There were none.] I will ask those in support of A.B. 178 to the table.

David Cherry, Communications and Intergovernmental Relations Manager, City of Henderson:
We are here in support of A.B. 178. We feel it would be one more economic tool that folks could look to, to try to help some economic preservation and economic development in our cities throughout the state, and hopefully in the City of Henderson.

Steven Conger, representing Nevada League of Cities and Municipalities:
We also support the bill.

Chair Neal:
Are there any others in support of A.B. 178? [There was no one.] I will now take testimony from those who are speaking in opposition to A.B. 178. [There was no one.] I will now take testimony from those who are signed in as neutral on A.B. 178.

Rebecca Lynn Palmer, Administrator and State Historic Preservation Officer, Office of Historic Preservation, State Department of Conservation and Natural Resources:
I am testifying today in the neutral position for A.B. 178. The fiscal note currently in the system from my office for A.B. 178 responds to the text of the bill as introduced. This version of A.B. 178 requires my office to manage a majority of the proposed rehabilitation tax credit program, including but not limited to:

- The review of the eligible costs and expenses of any rehabilitation proposal.
- The determination of the amount of credits and the duration for such transferable tax credits.
- The issuance of the certificate of transferable tax credits.
- The calculation of the amount withheld or reduced due to pending legal action.
- The recapturing of expired credits.

The large size of the fiscal note—$568,000 for the first biennium and $764,000 in subsequent biennia—reflects the responsibilities assigned to my office in A.B. 178 as introduced. A significant portion of the cost that is included in this fiscal note is in regard to determining and calculating the amount of tax credits. Calculating tax credits is beyond the expertise of SHPO and, as such, we would need to recruit and hire individuals with experience in tax credits.

Assemblywoman Swank is proposing an amendment to A.B. 178, as previously mentioned, that removes the requirement for my office to determine and calculate the tax credits. This would reduce the fiscal impact for my office by approximately 50 percent. I am happy to answer any questions you might have.

Chair Neal:
I want to point out to the Committee members that there are no fiscal notes showing up in your record because staff is still collecting those. Ms. Palmer, you are actually presenting a fiscal note that the Committee members have not seen yet because it has not been uploaded. I am not going to allow them to ask questions because they have not been able to see all of the fiscal notes that may be presented on the bill, but I appreciate your telling us.

Is there anyone else signed in as neutral on the A.B. 178? [There was no one.] I would like Assemblywoman Swank to come back to the table for closing remarks.

Assemblywoman Swank:
Thank you for taking the time to hear this bill. I also wanted to emphasize that we know there are fiscal notes coming from the Department of Taxation and SHPO. We will be working with both those departments to ensure we get appropriate staffing should this bill be passed.

Chair Neal:
I will close the hearing on A.B. 178.

[Assemblywoman Cohen assumed the Chair.]

Vice Chair Cohen:
I will open the hearing on Assembly Bill 224, which revises provisions governing the NV Grow Program.

Assembly Bill 224: Revises provisions governing the NV Grow Program. (BDR S-28)

Assemblywoman Dina Neal, Assembly District No. 7:
I am here to present Assembly Bill 224, which is the NV Grow Program. For the Committee members who are new, I am going to give a brief history about this bill and explain what the NV Grow Program is.

I had the privilege of my colleagues voting this bill out in the 2015 Session when it was a pilot program [Assembly Bill 399 of the 78th Session]. We were able to get the bill passed a second time in the 2017 Session [Assembly Bill 94 of the 79th Session], removing the pilot program language and making it a permanent program.

This program was built around a concept called "economic gardening." Economic gardening is an economic development model that embraces the fundamental idea that entrepreneurs drive economies. The model seeks to create jobs by supporting existing companies in the community. It was a concept that was pioneered in 1987 in Littleton, Colorado, when states were in a recession. It is an alternative to economic development practices. I had the privilege of meeting the creator in 2011. It was his brainchild when he was a city employee trying to figure out how to bring Littleton, Colorado, out of a recession. At the time I met him, we were going through a recession. I liked the idea and I wanted to figure out how to bring the idea forward.

I attempted to run my own version of the program in my district before this bill came into existence. I brought legislation forward in 2013 that was not successful [Assembly Bill 410 of the 77th Session]. I was successful in 2015 and 2017, and hopefully with A.B. 224, we will be able to continue this program.

Nevada Grow, in and of itself, is an initiative that provides local entrepreneurs or second-stage businesses access to competitive intelligence on markets and customers. We basically do data mining and use geographic information systems (GIS) in order to allow that to happen. We use data analysts who operate in Washoe County and Clark County. These individuals work together to pool data and answer specific requests. Alongside that they also use small business development counselors who work to identify what the needs are for those businesses.

This document (Exhibit F) will help guide you through the program. I am going to go through a little bit of this before I get into the bill. The program statutorily allowed only 15 businesses per year. We typically had an allotment of $350,000. Over the biennium we spread that out amongst the partners. The bill was focused on 15 businesses each year so the data you see represents where we were as a pilot program. When the bill became permanent, I did not change from 15 businesses because I still wanted to see how these 15 businesses were going to perform.

If you look at the Nevada Grow document [page 3, (Exhibit F)], you can see that we were able to service 58 businesses. The incremental revenue was $6,575,097 and the capital funding acquired was $1,732,900. We created 82 jobs and the NV Grow impact was $8,458,218.

I am very satisfied with how it has been growing. We had some growing pains in 2015 but worked through those initiatives in 2017. Kevin Raiford is down south in Las Vegas. I would like him to come to the table so you can meet the lead counselor. I want him to explain the NV Grow Program and highlight some of the clients.

Page 4 (Exhibit F) shows the NV Grow investment, the NV Grow return on investment (ROI), and the ZIP Codes for the businesses we were able to serve. This is really good data for you to see if it is in your district or in your ZIP Code. We also have established business impact. We tried to highlight some of the Senate and Assembly districts where we were able to work with those businesses and identify what impact those businesses had, so you could see if it was in your district and what was going on. I would like Mr. Raiford to highlight some of the NV Grow investments so the Committee can get a good picture of the ROI of NV Grow before I get into the bill.

Kevin Raiford, Professor, Department of Business Administration, College of Southern Nevada:
I am a business professor at the College of Southern Nevada as well as a counselor for entrepreneurship. The goal was this: We promised we would deliver a ROI, and what you can see from the data [page 4, (Exhibit F)] is that with a $172,615 investment, we brought in a financial impact of $5,387,400. The annualized ROI is about 246 percent, which you would almost take away in any particular investment. I performed a recalculation recently with our new clients who have signed up. We are spending around $211,000 and had a financial impact of about $8.4 million, which puts us at roughly 249 percent annualized. By annualized I mean if you look at aggregate data, we are well over about 1,000 percent ROI, which I think is going to benefit the whole state and our businesses and has had a huge impact in southern Nevada.

Assemblywoman Neal:
I will now go through the amended bill (Exhibit G). I apologize it does not say amendment on the top but it has edited language. I will walk you through the sections so you can understand what has currently been in law and what the changes would be going forward with this program.

Section 1 of the amended bill [page 2, (Exhibit G)] is the statement of what the NV Grow Act is and the designation. Section 1.7 [page 3, (Exhibit G)] cites the definition of the Division. We are shifting the fiscal agent to be the Division of Workforce and Economic Development of the College of Southern Nevada (CSN). The reason this shift is occurring is the lead counselor and the GIS specialist, Pablo Rea [page 13, (Exhibit F)], are housed there. In looking at the center of activity, the majority has occurred within the Clark County component of CSN, North Las Vegas campus, and we have worked with partners in the cities of North Las Vegas and Las Vegas in regard to the development partners. Those are the changes where you see the strikeout for Office is now going to the Division [Division of Workforce and Economic Development of the College of Southern Nevada].

Section 2, subsection 2, of the bill lays out the institutions that are part of the program. Section 2, subsection 3, identifies who shall select the lead counselor. Since Mr. Raiford is a professor at CSN and also a small business development counselor, I am making the change to allow the Division to select him as the lead counselor as he will more than likely continue to be the lead counselor going forward. We had a shift in the program where he was designated as the NV Grow lead counselor.

In section 2, subsection 3, paragraph (a) [page 3, (Exhibit G)], once again the employment of the lead counselor and the duties are established by CSN. The employment of the geographic information specialist who provides data is also at CSN [section 2, subsection 3, paragraph (b)]. Section 2, subsection 3, paragraph (c), makes the appointment of CSN as administrator of the GIS and fiscal agent for the program. The reason we made that change is because we had some growing pains in regard to the fiscal agency of the money and how it was being sub-granted, stipends, and some different things. I felt that CSN was in the best position now—with the new director, comradery, and everyone being on the same page—so that is why this change was made. In section 2, subsection 3, paragraph (d) [pages 3 and 4, (Exhibit G)], there is a strikeout of Centers for the analysis and identification of the businesses. It will be done by the Division because the Division is now responsible for the lead counselor. It makes sense that the Division of Workforce and Economic Development Center of CSN is a part of how we identify the 30 businesses instead of 15 that move forward into the program.

Section 2, subsection 3, lists the responsibilities of the Division, and then it shifts to allow the Centers and the Division. The reason why I put the Centers and the Division in section 2, subsection 3, paragraph (e)—identification of the skilled labor that exists in this state—is the Centers and the Division have to work together because the Centers is the Nevada Small Business Development Center (SBDC) and the Division of Workforce and Economic Development Center. Together it would make sense for them to identify the skilled labor; target business sectors and occupations in the state that have demonstrated the ability to grow and stimulate the economy; focus on the utilization of existing resources; harness the academic expertise of CSN; and use the GIS by CSN and the Centers to map areas [section 2, subsection 3, paragraphs (e) through (i)]; in addition, make the provision of informational and other assistance that CSN will do in addition to business training, nontraditional marketing techniques, and business mentoring [section 2, subsection 3, paragraph (k), page 4, (Exhibit G)].

One of the key components of NV Grow and economic gardening is being able to get that business, have that business walk through, and then be able to mentor them. My whole agenda was you do not just get data; we have to teach you how to use the data. The idea is to make that business sustainable and strong. It makes no sense to give them data and then they do not know how to use it. They have to apply it and change their business direction and decisions. That is what all of those elements speak to.

In section 2, subsection 7, paragraph (d) [page 5, (Exhibit G)], there is an addition to the stakeholder groups. The stakeholder groups traditionally included the Urban Chamber of Commerce of Las Vegas and the Las Vegas Latin Chamber of Commerce. And as we move forward, we are adding the Asian Community Development Council. Over the interim, they reached out to us and asked to be part of this bill. I thought, rightfully so, we would bring all those communities together and ensure that we were affecting all groups because we are now a stronger program, and I think we have the ability to take on more partners and stakeholders to help drive the needs of small businesses.

Section 3 [page 5, (Exhibit G)] explains what is going to happen with the responsibilities being not just that of the Division. What was added is that they are analyzing data and also ensuring that the participating businesses understand the data [section 3, subsections 1 and 2, page 6, (Exhibit G)], which is what I previously mentioned. Section 3, subsection 3 was added to ensure development and partnership with the Office of Economic Development, Office of the Governor (GOED) and the Regional Business Development Advisory Council (RBDAC) to connect and participate in procurement programs and opportunities to further enhance business expansion. I thought as we move forward in this program, if we were growing businesses it would be helpful to start talking about the procurement programs and ensuring that businesses can take advantage of some of the contracts that are out there—connecting the entities that are already doing the work and already participating. If you do not know what RBDAC stands for, it is the Regional Business Development Advisory Council, which is housed in Clark County. There are 19 agencies under that council. They are set up to do a certain amount of government spending with businesses or minority businesses. That includes Asian, Native American, African American, and Latin. I thought it was important to link them into that system and also link them with GOED, because GOED has been running a procurement department for a really long time and they do significant work. I wanted to try to connect the dots and move it forward.

The changes in sections 4 and 5 [page 6, (Exhibit G)] are simply changes from GOED to make sure the Division is now serving as the consultant and the Division may apply for any grants and donations.

That is the bill and the changes going forward with the bill. I can answer questions on the bill and the presentation. Mr. Raiford is also available to answer questions.

Assemblywoman Benitez-Thompson:
This is fun for me to see because I have sat through every presentation you have had for the NV Grow Program from when it was established. I think it is great as legislators when we carry through our legislation and have that commitment. It is not just about launching a bill and hoping it gets implemented, but really bird-dogging it during the interim, coming back and redefining or retooling it, ultimately making for really good policy—what you are doing.

I see the change from landing the dollars at GOED, then having them farm those dollars out to CSN. It seems as if that is going to work really well. On page 5 (Exhibit G), you are keeping consistent with your definition of small business. This is how it has always been—they have to have a business for two years and they are within that $50,000 to $700,000 revenue mark. Is that staying consistent?

Assemblywoman Neal:
Yes.

Assemblywoman Benitez-Thompson:
Adding in the Asian Community Development Council was smart. In section 3, subsection 3 on page 6 (Exhibit G), where now instead of landing at GOED, it is going to be a collaboration with GOED and RBDAC. When you talk about "ensure development and partnership," could you talk about what those efforts look like? What should the Legislature look for that looks like diligent efforts and meets your legislative intent?

Assemblywoman Neal:
My intent is that Mr. Raiford, or whoever the lead counselor is going forward with the program over the biennium, reach out and develop this partnership with GOED. They are establishing a relationship to connect and participate in the procurement programs. They are going to identify what they are, figure out how to get those businesses participating in those programs, and provide mentorship around those relationships so that business can further expand where they are going, and see if there are other opportunities that can speak to how they can enhance their revenue stream.

Assemblywoman Benitez-Thompson:
In previous sessions there were conversations about what was happening in the bigger regions of the state, the effort to get this to organically blossom in both ends of the state. It looks as if we are just concentrating them now through CSN within Clark County. At what point do you see this being in a spot where it can be replicated more statewide? When will it be coming to a county near me?

Assemblywoman Neal:
I had hoped that it would have been during the 2017 Session. I still want partnerships in Washoe County. I would like to have more enhanced development up there, and I am trying to be nice, but we had some struggles with the lead counselor and his relationship and roles in regard to the fiscal responsibility of the money. It fell into him being shifted to an NV Grow counselor being housed at the CSN versus being in the role where he had the flexibility of just being an SBDC counselor who had the relationship with Washoe County and Clark County. I am hoping those relationships can be repaired and we can figure out how to strengthen those relationships. I think what is happening is people make decisions and do not necessarily want to follow the bill through with fidelity.

We had an issue, and I will just put it out there. The SBDC counselors were working and we wanted to provide stipends for their additional efforts. Although that was in the bill, it came down to an entity that was never going to pay the stipends, and this was not CSN. It was not clear how that could be a misunderstanding because it was in the law. But a year in, we were having conversations about how counselors were not able or even aware that they were eligible to receive stipends. So our relationship changed and that is why you see the fiscal agent shift, because the relationship is much stronger, much clearer, and better within the Division of Workforce and Economic Development of CSN.

Assemblywoman Benitez-Thompson:
What I really like about this is we have a number of programs in the state that talk about new businesses—emerging businesses. We are talking about businesses really getting something off the ground; getting someone to help file that first limited liability company (LLC) in that first year; and the middle component for small businesses two years in and just starting to generate money. They have a tiger by the tail and whether that revenue ends up being something that is a profit or not, is a really delicate balance and walk. I like that this has been working.

Assemblyman Hafen:
In section 2, subsection 6, paragraph (b) (Exhibit G), where it talks about the $50,000 to $700,000, it just says generates revenue. Is that gross revenue or net revenue? How has that been operating?

Assemblywoman Neal:
I thought that was in there. I know we had looked at gross revenue. Mr. Raiford, can you correct me if I am wrong, because I know the application goes through Neoserra and we identify their revenue stream first to determine if they are eligible. Is it gross or net revenue?

Kevin Raiford:
It is gross revenue.

Assemblyman Hafen:
I did notice that one of the projects was in my district, in my hometown. I know there are some changes that are going on, and I did not know if it was still going to be open to the neighboring communities as it was previously, specifically for Pahrump. Could you touch on that?

Assemblywoman Neal:
The changes in the bill do not limit the businesses that can apply, meaning where they come from. Of course, it is hard for us to do Washoe County, but Pahrump is in southern Nevada, so that is more manageable for us. If you know of a business that is eligible for this program, tell them to apply. It is not closed. We are kind of focusing on southern Nevada until we can get back to a space where we are going to start including Washoe County, making it clearly a statewide program. That was my first vision, second vision, and now just an amended vision until we can find our new relationship.

Assemblywoman Spiegel:
I also love this bill and have for years. I appreciated in the presentation your giving examples of some of the businesses that have been participating in this [page 4, (Exhibit F)]. The business in my district, Happy Trails Kitchen, actually started out as a cottage food industry. I did work on the original bill, so it really made me smile.

On page 4 of the proposed amendment (Exhibit G), lines 56 through 60, where it talks about the use of the GIS to map areas of the state to determine locations in which retail sales and other commerce are flourishing and where there is capacity for growth, is the capacity for growth limited due to not enough businesses in that area, such as food deserts, or is it also contemplating areas with very high vacancy rates? I have some areas in my district with whole shopping centers that are mostly vacant. I am wondering if there is some way that they could be targeted for development through a program such as this.

Assemblywoman Neal:
It is actually both. The history of this section is that we were talking about saturation, where businesses are, trying to ensure that when we help guide businesses in their business decisions, they do not move to a place that is oversaturated. You know how we will see 15 chicken restaurants all in one ZIP Code. We do not want them to turn into the sixteenth one. That is not good competition. We are looking at penetrating spaces where there is a need—where there is the disposable income and those businesses can attract and start to sell their services or product. If you have something, please share.

Assemblywoman Spiegel:
Thank you and I will.

Assemblywoman Swank:
I know in Nevada we do not have a really large nonprofit sector. Many people think that nonprofits are not businesses, that they are just businesses with a different tax status. Often we need to help grow those too. I am wondering, is this something a nonprofit could participate in? Have you looked at that?

Assemblywoman Neal:
I believe this was something that might have been asked of me last session. I think it is an option, but I try to give Mr. Raiford leeway in what he thinks he can handle before I load him up. Mr. Raiford, if that was something we contemplated, do you think you could handle taking on nonprofits, or is that outside of the scope of SBDC?

Kevin Raiford:
Yes. We can definitely handle nonprofits, and in fact we have had several nonprofits that did benefit from the data. They have not been official members of the program, but we have helped several nonprofits to grow. So many of the nonprofits do have a for-profit arm, or they desire to have some things that are more tailored to being able to subsidize other parts of the nonprofit.

Chair Neal:
I would now like some of the businesses to tell their stories about the program.

Sharon Hauht, Owner, Happy Trails Kitchen, Las Vegas, Nevada:
I am the proud owner of Happy Trails Kitchen, a small, woman-owned cottage food operation that specializes in baking and decorating custom celebration cakes.

I can tell you with 100 percent certainty that I would not be in business had it not been for the NV Grow Program at CSN. The business counseling services I received from Professor Kevin Raiford and CSN were exactly what I needed to accomplish my lifelong dream of opening a cake-decorating business.

I am a culinary student at CSN, and although I have been decorating cakes for 43 years, Mr. Raiford's marketing experience, mentorship, business acumen, entrepreneurial coaching, and start-up direction gave me the tools and the courage to finally take the steps to go into business. The offer to pay for some of my business start-up expenses was a great motivator to start the process now as opposed to waiting until later.

Because of his program and his coaching, I was able to start up my business, obtain my state of Nevada business license, register as an LLC, design my logo, and apply for and be granted a trademark for my logo through the United States Patent and Trademark Office. I also lab-tested my icings for shelf stability, created labels for my products, got approved as a cottage food operation in Nevada by the Southern Nevada Health District, obtained my Clark County business license, and set up my website.

In summary, my small, woman-owned business, Happy Trails Kitchen, would not be in existence without the assistance of the NV Grow Program. I urge your support for A.B. 224. I am happy to answer any questions.

Vice Chair Cohen:
We know that small-business people are extremely busy. Most of their time is spent working on growing their business. Did you ever find that it was difficult to get to Mr. Raiford? Are there options for some online contact and telephone contact as opposed to going all the way across town to be able to meet with him?

Sharon Hauht:
Like many small-business owners, I have to work another job as well. I do have another full-time job. I do my cake-decorating operation nights, days off, and weekends. As far as being able to meet with Mr. Raiford, he was very accommodating. In the initial classes I was involved in at the culinary school, we met five times for ten minutes each, every two weeks. It was like a crash course every two weeks for this program. It was at 5 p.m., so it was after my day job. I could meet with him whenever our schedules would allow. As I said, he was very accommodating. We did things over email as well.

Assemblywoman Neal:
I introduced the bill but I have been closely connected to a lot of the decisions. It was a conversation we had over the interim when I came to Mr. Raiford and asked how we can go to the businesses. We had extensive conversations about educating them in their stores. I understood there were those who were running their business who could not come to where we were. We try to make it easy for them to get what they need. Mr. Raiford has been so accommodating. He will change his schedule and bend over backwards to try to help businesses.

Assemblyman Flores:
Are there ever small businesses that come to you with language barriers, who may not speak English very well? I mean our Latino community specifically. We have a huge entrepreneurial spirit, but sometimes we do not have that one-on-one, and language barriers will sometimes scare us away.

Assemblywoman Neal:
There is a designated counselor who is bilingual and also through the Las Vegas Latin Chamber of Commerce. The Latin and Urban Chambers are not just partners in the bill, they run applications, filter, and identify the businesses. They are the advertiser for the business. They help us in regard to the language barrier. I think there is more than one counselor who is bilingual, but I know for sure we have a counselor who is identified, who speaks to the language barrier.

Currently, Mr. Raiford has an intern working with him who speaks Mandarin, so we already have in existence the capacity to take on at least Mandarin if we get into the Asian community. I know there are several other dialects, but right now in-house, we currently know that we have Spanish, Mandarin, and English.

Kevin Raiford:
We are working on adding Tagalog, which is very prominent in southern Nevada—people who can deal with the Filipino community. I can now speak with the clients in Spanish when they need me to speak with them [spoken in Spanish].

Vice Chair Cohen:
Is there another business owner down south who would like to come up and speak?

Kevin Raiford:
I do have one more. There was another but he had to leave. He actually runs one of those for-profit/nonprofit businesses. He works for the reentry program that helps ex-offenders. He places them in companies. It has become so helpful that companies want to hire these people full-time, so he had to start an LLC that helps ex-offenders work in the telecom industry. We do a hybrid of helping nonprofits as well as for-profit companies.

I would like to introduce a wonderful husband-and-wife team who are about to expand their business. She was kind enough to take time off. Her husband is out driving right now. They are a husband-and-wife trucking company. They are growing and expanding. Hopefully they will have ten trucks in the next couple of years. I do not want to steal her thunder.

Eleanor Loveless-Missark, Marketing Manager, Etem Transportation Services LLC, North Las Vegas, Nevada:
We are a trucking company. We service the United States in 48 states. We transport cold and frozen foods all over the country. We communicate through data to the shippers and to the drivers. We use data for them to send in their information on their loads so they can be

paid weekly. We communicate with them through the trucking company. They have an ecard [electronic logging device] that they use to let us know where the truck is and how many hours they have been driving. We use data quite a bit.

Kevin Raiford:
She has been able to locate where there is demand—off-peak and on-peak. She is a fantastic client we acquired through a partnership with the Urban Chamber of Commerce of Las Vegas, which is fantastic. They have done a great job. Through these collaborations this company is perfect to get these contracts. There is a lot of hauling that needs to be done, and she has filled out the paperwork and submitted everything to hopefully get a lot of government hauling contracts. She and her husband can handle any delivery and they are very diligent. Hopefully we can get more business for them, hauling and soon expanding their company hopefully to ten trucks and drivers.

Vice Chair Cohen:
Is there anyone else who is part of the presentation?

Assemblywoman Neal:
I believe that is it.

Vice Chair Cohen:
I will ask those in support of A.B. 224, in Carson City and Las Vegas, to please come to the table.

David Cherry, Communications and Intergovernmental Relations Manager, City of Henderson:
Small businesses are the cornerstone of our economy locally, across our state, and across our nation. We are proud to support this innovative program that provides technical assistance, access to business data, and other support that helps our entrepreneurs grow their businesses and create jobs.

Brian McAnallen, representing City of North Las Vegas:
We are also in support of this legislation. I thank the sponsor for bringing it forward and those of you who have worked on this for many years. As my colleague mentioned, small businesses are the way to really grow into larger businesses, and that is where we see most movement. Having represented the business community in the past, I know how important it is for small businesses to get every opportunity, every hand they can to raise and grow, and be a part of our community. We also work very closely with CSN and are pleased that this partnership will take place.

J. Kyle Dalpe, Interim Executive Director of Legislative Affairs, Nevada System of Higher Education:
I am going to yield time to our CSN colleague in Las Vegas, but I wanted to say that NSHE [Nevada System of Higher Education] supports this.

Ricardo Villalobos, Executive Director, Division of Workforce and Economic Development, College of Southern Nevada:
I serve as the Executive Director for the College of Southern Nevada's Division of Workforce and Economic Development (CSN DWED). The CSN DWED supports the transfer of the NV Grow Program to its oversight, which includes its administrative and fiscal responsibilities.

As of February 2019, the NV Grow Program has serviced 58 businesses with informational and technical assistance. Because of partnerships between Small Business Development Centers, Latin and Urban Chambers, and CSN, the NV Grow Program has had an economic impact of $8,458,218. This includes incremental revenue of $6,575,097 and $1,732,900 of capital funding acquired, which has created 82 jobs [page 3, (Exhibit F)].

One example is Revive [Revive Brand Co.], a maker of sports equipment and apparel products. They utilized data provided via NV Grow to develop a marketing and pricing plan for their game bag product and increased their sales by 84 percent [page 6, (Exhibit F)]. In addition, Revive was the winner of Steve Harvey's Funderdome competition and the Nevada District Office of the U.S. Small Business Administration's 2018 Young Entrepreneurs of the Year Award [page 7, (Exhibit F)].

Other businesses that utilized NV Grow include the following: Her Services, Inc.'s implementation of a rebranding effort and more effective pricing structure [page 8]; The Tech Queen's development of a pipeline for new programmers, which resulted in a staff increase of 16 percent and additional customer reach of 24 percent [page 9]; Love and Care Health Care's identification of potential clients and sourcing of talented health care employees [page 10]; D'Santy's selection of its very first brick-and-mortar location [pages 10 and 11]; and Happy Trails Kitchen's—which you have heard from already—development of a pricing system and product offerings to address identified market demographics [page 12, (Exhibit F)]. These are but a few of the business clients that have benefited from the NV Grow Program.

We believe the transition of the NV Grow Program to CSN DWED will continue to play a vital role in assisting small businesses and as a result continue to increase the economic impact in the state of Nevada.

Vice Chair Cohen:
Is there anyone else in support of A.B. 224 in southern Nevada or Carson City? [There was no one.] Is there anyone in either location in opposition to the bill? [There was no one.] Is there anyone in either location neutral on the bill? [There was no one.] I will invite Assemblywoman Neal back for closing remarks.

Assemblywoman Neal:
I want to thank the Assembly Committee on Taxation for hearing A.B. 224. You asked some really good questions. I hope you give this bill the privilege of leaving this Committee and continuing to be a program that goes through the biennium. I strongly believe we are

doing good work—work that is needed. When you look at the ZIP Codes on page 4 (Exhibit F), I started off narrow, but we are touching businesses all across the valley in Clark County. I thank you for your time.

Vice Chair Cohen:
We will close the hearing on A.B. 224 and move on to public comment. Do we have anyone for public comment in southern Nevada or in Carson City? [There was no one.] We are adjourned [at 5:43 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 "Mock-Up, Proposed Amendment 4582 to Assembly Bill No. 370, First Reprint," from the 2017 Session, presented by Assemblywoman Heidi Swank, Assembly District No. 16.

Exhibit D is a proposed amendment titled "Conceptual Amendment to A.B. 178," dated February 28, 2019, presented by Assemblywoman Heidi Swank, Assembly District No. 16.

Exhibit E is a copy of a PowerPoint presentation titled "Report on the 'State' of State Historic Tax Credits," dated March 2019, presented by Renee Kuhlman, Director of Policy Outreach, Government Relations & Policy, National Trust for Historic Preservation, Washington, D.C.

Exhibit F is a document titled "Nevada Grow, AB 224, AB 224—Revises provisions governing the NV Grown Program," submitted by Assemblywoman Dina Neal, Assembly District No. 7.

Exhibit G is a proposed amendment to Assembly Bill 224 presented by Assemblywoman Dina Neal, Assembly District No. 7.