

**MINUTES OF THE JOINT MEETING
OF THE
ASSEMBLY COMMITTEE ON WAYS AND MEANS
AND THE
SENATE COMMITTEE ON FINANCE**

**Eighty-First Session
February 10, 2021**

The joint meeting of the Assembly Committee on Ways and Means and the Senate Committee on Finance was called to order by Chair Maggie Carlton at 5:06 p.m. on Wednesday, February 10, 2021, Online. 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/81st2021.

ASSEMBLY COMMITTEE MEMBERS PRESENT:

Assemblywoman Maggie Carlton, Chair
Assemblywoman Daniele Monroe-Moreno, Vice Chair
Assemblywoman Teresa Benitez-Thompson
Assemblyman Jason Frierson
Assemblywoman Michelle Gorelow
Assemblyman Gregory T. Hafen II
Assemblywoman Sandra Jauregui
Assemblyman Glen Leavitt
Assemblywoman Brittney Miller
Assemblywoman Sarah Peters
Assemblyman Tom Roberts
Assemblywoman Robin L. Titus
Assemblywoman Jill Tolles
Assemblyman Howard Watts

SENATE COMMITTEE MEMBERS PRESENT:

Senator Chris Brooks, Chair
Senator Moises Denis, Vice Chair
Senator Nicole J. Cannizzaro
Senator Marilyn Dondero Loop
Senator Pete Goicoechea
Senator Scott Hammond
Senator Ben Kieckhefer
Senator Julia Ratti
Senator Heidi Seevers Gansert



COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

None

STAFF MEMBERS PRESENT:

Sarah Coffman, Assembly Fiscal Analyst
Wayne Thorley, Senate Fiscal Analyst
Brody Leiser, Principal Deputy Fiscal Analyst
Alex Haartz, Principal Deputy Fiscal Analyst
Eileen O'Grady, Committee Counsel
Mary O'Hair, Committee Manager
Adam Cates, Committee Secretary
Janice Wright, Committee Secretary
Bet Torres, Committee Assistant

OTHERS PRESENT:

Steve Sisolak, Governor, Office of the Governor
Zach Conine, Treasurer, Office of the Treasurer
Michael Brown, Executive Director, Governor's Office of Economic Development (GOED)
Mary Beth Sewald, President and Chief Executive Officer, Las Vegas Chamber of Commerce
Cassandra Barcelo, Owner, Empowered Café, Las Vegas, Nevada
Gina Bongiovi, Owner and Managing Partner, Bongiovi Law Firm, Las Vegas, Nevada
Trina Jiles, Owner, Gritz Café, Las Vegas, Nevada
Ann Silver, Chief Executive Officer, Reno + Sparks Chamber of Commerce
Ashley and Jonathan Bradley, Owners, Spoon-a-Bowl, Las Vegas, Nevada
Derek Stonebarger, Owner, ReBAR, Las Vegas, Nevada
Randi Thompson, State Director, National Federation of Independent Businesses (NFIB)
Sonny Vinuya, President, Las Vegas Asian Chamber of Commerce
Annette Magnus, Executive Director, Battle Born Progress, Henderson, Nevada
Peter Guzman, President, Latin Chamber of Commerce, Las Vegas, Nevada
Derek Armstrong, Director of Economic Development and Tourism, City of Henderson
Kelly Crompton, Government Affairs Manager, Office of Government and Community Affairs, City of Las Vegas
Bishop Bonnie Radden, CEO, The Gathering Place, Las Vegas, Nevada

Chair Carlton:

[Roll was called, and online meeting protocol was explained.] We have one bill on the agenda to address: Assembly Bill (A.B.) 106.

Assembly Bill 106: Makes an appropriation to the Office of Economic Development for the provision of grants to certain entities impacted by the COVID-19 pandemic. (BDR S-899)

Chair Carlton:

Since this is our first meeting using this type of format for an actual bill hearing, I want to let folks know the process and the order of things this evening. We will open it up with the Governor, and then we have presenters who will walk us through the bill. Then, as we typically do, we will stop for any questions for those folks. Then, we will go to those in support, those in opposition, and those neutral, and then we will have public comment. That is the order that we will be processing the folks in the queue this evening. With that, I believe the Governor is with us.

Steve Sisolak, Governor, Office of the Governor:

We are here to talk about the Pandemic Emergency Technical Support (PETS) bill, known as Assembly Bill (A.B.) 106. Tonight, Zach Conine, Nevada State Treasurer, and Michael Brown, Executive Director of the Governor's Office of Economic Development (GOED), will walk you through the mechanics and the details of this specific piece of legislation, and answer any questions that the Committee may have. Before they begin, I felt it was important to appear before you myself and speak about this particular bill. First, I want to thank Speaker Frierson, Senate Majority Leader Cannizzaro, Chair Carlton, and Chair Brooks, members of both Committees, and the entire Legislative Counsel Bureau staff for bringing forward this piece of legislation so quickly. I also want to thank the legislators who have provided assistance to small businesses and nonprofits in their districts throughout this pandemic, including connecting them to the PETS grant program that will be discussed this evening.

As you all know, small business represents almost half the jobs in our state. They have been hit hard by this pandemic, and their creativity and determination serve as an inspiration to all of us. In October, I joined with Treasurer Conine and GOED to launch a small business grant program using Coronavirus Aid, Relief, and Economic Security (CARES) Act funds. I want to thank all of the legislators who served on the Interim Finance Committee (IFC) and made this program possible with your support. Under this program, eligible businesses and nonprofits could apply for up to \$10,000 in direct grant funding they could use for a wide range of expenses, much broader than federal funding that has been restricted to certain expenditures. Response to this program has been incredible, but also clearly demonstrated the need for assistance that exists throughout the state. They launched between October and the end of 2020, and, with the approval of the IFC, the funding for this program increased up to \$50 million in an effort to match the needs of our small businesses. But we know the need continues. That is why I announced my recommendation to add another \$50 million in funds to this program during my State of the State address. If approved, the infusion of this additional

funding will bring the grand total to \$100 million, making this the largest small business grant program in Nevada State history. And that is the piece of legislation you have before you this evening.

I know you have heard from small businesses and nonprofits in your districts over the course of this pandemic. Along with you, I have had the chance to talk to many of them myself, including those who have ordered and/or received their PETS grant. For many more small businesses, the funding they were provided was the difference between staying open or closing their doors. It was the difference between meeting payroll for their current staff or making excruciating decisions of laying people off. For our nonprofits, the funding resulted in being able to help more people in need, providing them the ability to serve more meals, connect more resources, and help their clients get by or get back on their feet. These grants have served as a lifeline, and we know so many more will benefit from this program as we continue to navigate our way through this pandemic towards economic recovery. This program provides us something we can all agree on—when we are able to provide help to those who need it during one of the most trying times in our state's history, we are going to get it done. This is not a Democratic or Republican priority. It is not urban. It is not rural. Helping small businesses is a Nevada priority. I look forward to sending that message loud and clear with bipartisan support for the residents of our great state.

I want to give a special thank you to Treasurer Conine and GOED Director Michael Brown, and their incredible teams they have working with them. The work that was completed in a short time frame to launch and implement this program was nothing short of amazing. At this time, I will turn it over to Treasurer Conine and Director Brown to discuss the mechanics of the bill and to answer any questions that you may have. Thank you for your time. I look forward to signing this bill and working with all of you to help our small businesses and nonprofits survive.

Zach Conine, Treasurer, Office of the Treasurer:

Assembly Bill 106 is necessary to ensure that we can provide essential support to Nevada's small businesses, surely the lifeblood of our economy. In the middle of a global pandemic that resulted in one of the greatest economic downturns in history, Nevada's small businesses have been forced to make tough choices. From making decisions about whether or not to keep the lights on, who can be kept on payroll, whether to pay rent or utility bills, and finding a way to pivot and adjust more quickly than ever before, COVID-19 has shown us the resilience of the small business community.

To date, the PETS grant has grown from a \$20 million program to a \$51 million program. It has been able to support over 4,500 businesses, arts and cultural enterprises, as well as nonprofits who have been in desperate need of assistance during this economic crisis. For many of the people who received a PETS grant, it has been more than just a \$10,000 check; it has been a lifeline. It has been a glimmer of hope in a time when it seems like dreams have to be put on hold. But most important, it has given a sense of relief to business owners and their employees who now know that we are going to get through this pandemic stronger together.

Assembly Bill 106 is seeking to continue all of the great work that has been done by my team and the Governor's Office of Economic Development, by adding an additional \$50 million to support businesses and nonprofits that have applied to the PETS program and have been patiently waiting for some much needed economic relief. As the Governor mentioned, this bill will make the PETS program the largest small business assistance program in Nevada history. It is something we are very proud of, and I cannot possibly fully express my gratitude for the work under this program that has been done by a dedicated team of five public servants, working nights and weekends, to keep thousands of businesses afloat.

When Director Brown and I worked to design this program with the Office of the Governor in October, we wanted to create a program that is easy to understand, easy to apply for, and one that would ensure businesses do not have to hire an attorney or certified public accountant to gain access to funding. In prioritizing disadvantaged businesses—those businesses most impacted due to COVID-19 restrictions—and nonprofit organizations that previously did not have access to other forms of assistance during the pandemic, we worked to make sure that our relief efforts targeted areas where federal programs, like the Paycheck Protection Program (PPP), have been less effective. By prioritizing restaurants and bars, we worked to make sure that our vibrant service industry has the chance to shine again; however, we still have much work to do.

There are thousands of businesses that still need help and this additional \$50 million will help to ensure that over 9,000 businesses are able to receive assistance under this program. With that, I'll pass to my partner in this work, Director Michael Brown. It has been a pleasure working with him, the Governor, and our teams to make sure this program has been and will continue to be effective. With your assistance, we look forward to quickly deploying this capital and then taking on other challenges and opportunities of our economic recovery.

Michael Brown, Executive Director, Governor's Office of Economic Development (GOED):

The Federal Reserve sent strong signals that we needed to do everything we could to help small businesses. Our government has been very good, over the centuries, of stabilizing financial institutions. But stabilizing coffee shops is a different challenge. Tapping into the CARES Act resources when they became available, Treasurer Conine and I worked to design this program. We first rolled out a program for commercial rental assistance called the Commercial Rental Assistant Grant (CRAG) which had \$20 million set aside for it. That program proved to be quite complicated for small businesses to participate in, and we expended just under \$10 million to help small businesses pay their commercial leases and meet their obligations to landlords.

We went into designing the PETS program wanting something more simple and easier for businesses to participate in. We brought the idea to the Interim Finance Committee (IFC). The IFC made very good suggestions on how we should roll it out. We incorporated all of their suggestions, but more important, as this program started out, it was over-subscribed. The Governor asked for another \$20 million to be put towards it, which we were able to do. Then,

towards the end of last year as we were racing to what we thought was going to be a hard stop for the spending of CARES Act dollars, the IFC, in December, provided additional money and brought the budget up to \$50 million. That still left a group of applicants out there whom we were not able to fund, but we are fully prepared to move forward and fund them when these resources become available.

The Treasurer and I have been mindful of the fact that we need to be careful that these funds go directly to businesses as they were intended. We have had our staff process and look at the applications as they were filed. Then, the Treasurer and I each took a look at the applications as they came through, and if we could not identify the business, if we did not find it online, if we did not see a website, if we could not feel confident—if they had an "ACME LLC" but they turned out to be a teriyaki restaurant—we picked up the phone and we called them. We talked to them. We made sure they had a legitimate concern here in the State of Nevada. In the process, the Treasurer and I have been able to talk to hundreds and hundreds of small businesses across the state. It has really helped shape my views of how we need to step up after the pandemic to support small businesses in the state. It gave us great insight into that. So, there was this little extra compliance check, and Treasurer Conine and I spent weekends and evenings going through and making sure that we could actually locate these businesses.

In closing, this is a strong program, maybe one of the strongest in the United States. The National Governors Association (NGA) complimented our initial efforts on this, and now that we have flexibility to use resources in this next year, we are fully prepared to move swiftly to get the funds out to some of the remaining businesses that are in the queue. We would be pleased to take any questions.

Chair Carlton:

It is good to hear that the accountability component has been built into the system. Will businesses that have already received assistance be able to reapply? If so, will there be a priority list to address them, or will grants strictly be given to those that have not gotten assistance yet, and then a turn back to folks who have already received assistance?

Treasurer Conine:

Let me first say that calling those small businesses has been, by far, the best part of this. We got a fair amount of our Christmas shopping done from folks we called along the way. But when we are looking towards new money coming into the program, the goal is to clear up the queue of businesses that have been waiting patiently since the middle of October. That is our first step: to get the additional \$50 million out the door to folks who have already applied. If future money becomes available, we would love to reopen the program for new and recurring applicants. We really want to be sure that everyone waiting gets help before we move on. One of the reasons we are making those calls is because folks wonder about businesses that had to shut down since the beginning of the pandemic. Going through this process allows us to make sure that the money is going directly to the businesses that are still open and still need it.

Chair Carlton:

About how many people are in the queue right now?

Treasurer Conine:

We originally received roughly \$148.5 million in requests which was 13,548 applications. To date, we have funded about 4,600, and we should get through about 9,250 by the time we are done. There are still going to be some individuals in the queue who will not get funded because they did not meet the original criteria of the program. Perhaps their business opened after the beginning of the pandemic or they do not have a presence here in Nevada. That has really been one of our big points. We want to make sure we are not giving money to Limited Liability Corporations (LLCs) that exist here for tax purposes, but do not actually have any locus in the state.

Chair Carlton:

I am happy to open it up to questions from the Committee.

Assemblyman Frierson:

I believe Director Brown mentioned that there were over 9,000 businesses. Are those 9,000 businesses that have not yet received anything or does that include those that have already received money? Are we talking about 9,000 additional businesses?

Treasurer Conine:

It is 9,000 total businesses that will be funded by the end of this. We have funded about half of that so far.

Assemblyman Frierson:

Could you talk about the timeline from applying to hearing back to distribution? That is an important issue we are hearing about in considering this policy. Assuming this bill moves, we want it to move as fast as possible but as efficiently as possible, so could you talk about that process and the timeline?

Treasurer Conine:

Absolutely, and I think that is a really good point. Some of the other partners have made this so effective. We worked with the Nevada State Controller's Office and the Governor's Finance Office (GFO) to shrink the timeline of state payments to make sure that as soon as something comes in to be approved, it gets reviewed, confirmed, and approved. Typically, the process works something like this: a person applies; the application period was open for four days in October; we now have a queue of applicants. We prioritize those applicants based on the criteria laid out before the IFC, making sure we get money out the door first to disadvantaged business entities—people of color, women-owned businesses, and veteran-owned businesses. We expanded that definition to include businesses that are owned by individuals who are disabled.

We made sure that money went to bars and restaurants that had been impacted most directly by some of the COVID-19 closures. A small but important chunk went to our chamber of commerce partners who helped us get the word out, not just about this program, but other

programs; a portion went to arts and culture and nonprofits who had been left out of other federal programs in the past; and then, some to other businesses.

After someone applies, they are prioritized based on that list. From there, our contractor, the National Development Corporation (NDC), goes through and checks all the mechanics of their application. Do they have a state business license? Can they find some sort of presence? Did they fill out everything on the application? Do we have all the information we need to know they are a real company? Then, after NDC approves them, they all come in a spreadsheet to Director Brown and me. We go through that list, flag folks we can find, call those we cannot, and either approve them or deny them based on that. It is important to mention that the denial process is a binary one. We are not making decisions about whether this a good business, a business likely to succeed, or a business that we care about. None of that. It is simply a matter of did they lie on their application or did they say that they have an office here but when we call them, we are calling Beverly Hills? We go through that process, which is usually completed within 24 hours of receiving the list. The businesses that are good then go back to the NDC.

The NDC contacts the business and gets two things. First, they get the information on how to pay the business. We try to do wire transfers because they are faster. Sometimes, we do a paper check in rare occurrences. The NDC also gets them to sign the grant agreement, which speaks to all the conditions of the grant—they are using it for the purposes they told us it was for, they are affirming that they are a Nevada business, et cetera. Once they sign the grant agreement, it takes about 21 days to get them the funds. The process on the back end is that we get an invoice from the NDC for the total amount, including their [NDC's] fees. That invoice gets checked once by GOED, once by the GFO, once by the Controller's Office, and then the money goes out to the NDC, and they distribute the funds. We have compressed the process down about as far as we think we can from a state government's perspective without letting go of any of the controls.

Michael Brown:

I would also acknowledge we have support from the Department of Business and Industry. It helped us reach out to the various diversity chambers and others across the state. We also had support from the Department of Tourism and Cultural Affairs to understand how to roll this out within the arts and culture community. This was a large collaborative effort within State government. My staff [GOED], the Department of Business and Industry, and the Office of the Treasurer staff have tried to provide a lot of personal support. We know these businesses are struggling, and the first lesson of running a small business is you are busy running a small business. You do not have staff to work on this like one would have in a corporate environment. We have tried to provide a real human touch to this relief fund.

Assemblyman Frierson:

I agree wholeheartedly that giving the money to the businesses as soon as possible is certainly a priority and very much needed.

Chair Carlton:

I will go to the next question.

Senator Cannizzaro:

It sounds like if we pass this bill, we will continue to help many small businesses without adding more staff. I think that last note about a personal touch is what we are all craving in the midst of this crisis. It is something that is so helpful to the businesses. I appreciate that. I did want to clarify: the work with the chambers of commerce to help identify businesses, and specifically some of the diversity chambers, can you talk about that so we have an idea of where the outreach has gone?

Michael Brown:

The CRAG program we rolled out was a complicated program. For this round, we felt we needed navigators to help us get this word out. We wanted to incentivize the chambers to help us out. Also, in this time of trouble, there have not been programs at the federal level to help chambers of commerce or restaurant associations and groups like that, and yet for many small businesses, that is where they find their support and where they get help. We wanted to do two things: first, we wanted to tap their expertise so we could reach out to as many members as we could across this large, diverse state; second, we also had the goal of helping stabilize these organizations so that they can continue to serve small businesses across the state. Marcel Schaerer [Deputy Director] from the Department of Business and Industry and Sonia Joya [Director of Minority and Business Support] from GOED specifically worked on diversity and inclusion efforts. The Treasurer's Office was able to troubleshoot a lot of issues.

Treasurer Conine:

So far, these efforts seem to be working. About 68 percent of the \$50 million that has gone out so far has gone to disadvantaged business entities which, for programs like this, is astounding. When we look at the amount of money in the PPP program that has actually gone to businesses that needed it the most, it is much less. It is proportionate the other way, so we are happy this has worked.

Assemblywoman Titus:

This is critical to Nevada businesses, but I need some background. I thought I heard you say, Mr. Treasurer, that we had \$148 million that you had received for this program. Is that correct?

Treasurer Conine:

We had \$148.5 million worth of demand from applications that came in during the four days of the program.

Assemblywoman Titus:

You had \$50 million to distribute, correct?

Treasurer Conine:

We started with \$20 million. We added \$11 million to get to \$31 million, and then, we added \$20 million more to get to \$51 million.

Assemblywoman Titus:

Where did the additional \$50 million come from? You spent the original sum under the timeline. Now we have another \$50 million. Was this something you already had in the CARES Act? Did you just get this last week? How long have you had this pot of money?

Treasurer Conine:

The last \$50 million is a repurposing of money that was originally from the CARES Act, then put into the State General Fund to deal with reimbursable expenses under the CARES Act, and now is being reallocated from the State General Fund back into the PETS program. This is one of the reasons why the language of the bill says it needs to be spent prior to the end of the fiscal year. For the record, we have absolutely no concerns about spending that money by that deadline. In fact, we have about \$15 million of that \$50 million queued up and ready to go assuming we are able to move this out of the Legislature.

Assemblywoman Titus:

You have mentioned that, at the end of the day, you will have reached 9,000 businesses with this money. Is that the figure I heard you say?

Treasurer Conine:

Yes, by our calculations it is 9,263.

Assemblywoman Miller:

Every time I hear the term "small business," I know that there are many definitions of what that means. Could you point to the eligibility for this program? What guidelines or parameters are being used to determine the definition of a small business?

Michael Brown:

Yes, there are many definitions of what constitutes a "small business." We chose to focus this program on microbusinesses, so we used the conventional "50 employees and under."

Assemblywoman Tolles:

It is easy to look at these numbers and speak to these things in a hearing and forget how personally painful this has been for so many individuals, small business centers, couples, families, and employees. I appreciate that you have taken that personal time to call them and have those conversations, to feel that pain, because it has been very real for so many Nevadans across our state. I hope that we get to a place where they do not need to keep having assistance, and we can open up more and get back to business. I know that is their dream as well. In line with Chair Carlton's questions on the acknowledgement of the accountability piece, I know that we will be hearing on or before June 30th as to how these funds were utilized. I am wondering though, on the transparency level, how that information can be more readily

available to the public as this program progresses. Is there a way to put this on the website in terms of advertising not only how to take advantage of this program, but also how many businesses are being helped, who is being helped, and how that selection process is being conducted so there is transparency for the public? I think that would be very important.

Treasurer Conine:

We completely agree. We are collecting a lot of data as far as who is applying, where they are applying from, and what they are using it for. We are going to take that data and try to present it in the most effective way possible. One of the things we have seen, from a disclosure standpoint, is that scammers have been using the information that was posted on PPP levels to actually target businesses. Since the businesses we are dealing with, for the most part, are microbusinesses who would not necessarily have the protections in place for that, we want to be careful about what information we release. All of the information from a demographic perspective, and locations of businesses, will be available.

Michael Brown:

I have had businesses break down and cry when I have called them because it really makes the difference for them. We have businesses that have never done a wire transfer—that is just not a part of their equation. We have businesses whose accounting is just filing their taxes. We are talking about very small businesses, and so I appreciate your comments. This has been a very touching experience to work on. We will produce a robust report, and we already have statistics on what the geography is across the state and the distribution population-wise. It is sorting itself out between north, south, and rural. I think this is a program Nevada is going to be very proud of, and we will have a robust report at the end. Assemblywoman Titus had also suggested that we canvas some businesses afterwards. During an IFC meeting, she mentioned this, and we made note of it. We may do something on SurveyMonkey or something like that, just to find out more from businesses later. When we thought we were facing a December 30th deadline, it was all about process, approval, and how do we get this out the door.

Senator Goicoechea:

I want to thank you for being so accessible in October as you began this process early on. Did some of these \$10,000 direct grants go to nonprofits and chambers? I am doing the math and you said 9,000 applicants would be funded, but then we have \$100 million. That does not quite equate, in my world. Was some of the money accessed from a different direction?

Treasurer Conine:

Two things go into that number that I think are worth noting. One, there is a fee for the NDC to do the heavy work on getting the money out the door and to do the inspection. They have a team of more than a dozen people who work on just the mechanics of the applications, plus there are fees to use the systems that go through them. Two, arts and culture organizations and chambers of commerce were able to get up to \$20,000 if they met certain criteria on a size basis because there has not been any money available for them through any of the other programs.

Senator Goicoechea:

I appreciate that, but I would like to see a breakdown of exactly how much went to small businesses in \$10,000 grants and where the balance went because it is a significant number. As Director Brown said, the people out there in rural communities are just struggling to work their way through this. We had conversations early on about how essential it is that this process be made as simple as it could be. It did work. I think we clearly see that because of the demand. Thank you for a great job.

Treasurer Conine:

To give some broad numbers, once we get that \$101 million out the door, approximately \$13 million of it will go to arts and culture organizations, chambers of commerce, and nonprofits. So, the difference of about \$87 million goes to small businesses directly.

Chair Carlton:

We plan on asking for all these final details once they get to the point of finishing up the service. We will try to have them serving the small businesses now, and then answering our questions afterwards to get us that information.

Assemblyman Roberts:

My question is a procedural one. I am new to the Committee and new to how money is moved. I see that these are current State General Fund dollars that we have realized from savings of COVID-19 money from last year. I am curious, is it necessary to move this money through a bill or could we have done this through the IFC?

Chair Carlton:

Sarah Coffman, can you answer Assemblyman Roberts' question, please?

Sarah Coffman, Assembly Fiscal Analyst:

During session, the Legislature has access to the State General Fund so the IFC Contingency Account is no longer available. The IFC does not have a viable option to fund an appropriation. This appropriation is \$50 million, so even if this was something that was provided for prior to session beginning, the IFC Contingency Account currently only has an available balance of approximately \$7 million.

Chair Carlton:

I do not have any other questions from any members at this time. We will now move into the support phase of the hearing.

Mary Beth Sewald, President and Chief Executive Officer, Las Vegas Chamber of Commerce:

First and foremost, I want to thank Governor Sisolak, Treasurer Conine, and the Legislature for their efforts in providing an additional \$50 million to Nevada's struggling small employers. Treasurer Conine and Director Brown talked about businesses that have talked to them with tears in their eyes. I have also seen that many times—members of the Las Vegas Chamber and

nonmembers alike, who have shared their dire needs for funding. We are so appreciative that this funding is being made available. Because of COVID-19, our state's employers continue to face these unrelenting challenges. Nevada's companies are fragile and many of them are still struggling to survive because of this pandemic. Too many of them have had absolutely no choice but to close their doors. These small employers are our neighbors, our friends, and our family members, and they are fellow Nevadans. Programs like the PETS grant give our small businesses a lot of hope by providing the resources that they need to survive and recover and, of course, preserve those jobs that are so important for the State of Nevada.

In the initial launch of the PETS program in 2020, the Vegas Chamber [Las Vegas Chamber of Commerce] members did benefit, from small women-owned employers like our Chairwoman, Gina Bongiovi, to nonprofits, start-ups, and, of course, family-owned businesses. These grants not only help small business employers, but they also help save jobs. That is what we are focusing on at the Vegas Chamber, and I know other chambers across the state are as well. Continuing to support small employers is essential to our economic recovery. I know you all know that. I want to emphasize that putting Nevadans back to work and diversifying our economy are what our primary concerns are at the Vegas Chamber. I cannot tell you how much we appreciate the support on this PETS grant program. We want to thank you for your support of Nevada's small employers. Thank you for supporting them by passing this important piece of legislation that would allocate more resources.

Cassandra Barcelo, Owner, Empowered Café, Las Vegas, Nevada:

My husband, Christopher Barcelo, and I own the Empowered Café in downtown Las Vegas in the Grant Sawyer Building. We employ people with disabilities, and that is my main goal—to employ and train people with disabilities. We also train business operators on how to run their own businesses. Our café was very close to being shut down until I heard about the PETS grant. We had just opened in the last year, on December 9th. We were doing well, and then the pandemic hit. Our business was completely struggling, and we did not want to let our employees go, especially our employees with disabilities. I remember the day that we had to close down because of COVID-19: March 13th. I went to tell my dishwasher that we had to close, and we both just started crying because we did not want to leave our family. We had hired him after he had been turned down by a local casino saying [to him] that they did not hire his kind there, which I was very disappointed about. So, it was a shock. We had to let him go. We reopened back when everything reopened, and then we struggled. We completely struggled. Our building is only open at 25 percent capacity, and it is closed to the public. We rely on the state workers that we have in the building, and we have to hope that they support us every day.

The PETS grant infused this capital for us to keep those doors open and to keep our employees. We were about to make tough decisions to let our employees go and just have my husband and me run it, and we did not want to do that. It was right before Christmas. Then, we got a phone call from Erik Jimenez [Senior Policy Director, Office of the Treasurer]. I want to thank Governor Sisolak, Erik Jimenez, and Treasurer Conine for this grant because it saved our employees and let them have a better Christmas because we did not have to let them go. I think

if you use this money again to help other small businesses, it could help small businesses come back. Our backbone in Nevada is our small businesses. We are very small. In January, I got the coronavirus and we had to close our doors for three weeks. The \$10,000 helped us get through that, too. There are so many things we could talk about, but it definitely did help me keep my employees. It helped me get my inventory back up after having COVID-19, and it meant so much to us. It helped save our employees. This support matters as it helps other small businesses stay open in such an uncertain time, and we would appreciate it if you pass this bill today and help other people.

Gina Bongiovi, Owner and Managing Partner, Bongiovi Law Firm, Las Vegas, Nevada:

I have the honor of serving as the 2021 Chair of the Board of Trustees for the Vegas Chamber. I would also like to echo everyone thanking Governor Sisolak for his leadership and for making this additional \$50 million in funding for the PETS grant program a priority in his State of the State address. I also appreciate the effort of the Legislature to process this bill in an expedited manner so the funds can go to our businesses as soon as possible. These dollars are desperately needed to support and bolster struggling businesses in our communities, as you have already heard. I personally run a small law firm where my primary clients are small businesses, so I have witnessed up close the hardships they have endured because of the pandemic. They have had to make so many difficult decisions in the past year, especially as they watched their PPP and idle funds run out before additional funds or recovery appeared on the horizon. Every pandemic emergency loan, small business grant, and financial assistance program has helped a small business like mine keep its doors open and keep people employed. Thank you very much for offering hope and throwing us a lifeline in these challenging times. I would like to personally thank GOED Director Brown and Treasurer Conine for spending their nights and weekends making those phone calls and for granting even my own business access to this program. On behalf of our business community, thank you very much for supporting Nevada small businesses—and job creators—through this legislation.

Trina Jiles, Owner, Gritz Café, Las Vegas, Nevada:

Thank you, Senate and Assembly members, for allowing me to speak with you in support of Assembly Bill 106. I am the owner of Gritz Café, located in the historic west side of Las Vegas, and I am a member of the Urban Chamber of Commerce. I opened Gritz in 2008 with six employees in the middle of an economic recession. I am thankful to say we are still in operation with 18 employees. As you are all aware, the COVID-19 pandemic has taken its toll on small businesses like mine. When I think of small business owners, I think of people like myself who have sacrificed much in order to provide a service; they believe in their product that they are providing to the community. I am grateful that I was a recipient of the PETS grant. It helped us tremendously to keep our doors open and for me to make payroll. We are thriving in uncertain times, and I could not have done it without the assistance of the PPP as well as the PETS grants.

Your approval of this bill will help many other small businesses like mine. The challenges are many, and they are very dynamic. I know some of you asked what things the funds are being used for. I can tell you from my own experience that one of the largest costs for me has been

the 300 percent markup for gloves. The personal protective equipment (PPE) that is required to serve our community has gone up tremendously which cuts into our margins. Unlike larger corporations, if COVID-19 affects one employee, it impacts our entire workforce. During those times, the money can be used to replace product that is lost because we had to shut down temporarily. Most important, the funding is being used to employ our employees and pay a living wage so they can support their families during this challenging time. Thank you for the opportunity to speak to you in support of A.B. 106, and thank you, Governor Sisolak, for supporting small businesses like mine. I appreciate you.

Ann Silver, Chief Executive Officer, Reno + Sparks Chamber of Commerce:

I serve as the Chief Executive Officer (CEO) of the Reno + Sparks Chamber of Commerce comprised of 2,000 plus members who employ over 90 thousand residents of our community. I am speaking to you from my chamber office here in Reno in support of Assembly Bill 106. The initial PETS grant provided a significant and much needed financial boost to small businesses that have and continue to struggle to operate, recruit, and retain both employees and customers. A second round of the PETS grant funding will enable hundreds of our chamber members who remain on the waiting list to obtain the lifeline to business sustainability. These businesses provide the goods and services we all rely upon in our daily lives, so every effort must be made to support their hard work and determination to prevail through this pandemic and beyond. I encourage your support for A.B. 106 as we continue to advocate for small businesses to survive and thrive.

Ashley Bradley, Co-owner, Spoon-a-Bowl, Las Vegas, Nevada:

My name is Ashley, and I am also with my husband.

Jonathan Bradley, Co-owner, Spoon-a-Bowl, Las Vegas, Nevada:

Hey everyone. Jon Bradley.

Ashley Bradley:

We own Spoon-a-Bowl, a Las Vegas, family-owned food truck that serves made-from-scratch frozen yogurt and ice cream. We are here to show our support for A.B. 106. As a PETS grant recipient, we have seen the obvious impact it has had on our business. In fact, it saved our business. Like other small businesses, we were drastically impacted by the pandemic. As a mobile business, we rely heavily on events and work closely with schools. For example, we served the University of Nevada, Las Vegas, campus four days a week before the pandemic, understandably, before remote learning. In just a matter of days, we lost all business opportunities on our calendar for the entire year. But luckily for us, the PETS grant came at a time when we needed it the most. We were able to pay past due bills, maintain current expenses, and most important, build an infrastructure to safely operate as we continue to navigate through the pandemic. One thing we were able to do is purchase a hand washing station that we can place outside of our truck for our customers. These are things that, in the past, we did not have to think about. Unfortunately, our type of business is often overlooked for grants, and we hope other small businesses, including food trucks, will also have the opportunity to receive this vital support during these trying times. We cannot thank everyone

who is involved enough for the support and help that our business received. This support really saved our business.

Derek Stonebarger, Owner, ReBAR, Las Vegas, Nevada:

I am a small business owner. I own two bars. One of them has a restaurant license and one of them has a temporary restaurant license. One of them is ReBAR, and one of them is Davy's, and they are both on Main Street in downtown Las Vegas. On March 18th of last year, we were told to shut down along with everyone else. It has been a very difficult year for business owners, not just bars that were again shut down for several months a second time. I want everyone to understand it is still extremely difficult for businesses right now. The pandemic is not anywhere close to being over in terms of business ownership. We are able to operate at only 25 percent occupancy. I want you to take a simple example and think of having to instantly operate off a 25 percent budget. Imagine how many deals you would have to cut, how many salaries you would have to cut—that is what we have had to do, and that is what we continue to do to this day. The only way we have been able to survive is through grants like the PETS grant, which we are so grateful for.

I told you that I have two bars on Main Street. One of them received a PETS grant, and one of them did not. I am one of the business owners who will receive these desperately needed funds if this is to pass, so you can understand why I would be in support of it. Along the way, we have been able to keep our employees and bring them back to work after being closed for several months. But with that said, in an environment where you work at 25 percent occupancy and you are in a customer service business, now you have to tell [customers], who you are trying to receive tips from in a customer service business, to wear their masks and to abide by the rules. We become police officers. In order to do that in our businesses we need to hire security, so on top of only being able to allow 25 percent occupancy, we also have to hire more employees, not to mention all the PPE, and the renovations we have had to make. I am not complaining. I am happy that we are allowed to be open again, but I am telling you that we are desperate. Hopefully, you can hear it in my voice.

Treasurer Conine mentioned that the paperwork on this grant was simple, and that is the truth. I filled it out myself. It was a simple process compared to the ones for PPP and those that are regulated on the national level. One of the things that was not brought up is that not only is this for businesses with under 50 employees, it is for businesses that gross less than \$4 million and are non-publicly traded companies. That is huge, knowing that a lot of the PPP money that was spent nationally went to companies that do not necessarily need it. I want you to realize that small businesses like mine, and the ones in our area, that spent their life savings to put in a grease interceptor and put in a hood to build their dream, they are at risk of dying and closing. And those businesses will open again, but they will be a Chic-Fil-A or a Raising Cane's. They will not be mom-and-pop shops like they are today. Tons of them have already been lost. The 9,263 businesses that this grant is going to fund—you are going to save small businesses in Nevada from becoming large corporations. I thank you for passing this. I also thank you for considering raising the occupancy up to 50 percent again.

Randi Thompson, State Director, National Federation of Independent Businesses (NFIB):

I can only say "ditto" to what Derek just said. For 78 years, the National Federation of Independent Businesses (NFIB) has been the voice of small business across America. I want to say thank you to Mr. Brown and Treasurer Conine. Your passion and support of small business is amazing. When it comes to representing small businesses, we have over 1,800 members across the state, so please call me when you are ready to validate any businesses. I cannot say anything more than what Ann Silver and the Vegas Chamber have said, and everyone else who has been on tonight. Please support this bill. It is the lifeblood of so many businesses in this state. Not only am I the lobbyist for NFIB, I personally own a printing and imaging center in Reno. We have five employees. We shut down in April, so I know what it means to close your business and try to reopen. Please let us operate beyond 25 percent. Please let us reopen our communities. Let us open our businesses. [[Exhibit C](#) was also submitted.]

Sonny Vinuya, President, Las Vegas Asian Chamber of Commerce:

I am here in support of A.B. 106, grant expansion. I want to thank Governor Sisolak, Director Brown, Treasurer Conine, and everyone involved in building this grant and passing it down. We all know that many of our businesses are still barely hanging on as they optimistically wait for a time to get continuity and get our tourism and the ability to reopen at full capacity back. I admire these business owners' fighting spirits even in these hard times and the conditions they are all in. They are permitted to stay the course and wait for economic relief. In the meantime, any help you can give them is very much appreciated. They just need the support to help with their business expenses, rent, payroll, supplies, and other costs. That is where programs like this can make a real difference for them. It is a step of supportive help. Remember, we are not just helping the business owners but their employees, too.

Chair Carlton:

We will now go to public comment.

Annette Magnus, Executive Director, Battle Born Progress, Henderson, Nevada:

We are in support of Assembly Bill 106. We benefitted, as a nonprofit, thanks to Treasurer Conine and his wonderful staff. We received a PETS grant and a CRAG grant after we did not receive a PPP loan after weeks of trying. During the pandemic, we served people in our community, as many of you know—feeding people out of my garage, trying to make sure we were getting resources to our community. While we did all of that, our nonprofit also suffered much like these small businesses who have talked tonight. We lost over \$100,000 compared to the previous fiscal year at the exact same time; all while we did work for our community. Thanks to this program, we have now been able to keep all our employees employed, and we continue to grow. I know other nonprofits and small businesses desperately need this funding. It has helped us so much, and our community is counting on all of you to pass this tonight, so please support this bill. It is good for nonprofits, it is good for the business community, and we desperately need it.

Peter Guzman, President, Latin Chamber of Commerce, Las Vegas, Nevada:

I want to thank Governor Sisolak, Treasurer Conine, Director Brown, and so many others who are behind-the-scenes working. For those folks who may not have clearly understood how hard it is to meet payroll even before COVID-19, you can imagine it now. This has been a godsend. I know firsthand that many of my members have participated and received some of this funding, and it has absolutely kept their doors open. We must understand that when we keep small businesses open, we are keeping folks working and giving them the dignity to be able to take care of their families. We must continue down this road. We must use this funding. We must approve it and get it out as quickly as we can so that these businesses can continue to employ great hardworking folks and keep that dignity of providing for a home alive and well.

Derek Armstrong, Director of Economic Development and Tourism, City of Henderson:

The City of Henderson would like to speak in support of this bill. From my experience, having administered the CARES Act small grants program for the City of Henderson, the impact and the demand to keep these businesses going are definitely real. As we move forward, and until these businesses can go back to normal, these types of programs are really the lifeline—I think you have heard that a number of times—to help those businesses continue. One of the things I did not hear about was the scope of the types of businesses that applied for this program. We heard about bars and restaurants, but there are other professional services that are hurting as well. I think one of the learning points through this is just how many staff that dental offices have, and the impact that these programs have in keeping professional services like these afloat. The next time you got to a dentist, poke around to see how many employees are actually there. Additionally, Senator Cannizzaro talked about the outreach—the outreach goes well beyond the state and the chambers. All of the local governments, all of the rural development authorities, and all of the associations are trying to get the word out to help these businesses. I personally went to the Board of Accountancy to ask their membership to reach out to their businesses as well. The City of Henderson supports this effort and would like to continue it.

Kelly Crompton, Government Affairs Manager, Office of Government and Community Affairs, City of Las Vegas:

The City of Las Vegas is in support of this important legislation to help small businesses across the state and in our region. We thank Governor Sisolak, Treasurer Conine, and Director Brown for their work on this program, and the Committee for prioritizing this bill this evening. The impact this legislation will have on our community is vital to the recovery effort across the state. We thank you for your time and support of this bill.

Bishop Bonnie Radden, CEO, The Gathering Place, Las Vegas, Nevada:

I came to Nevada shortly after the 2017 shooting because I was contacted by the Department of Health and Human Services due to the work that I had done in California around mass shootings and mass crisis. As a result, I saw some of the lack in social services and mental health. Two weeks after I came here I started this nonprofit, The Gathering Place, to meet the particular needs of the LGBTQ community. We started this nonprofit and it has been very successful; then the pandemic happened. I did apply before, and I am excited for the opportunity that has presented itself before us. We have hung on by a string to still provide

complete services to the community, particularly to our transgender and transgender communities of color. I cannot even begin to tell you how excited I am tonight to hear this bill, and I am in complete support. If I had pom poms, I would jump up and down in support. I would like to thank Governor Sisolak and his complete team who continue to show me that my move from southern California to Nevada was one of the best things I ever did.

Chair Carlton:

Any other callers? [There were none.] I want to thank our callers for their persistence in making sure their voices were heard in this process. That is all of our folks in support. We have had no one sign in as opposed and no one on the phone line in opposition. We have had no one sign in on the attendance roster as neutral, and we have no one on the phone line as neutral. I believe the business of the hearing of A.B. 106 has been taken care of. Because we are in a joint meeting right now, we cannot take a vote on the bill until we are in a Ways and Means Committee work session. We will now open it up for further public comment. [There were none.] [Further protocol was explained.] Thank you all for being here. This meeting is adjourned [at 6:25 p.m.].

RESPECTFULLY SUBMITTED:

Adam Cates
Committee Secretary

APPROVED BY:

Assemblywoman Maggie Carlton, Chair

DATE: _____

Senator Chris Brooks, Chair

DATE: _____

EXHIBITS

[Exhibit A](#) is the Agenda.

[Exhibit B](#) is the Attendance Roster.

[Exhibit C](#) is a copy of a letter dated February 10, 2021, written and submitted by Randi Thompson, Nevada State Director, National Federation of Independent Business (NFIB), in support of Assembly Bill 106.