

**MINUTES OF THE MEETING  
OF THE  
ASSEMBLY COMMITTEE ON TAXATION**

**Seventy-Fifth Session  
March 24, 2009**

The Committee on Taxation was called to order by Chair Kathy McClain at 1:38 p.m. on Tuesday, March 24, 2009, 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/75th2009/committees/](http://www.leg.state.nv.us/75th2009/committees/). In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: [publications@lcb.state.nv.us](mailto:publications@lcb.state.nv.us); telephone: 775-684-6835).

**COMMITTEE MEMBERS PRESENT:**

Assemblywoman Kathy McClain, Chair  
Assemblywoman Marilyn Kirkpatrick, Vice Chair  
Assemblyman Paul Aizley  
Assemblyman Bernie Anderson  
Assemblyman Morse Arberry Jr.  
Assemblyman Ed A. Goedhart  
Assemblyman Tom Grady  
Assemblywoman Ellen Koivisto  
Assemblywoman Sheila Leslie  
Assemblyman Richard McArthur  
Assemblyman Harry Mortenson  
Assemblywoman Peggy Pierce

**COMMITTEE MEMBERS ABSENT:**

Assemblyman Don Gustavson (Excused)

**GUEST LEGISLATORS PRESENT:**

Assemblyman Tick Segerblom, Clark County Assembly District No. 9

**STAFF MEMBERS PRESENT:**

Russell Guindon, Senior Deputy Fiscal Analyst  
Michael Nakamoto, Deputy Fiscal Analyst  
Mary Garcia, Committee Secretary  
Sally Stoner, Committee Assistant

**OTHERS PRESENT:**

Angus R. Quinlan, RPA, Executive Director, Nevada Rock Art Foundation,  
Reno, Nevada  
Julie L. Clark, Field Representative, Western Regional, The Archaeological  
Conservancy, Sacramento, California  
Terri Robertson, representing Southern Nevada Rock Art Association and  
Friends of Sloan Canyon, Las Vegas, Nevada  
Don Hendricks, representing Nevada Archaeological Association and  
Archaeo-Nevada Society, Las Vegas, Nevada  
Kyle Davis, Policy Director, Nevada Conservation League, Las Vegas,  
Nevada  
Dave Dawley, Assessor, Assessor's Office, Carson City, Nevada  
Brody Leiser, Deputy Executive Director, Department of Taxation  
Sabra Smith-Newby, Director, Administrative Services, Clark County,  
Las Vegas, Nevada  
Stan Spraul, President, Nevada Golf Course Owners Association,  
Las Vegas, Nevada  
Alfredo Alonso, Lewis and Roca LLP, Attorneys at Law, Reno, Nevada,  
representing Wingfield Nevada Group and Olympia Group  
Michael Hillerby, Executive Vice President, Wingfield Nevada Group,  
Sparks, Nevada  
Barbara Smith Campbell, President, Consensus, LLC of Nevada, Reno,  
Nevada, representing Somersett Country Club  
Lisa Gianoli, Owner, LG Strategies, Ltd., Reno, Nevada, representing  
Washoe County  
Doug Sonnemann, Assessor, Douglas County, Minden, Nevada,  
representing Nevada Assessors Association  
Barry Smith, Executive Director, Nevada Press Association, Carson City,  
Nevada  
Rob Joiner, AICP, Manager, Government Affairs, City of Sparks, Nevada  
Adam Mayberry, Public Information Officer, City of Sparks, Nevada  
Mike Carrigan, Member, City Council, City of Sparks, Nevada  
Shaun D. Carey, City Manager, Administrative Services, City of Sparks,  
Nevada

Ron Smith, Member, City Council, and Chairman, Redevelopment Agency, City of Sparks, Nevada  
Ron Schmitt, Member, City Council, and Chairman, Tourism Marketing Committee, City of Sparks, Nevada  
John P. Sande IV, Jones Vargas Attorneys at Law, Reno, Nevada, representing Reno-Sparks Convention and Visitors Authority  
Ellen Oppenheim, President and CEO, Reno-Sparks Convention and Visitors Authority, Reno, Nevada  
Tom Medland, Vice President, Airline Business Development, Reno-Tahoe International Airport, Reno, Nevada

**Chair McClain:**

[Roll was called.] We have four bills today. They are on the agenda in numerical order, but we are going to take them in the order of Assembly seniority. We take Mr. Mortenson's bill first, then Mr. Segerblom's, Mr. Aizley's, and then the one from Sparks.

Mr. Mortenson, do you want to start us off with Assembly Bill 369?

**Assembly Bill 369**: Revises provisions relating to the property tax exemption for the property of certain nonprofit organizations. (BDR 32-916)

**Assemblyman Harry Mortenson, Clark County Assembly District No. 42:**

[Distributed copies of *American Archaeology*, Spring 2009, Vol. 13, No. 1 ([Exhibit C](#)) and an email in support of the bill from Alan O'Neill, Executive Director, Outside Las Vegas Foundation ([Exhibit D](#)).] This is a bill I was requested to bring forth. Last session, we worked on this same area of *Nevada Revised Statutes* (NRS) by adding an archaeological conservancy. That was not even a separate bill; we amended it into an administrative bill. Some of the people—I think it was Clark County—decided it would be a good idea to take out all the names and just put in a generic name, effectively saying any nonprofit organization that wants to try to preserve land should have the privilege of not paying taxes on that land. I am going to ask these experts to explain it.

**Angus R. Quinlan, RPA, Executive Director, Nevada Rock Art Foundation, Reno, Nevada:**

[Submitted and read from prepared testimony ([Exhibit E](#)).]

**Julie L. Clark, Field Representative, Western Regional, The Archaeological Conservancy, Sacramento, California:**

What I have to say to you today is short, but it is a very important message. I work for The Archaeological Conservancy. We have been around since 1980, and we are a national 501(c)(3) nonprofit organization. We have about 400 archaeological preserves nationwide. Unfortunately, only two of those preserves are in Nevada. This is a situation we would really like to see improve. The way we can do that is by providing an opportunity for us to have a tax exemption at the various local and state levels, which we are unable to do under current circumstances.

In almost every county in the country, we do have tax exempt status because of our status as a nonprofit organization and because of our goals of archaeological preservation. I understand Nevada derives a great deal of its income from gaming, but as more and more families visit the area, people will start to value the cultural resources and historical resources a great deal more. When they come here, they will want to take their families to other activities.

On average, our preserves are about ten acres in size. Some are larger and some are smaller, but we do not have the funds to manage huge pieces of property. We are not looking to acquire huge tracts of land and maintain them in a tax-free status. We have to maintain these lands ourselves, so we look to just being able to protect the site within its boundaries.

In terms of what happens to these properties over time, we generally would not turn them over to federal entities unless our organization was to be dissolved. However, we often work with state governments to eventually transfer properties to state ownership where they become part of a state park or a local county park or even university owned. We cannot manage these properties forever. Otherwise, we have no ability to acquire new properties and protect new resources.

We are completely dependent upon charitable donations. During economic times such as these, we are not doing so well. Anything that would help us to acquire sites without getting the kind of bill we would get from Clark County if we were to acquire a petroglyph site there would be very welcome.

**Chair McClain:**

We have several questions. The number one question is what are the prospects of acquiring more land and taking it off the tax rolls?

**Julie Clark:**

We currently have one project in Nevada that we would like to see go through: Little Red Rock. That would actually be a wonderful asset to the area and would augment other natural resources in the area. Our major stumbling block to acquiring that site, or anything in that whole area, is the tax issue. We cannot even consider acquiring the land when we think about the amount of taxes we would have to pay on the property.

**Chair McClain:**

Is it a large site?

**Julie Clark:**

The site itself is not extremely large. The problem is just that the taxes in that particular area are quite high.

**Assemblyman Mortenson:**

The places these groups try to acquire are very sensitive sites. Everybody from southern Nevada knows about Little Red Rock. It is a wonderful area. Dina Titus put a bill through a few sessions ago to try to protect part of it, but did not get it all. These people are trying to acquire a little bit more of that land in the hope that it will always be available to our grandchildren and all future residents, and not be crowded and developed over.

**Chair McClain:**

I am curious because The Archaeological Conservancy already has this exemption if it acquires that land.

**Julie Clark:**

If we acquire that land, we do not currently have that exemption under state law. It is on a county by county basis. For some reason, we are not able to get that exemption at this point. I believe the requirements of the bill in question, Assembly Bill No. 209 of the 74th Session, were that the state was not just going to take it into consideration but was going to make a formal, earnest agreement that the land would eventually be turned over to the state. That is all well and good, but try convincing somebody at the state to put their signature on a piece of paper saying that, at some point in time, they would definitely acquire that land. Serious consideration is much easier to accomplish than actually getting a formal, written agreement.

**Assemblywoman Kirkpatrick:**

Because section 1, subsection 4, talks about the Nevada Tax Commission adopting regulations for the criteria, first of all, what would you think the criteria should be? Second, I am concerned that "nonprofit" is used rather

broadly when it talks about "organized principally for conservation of land, cultural resources, and natural resources." Could any group form a nonprofit and go out and do this? It is rather broad, and if we are going to ask the Tax Commission to specify the criteria, then we need to put something on record saying what we are looking for them to do. It is not fair of us to put that so broadly.

**Angus Quinlan:**

The matter of the Tax Commission adopting regulations is currently in statute. It is not being revised by this bill. To answer the question of whether other nonprofits could be organized to take advantage of this, yes, I think they could. Part of the purpose of the revision is so other local groups can be organized to actually take some of the burden from the four established land trusts which are currently recognized in statute and which can take a tax exemption.

The Internal Revenue Service (IRS) is currently looking in great detail at all sorts of conservation easements, conservation agreements, and donations of land. They are acutely aware of the potential for abusive transactions, so they have been tightening their requirements and adherence to the federal code. I think that would offer sufficient protection for any nonprofit organization that is actually organized to acquire land and manage it for conservation purposes or the purposes within this bill.

I think the IRS code currently would provide sufficient protection and sufficient penalties. The penalties would be that an organization could potentially lose its 501(c)(3) status if it is not organized in accordance with the mission or the reason it was formed. The directors would have to pay excise duties, and so would senior managers. I think the federal tax code provides sufficient protection to ensure this was not abused in any way.

**Assemblywoman Kirkpatrick:**

Here is my concern. Although the Tax Commission adopting regulations is already currently in statute, when we send something to the Tax Commission, we should include a pretty good record of what we are looking for in the way of criteria. This bill would leave them in the dark, as though we were saying, "Okay, what do you think it should be?" I think it is important and only fair that we put something on record as to what you expect the criteria to be.

My second concern would be this. I have read and understand the 501(c)(3) requirements for nonprofits. I am thinking very broadly because I think the bill is very broad, but just consider this scenario: In this building, and in the newspapers, people have discussed the possibility of creating a 501(c)(3) for renewable energy. If someone came in and created a 501(c)(3) in order to do

the transmission authority bonds, would this bill then allow that group to be exempt?

If that is the case, and if that is the direction you want to go, then we need to take that into consideration. This could potentially open the door for a hundred people as opposed to just the one mentioned here.

The Tax Commission is always getting beaten up. If we are going to ask them to do something, then we need to give them some direction as to where we are trying to go. It is only fair to them.

**Assemblyman Goedhart:**

Sometimes we try to look ahead to see what kind of unintended consequences can arise out of a piece of well-meaning and well-deserved legislation. I am thinking about the Genoa Bar and Saloon in Genoa, Nevada, which is an historical bar of sorts. Say the owner does not want to pay taxes, so he creates, hypothetically, a 501(c)(3). It is an historic building that helps to keep the culture alive. The owner is still serving drinks, but, in the meantime, he is not paying taxes. I do not know what the eventual outcomes are, but it seems whenever we alter the tax code, there is always a great amount of imagination exercised to take the legislation to where we had not originally intended it to go.

**Julie Clark:**

None of our preserves actually have standing structures on them—they are all archaeological sites—so that potential would not happen. I know there are already a lot of historic preservation policies out there, but there is not a lot in the arena of archaeological and cultural resources. That is why we are so much in favor of trying to move something like this along.

In general, though, I think somebody who goes to all the trouble to start a 501(c)(3) to try to profit from this is going to run into a lot of difficulty. It is not an easy thing to start an organization and have it get anywhere. We have been around since 1980 and we are still growing. I do not think that is a difficulty. The bill speaks to conservation and cultural resources, and that gives it a good focus in terms of your question. What kind of parameters are you looking for? What kind of specifics do you need?

**Chair McClain:**

I think what we are looking for is something a little more specific, such as whether it is for paleontological sites. Conservation is a huge word in Nevada. In almost everything we do, we are trying to conserve something, mostly water. Cultural resources is a really broad term. What culture are you talking about? If you could tighten it up . . . If you want to take the two particular conservancies

out and exchange that with some more generic language having to do with archaeological sites, that is a possibility.

**Julie Clark:**

We usually go back to the Secretary of the Interior's standards when referencing language such as "cultural resources" or "archaeological resources." The reason we use the term "cultural resources" in our field is because people tend to forget about the prehistoric resources in the area. Nevada has a very old history. Believe it or not, people actually wanted to live here 11,000 years ago, so that is an important history we would like to see preserved. We would be happy to give you any specific terms you need—paleontological resources, archaeological resources—but in terms of the cultural resources, there is actual, specific language that addresses what that means and gives it parameters. I do not think it is a terribly loose term at all.

**Chair McClain:**

So you are looking more at historical and ancient sites.

**Assemblyman Anderson:**

I guess the history teacher in me realizes that trying to bring an archaeological site to life is so vital to rediscovering who we are. I can understand this requires a broad term. I would be happy to work to see if we could find something satisfactory.

This is not just for the mastodon that stands in the museum downtown or the archaeological digs at the bar in Virginia City underneath Piper's Opera House. I can think of thousands of places—Monitor Valley in particular—that speak to Nevada's history and that bring a level of awareness to people outside of the state that Nevada is not the cultural desert it once was described as being. Many of us love living here now, and it has always been a hospitable environment, regardless of the age.

**Chair McClain:**

The next question is, if thousands of sites would qualify, what would the fiscal impact of this be? I do not think we have a fiscal note.

**Julie Clark:**

In terms of the thousands of sites, actually, the criterion upon which we base our willingness to preserve a site is that it have status with the National Register of Historic Places, National Park Service, U.S. Department of the Interior. It has to be eligible for the National Register, and that is a pretty serious criterion. It involves a lot of paperwork and a lot of determinations. Not just anything is allowed to achieve National Register status, so there is not



much chance that will happen. The Bureau of Land Management (BLM) actually owns most of the sites in Nevada, and we are just concerned about those that are still on private land.

**Terri Robertson, representing Southern Nevada Rock Art Association and Friends of Sloan Canyon, Las Vegas, Nevada:**

The real hero on this bill is Don Hendricks, but he is a little hard of hearing; he is almost 80 years old. So I am going to try to cover what happened with this bill. Those of us who are preservationists work on all kinds of issues.

A group headed by Don has been working on acquiring Little Red Rock from private ownership. To do that with Southern Nevada Public Land Management Act (SNPLMA) funds, you have to have a willing seller. The company that owns it had never been a willing seller. All of a sudden, about a year and a half ago, Don was contacted. Because of the economic downturn, the company was thinking maybe it would let some of that area go.

Just to let you know, there is no land between the Red Rock Canyon National Conservation Area (NCA) and the land we are talking about. It would just mean a purchase of land that was not included in the NCA because it did not have a willing seller. However, they are now willing to sell. Not only that, Don found someone who could come up with the money for the purchase. However, they were used to working under regulations where they would not have to pay the taxes.

How this all came about is, a wonderful man was sent out to look at Gold Butte by Clark County Commissioner Tom Collins. At the end of the day we were discussing other things we were working on, and I mentioned Little Red Rock. The gentleman said he would be willing to assist. He felt there was a way that, if we put together a bill, the land could then be turned over to the county. So they have been working on this for a year.

I am just telling you this as background into how this bill came about. What we are hoping is that the conservancies will be able to assist us with those areas that are adjacent to places that are already protected but that have been in private hands.

**Chair McClain:**

Let me understand this. Somebody wants to sell that piece of property now?

**Terri Robertson:**

Right, and it is full of petroglyphs, rock shelters, and big red sandstone areas just like you see in Red Rock Canyon. We have been working all this time to get it included but have not been able to. It is very beautiful.

**Chair McClain:**

So they want to sell it to the conservancy?

**Terri Robertson:**

Actually, the conservancy wants to buy it. They will purchase the land in hopes that the county will ultimately assume ownership of it for a county park so it would be preserved forever.

**Chair McClain:**

I do not understand what that has to do with this bill. If they buy it, they are already exempt.

**Terri Robertson:**

The county does not have the money to purchase this. The conservancy has the money to purchase it, but they do not want to pay the taxes. We are trying to fix it so they do not have to pay that tax. They would hold it in abeyance until the county was able to take the land over. I guess it happens all over, but we have never looked at it in our state.

**Don Hendricks, representing Nevada Archaeological Association and Archaeo-Nevada Society, Las Vegas, Nevada:**

Part of the language in there has been suggested by the county.

**Chair McClain:**

Maybe we will get a better understanding of this when we talk to the county people. Thank you. We have Kyle Davis signed in to speak in support.

**Kyle Davis, Policy Director, Nevada Conservation League, Las Vegas, Nevada:**

We are in support of the bill. We are in support of promoting whatever will make it easier to protect important landscapes.

**Chair McClain:**

Thank you. Do we have anybody in opposition to this? I need a county assessor or Clark County representative to explain what they are trying to do. From the assessors' point of view, they have the exemption now through The Archaeological Conservancy, the Nature Conservancy, the American Land Conservancy, and the Nevada Land Conservancy. If one of those organizations buys this piece of property, will they not automatically have that exemption?

**Dave Dawley, Assessor, Assessor's Office, Carson City, Nevada:**

Yes, they would.

**Chair McClain:**

That is why I do not understand the need for this bill.

**Julie Clark:**

As it currently stands, you need to have a written agreement with the state agency that says they are willing to take the piece of property over at a certain point in time. So far we have had very little luck trying to convince somebody to do that.

**Chair McClain:**

Is that why you are including the federal government now?

**Julie Clark:**

No, Madam Chair. That is why we have modified it to say "serious discussion."

**Dave Dawley:**

I was not involved with any of this, and I am not sure if there is anybody here from Clark County who was actually involved. I was going to address my personal feelings on it. Assemblywoman Kirkpatrick voiced my very concern, which is that it is a little too broad. I do see a lot of people coming out to try to obtain this exemption who might not actually be qualified for it.

**Chair McClain:**

Thank you; I appreciate it. Is there anybody else who would like to weigh in on this? Do we have any questions?

**Brody Leiser, Deputy Executive Director, Department of Taxation:**

There was a comment on the fiscal note. I just wanted to let you know the Department has received the fiscal note request, and we are working to finalize that fiscal note. I will make sure your staff gets the fiscal note as soon as it is complete, which I anticipate taking a day or so.

**Chair McClain:**

I would appreciate it, thanks. We are not going to process this bill today, anyway, so you have a couple of days. I will now close the hearing on A.B. 369 and open the hearing on Assembly Bill 267.

**Assembly Bill 267**: Repeals the provisions that require the assessment for purposes of property taxation of property used as a golf course as an open-space use. (BDR 32-640)

**Assemblyman Tick Segerblom, Clark County Assembly District No. 9:**

[Distributed prepared testimony ([Exhibit F](#)), an informational packet containing "Classic Las Vegas, Helping Preserve 20th Century Las Vegas: Paradise Palms—Mid Century Modern Living In Las Vegas" and table: "2006–2007 Clark County Golf Course Taxable Value Change" ([Exhibit G](#)), and a proposed amendment ([Exhibit H](#)).] This bill was originally designed to reverse what happened in the 2005 Session when golf courses were taken from being taxed as golf courses to being taxed as open space. That was amazing, really, given the fact that golf courses use a lot of water, and we are trying to discourage water use. Most people who use golf courses or live next to golf courses are probably of above average income, so why we would subsidize them is not clear. That was the policy decision made then, though, and I would ask you to reconsider it this time.

My concern is a more specific one, which involves the Las Vegas National Golf Course, and the Paradise Palms neighborhood right behind the Boulevard Mall in downtown Las Vegas. This golf course was built over 50 years ago. When it and the neighborhood around it were built, the golf course was zoned R-1 because they did not have a zone for golf courses at the time.

A few years ago, Goldman Sachs came in and bought the golf course. They announced that, even though it was a golf course and they were paying taxes on it as open space, they were actually going to develop it as R-1 property and put five houses per acre on it. When I discovered that, I wondered how they could be paying property tax as open space, which is approximately \$12,000 a year for a hundred plus acres when they are trying to sell the property for \$30 million.

In looking at this, I originally thought of switching it back to taxing the property as a golf course. Then I realized what I really wanted was to tell them if they were going to market the property as R-1 property, they should pay taxes on it as R-1 property. This is a vacant piece of property in downtown Las Vegas that they are marketing as prime real estate.

In my amendment, I ask that any golf course that wants to be taxed as a golf course has to notify the county every year, or at least once every ten years, that it is going to be a golf course for at least the next ten years. If they do not do that, they will be taxed on the value of what they are trying to sell that property for. Otherwise, people will go get a vacant piece of property, drill

a couple of holes in it, say it is a golf course, and only pay property tax on it as open space. That, to me, is crazy.

I would like to tell you a little about this golf course and the neighborhood around it, which is a very historic and exciting neighborhood that was built in the 1960s by the Molasky Group. It is a Palm Springs-type neighborhood—very mid-century modern—that is being renovated. People bought their houses thinking they were buying next to a golf course. They are paying property tax as though they have houses on a golf course. Yet the golf course owners are saying it is not a golf course and they are going to build box houses right in these other residents' back yards.

**Chair McClain:**

So that property is now open space, but it was R-1 before?

**Assemblyman Segerblom:**

It is being taxed as open space, but the zone is R-1. It is on the master plan as a golf course, it is zoned R-1, and it is being taxed as open space. As for it being open space, I cannot go have a picnic on the golf course. I cannot walk my dog or jog on the golf course. This is private property being marketed as R-1 but paying virtually no property tax.

**Assemblywoman Kirkpatrick:**

I will just help Mr. Segerblom. On the master plan, the underlying zoning is R-1. If someone decides to reuse a golf course to build homes, the underlying zoning is R-1. If they want to go above that, they actually have to go in for a zoning change and all the attendant formalities. The underlying zoning across the state is R-1 on any public facility, including golf courses.

**Assemblyman Grady:**

As one who worked on the prior legislation, I have a couple of problems with this bill. For example, I currently have three golf courses within my district. One of them is closed, one of them is about to close, and the other is thinking seriously of closing. We originally passed that legislation partially for golf courses that were having problems like this. You have a special, localized problem here. The golf course is zoned R-1, and it is one particular golf course. By doing what you propose, you will affect every golf course in the state.

**Assemblyman Segerblom:**

That is why I proposed my amendment. I am saying it is a policy issue for you to decide. I am not going to worry about trying to go back and redo the 2005 legislation. I am just saying if someone wants to be taxed as open space, they need to at least be willing to say they are going to be a golf course for

ten years. They cannot be taxed as open space, which is virtually no tax, while at the same time they are out with a real estate agent trying to market their property. That is what I am trying to accomplish.

**Assemblyman Grady:**

I think ten years is a little too long. Ten years ago, people would probably not have guessed we would be having the financial problems we are today.

**Assemblyman Segerblom:**

I would be willing to talk about that.

**Assemblyman Goedhart:**

I know agricultural land and open space get taxed at a lower rate. If you sell the land, though, and it gets converted to anything other than agricultural use, there is a clawback where you go back six years and pay taxes on the higher value. Do they not have something similar that applies to a golf course? Say a golf course is taxed as open space, and then it is sold for R-1 residential development. If it was similar to agricultural use, the government would go back and tax it at the higher rate.

**Assemblyman Segerblom:**

There are two things. First, in this instance, the higher rate is as a golf course. They are not being taxed a lot, even though they are marketing their property as R-1, so if you wanted to claw them back as R-1, that would be fine, but I know there is another bill before you that would actually take away that discretion.

**Assemblyman Goedhart:**

Sure, I am seeing the higher use as the golf course, yes.

**Assemblyman Segerblom:**

But, in this case, the value as R-1 would mean \$250,000 a year for this golf course in property taxes versus \$20,000 a year. You are giving up a lot of revenue for somebody who is marketing property while playing golf on it.

Secondly, why should we give up the tax today, when we are in a situation where we are short of money? Why allow people who want to sell property a break on their taxes? If that is their intention, let us get the tax now.

I am just saying they should commit to what their intentions are. If someone promises they are not going to sell the property for ten years or whatever, that is fine. But do not market it today and pay no property tax. I understand what you are saying, though.

**Assemblyman Anderson:**

If we were to do this, the tax burden would fall to the golf club and then be redistributed to the members of the club, which is a closed group. They are already paying high property taxes because their property abuts the golf course. Would that not increase their tax burden because they are paying for access to the course, even though the property has changed? I understand this is kind of a unique process, and those people may be resentful of the fact that they have been carrying the tax burden for this for some time. Is that part of the issue here?

**Assemblyman Segerblom:**

Not really. Most golf courses—probably all of them—have covenants between the land and the people who surround the golf course, so it is shared. People who own land adjacent to the golf course pay part of the property tax on the course. In this particular case, though, the course was always held separately, so the people who live there do not pay any fees and they do not have any rights to play golf on the golf course. It is a private golf course. That is what makes it so unique.

People bought their houses thinking they were on a golf course. However, it turns out the people who own the golf course now say it is zoned R-1 and they are going to build houses. The houses adjacent to the golf course have one-third acre to one acre lots, but the golf course owners want to put five cracker boxes per acre on this land in the middle of Las Vegas. It is a gorgeous historical site, but Goldman Sachs has just come in to make an extra buck. We are the ones getting ripped off because they are not even paying property tax on it.

**Assemblyman Anderson:**

Thank you for the clarity.

**Chair McClain:**

So your new mock-up basically says as long as a golf course is going to stay a golf course, it can pay property taxes as open space use.

**Assemblyman Segerblom:**

Yes. If you want to change that to golf course use, that is fine, but I do not want to fight that battle. I have gotten enough emails about that to know I am going to lose on that issue.

**Chair McClain:**

But what you are saying is if they are not going to operate as a golf course . . .

**Assemblyman Segerblom:**

If they will not commit to remaining a golf course for a certain period of time, then they are going to have to pay property tax on the value of the land at the higher use.

**Assemblywoman Kirkpatrick:**

I am the one who, as a freshman in 2005, got this through on the assessors' bill on the floor. I remember it very well. It was my fault; I had no idea. I was doing as I was told. I have since learned to watch that assessors' bill.

I have met with the folks in this unique situation. These people are in a unique situation because of the homeowners association. They do not have all the other rights.

I think the fix should maybe be a five-year window, because that is the length of time banks have to go back in order to bond. That makes more sense. I would worry that if we went with the full ten years, we might actually hurt some other folks.

If I remember correctly, allowing golf courses to be taxed as open space was intended to help rural Nevada, because so many of their golf courses accounted for a big piece of their tourism. The intent was absolutely to help the smaller counties keep their golf courses open. However, I think that ten years is a little long because things change often. Five years is probably better.

My only concern is in section 4. Where do they ever notify anybody besides the assessor at the county level? One thing we would hate to see is for that paperwork to get lost. Is there a better paper trail we can create to make sure it gets through?

**Assemblyman Segerblom:**

I am sure there is. This was a last-minute amendment, so I am sure there are a lot of things we could work on. Five years would be fine. I just hope we can preserve this golf course in this neighborhood.

**Chair McClain:**

There is one more thing Mr. Guindon just pointed out to me. In lines 6 and 7 on page 2, where it says ten years, that specifically says it has to be maintained as a golf course. But when you get down to section 4, it does not really say it has to be maintained as a golf course. It just says the owner has to submit a letter that says it probably will be. I think we need to tighten that up.



**Assemblyman Segerblom:**

Yes, I would prefer something more than "probably will be."

**Chair McClain:**

Are there any other questions? [There was no response.] Did you have anybody else in support?

**Sabra Smith-Newby, Director, Administrative Services, Clark County, Las Vegas, Nevada:**

The exemption for open space golf courses in Clark County means about \$2.5 million annually to Clark County. As you know, we are all hurting these days so, of course, our blanket statement about any exemptions is generally to not approve them in these economic times. I just wanted to provide you with the information on the current fiscal impact to Clark County.

**Assemblyman Anderson:**

I was under the impression that, when we did this, we perceived the opportunity for this kind of open space use as a benefit to the communities as a whole. Golf tournaments and other events made the communities more attractive places to visit. Although I would not want to play golf in Las Vegas at 1:00 p.m. unless it was in March or April, is not the whole idea of these courses to offset the decrease in property tax by attracting tourists who might be coming for recreational purposes? I know that is how we view them up here in the north.

**Sabra Smith-Newby:**

Thank you for that question. I understand where you are coming from. It would probably require a more complicated fiscal analysis to see what kind of people and what sort of dollars are actually attracted now that did not exist before this change was made in 2005. To my knowledge, golf courses have not particularly flourished since the enactment of this particular tax abatement. The only analysis I have right now is just the bottom line from our Assessor's Office, which is the \$2.5 million.

**Assemblyman Anderson:**

Of course, I guess the difference between the north and the south is always evident in such things. While golf courses are not economically feasible in quite a few places, as Mr. Grady indicated—they are potentially shutting down because of the high cost—their loss, in my opinion, would be really detrimental to the overall quality of life. I am always concerned about that.

**Assemblywoman Pierce:**

It is important to remember that golf is losing popularity and has been losing popularity for about a decade. That is one of the problems. What we did in 2005 is not going to fix that. We probably cannot fix it.

**Chair McClain:**

We do have people who are against this. We will go to Mr. Spraul in Las Vegas.

**Stan Spraul, President, Nevada Golf Course Owners Association, Las Vegas, Nevada:**

I would like to respond and get back to you once we find out what the folks up in the north have to say.

**Chair McClain:**

Do you have a copy of the new language in the amendment? [Mr. Spraul indicated he did not.] We will make sure to get a copy to you because it has changed significantly. After you get a chance to look at that, you can let our staff know.

**Assemblywoman Kirkpatrick:**

I just want to ask staff, if we talk about the time limit, what happens if the golf course owners change their mind within the time frame? Do they go back to the initial seven years? Could we ask Legal how it works if they commit to five years and then, after two years, they just cannot make it? What rules take effect, and do we need to clarify that within the bill?

**Michael Nakamoto, Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau:**

Staff can obtain clarification from the Legal Division regarding that situation.

**Chair McClain:**

But we are not changing the clawback.

**Assemblywoman Kirkpatrick:**

Can we include the assessors on what their thoughts would be? I think we have to do this across the state for consistency. Just to clarify my question, we are not changing the clawback, but what happens if, say, I go in and say I am going to keep land as a golf course for seven years, and then, after three years, I just cannot make it or the market changes, and I decide to sell it. What supersedes what, and what happens to that intent? I just want to be sure we have a clear idea of how this would work.

**Alfredo Alonso, Lewis and Roca LLP, Attorneys at Law, Reno, Nevada,  
representing Wingfield Nevada Group and Olympia Group:**

I am very thankful that Mr. Segerblom has an amendment. I understand where he is coming from. I understand his dilemma. Most, if not all, of those homeowners, when they paid a premium, expected to be living next to a golf course in perpetuity, or at least until they sold their homes. That is a concern, and it should be a concern with respect to revenue as well. If these golf courses go away, those homes are worth less and, therefore, the county would receive less revenue. That is a significant issue.

The reason for the bill in 2005 was to provide some fairness with respect to how you taxed golf courses. It is important to note—and Mr. Hillerby and Ms. Campbell can elaborate—how these courses are taxed and, ultimately, how much goes into the coffers. The amount is significant because you are not just taxing the course as open space. Above and beyond that, you are also taxing the improvements and the personal property. Those numbers are much greater than you might expect.

We would like to take some time with the sponsor to see if we can come up with a couple of additions to his amendment. One of the concerns is obviously that if one of these courses does go out of business—say they just turn off the sprinklers—they are no longer operating as a golf course, but they certainly are open space. The question is how to handle that situation.

How do you handle it if there is a transfer to a homeowners' association (HOA)? I think there are some folks here who can speak to that. There are some issues here that need to be addressed, such as what happens if there is a stop or a gap in the service. I do understand the concept and agree that something needs to be done.

**Michael Hillerby, Executive Vice President, Wingfield Nevada Group, Sparks,  
Nevada:**

We own The Resort at Red Hawk in northern Nevada and Coyote Springs in southern Nevada. As Mr. Alonso said, we want to thank Mr. Segerblom for having some conversations with us. We have not had an opportunity to see the amendment yet, but we look forward to working with him on that. We remain committed to trying to address the specific concern he has with the one golf course in his district.

I will tell you, based on the conversations we have had and everything I have heard so far today, I am not sure we can fix that one problem. I am certain, though, as a couple of you on the panel have suggested, that this bill, as

originally drafted, would have created a number of other problems for courses all around the state.

Barbara Campbell will go through how we are actually taxed. It is important to tell you a couple of things. The open space provision is important. It provides a base. Some of the numbers that have been talked about may only be the property tax on the open space itself. Let me tell you, though, how we are actually taxed.

The property tax as open space is the starting point. After that, we pay extra for the slope rating, for the quality of the course, and for the total yardage of the course. We pay more property taxes for water features and for extra land features. In addition to that, we pay property taxes on all of the improvements involved with the golf course: the clubhouse, the maintenance shop, the restaurant and event center, and the swimming pool, as does every other business. In addition, we pay personal property tax on the golf carts, on restaurant equipment, on phones, and on bar stools the same as every other business does.

Some of the numbers I have seen that are around \$20,000 or \$30,000 or \$40,000 per course are nowhere near what any of the courses I am familiar with pay. The amount we ultimately pay is several times that much, in the low six-digit figure range. We pay substantial amounts of money per course in property tax.

The improvements, based on numbers we have seen just from the Clark County Assessor are worth upwards of 20 times the value of the land. You cannot just talk about the taxes paid on the open space designation. Those improvements are crucial to the total tax bill that is owed, as are the personal property taxes.

We will be happy to work with the sponsor of the legislation and the amendment to talk about what happens when a golf course decides to change use. You already have what is being suggested, which is the seven-year clawback. Like agriculture and other open space, if the use of the golf course ever changes—if you sell it and it is going to be used as something else—the golf course owner and the buyer now owe taxes for the current year and six prior years at a higher use.

When the property changed hands, the state and local governments would collect the real property transfer tax. Whatever the new higher use was, the owners would immediately start paying the property tax on that, which local and state governments and school districts would begin to receive, whether it was residential, a commercial center, a hotel, or whatever. The moment the

actual use changed, you would collect that higher tax, as well as the property transfer tax and the clawback provision.

Regardless of the underlying zoning, if it is a golf course, it is a golf course. We can call it whatever we want. As Mr. Segerblom suggested, this is a unique case. Any golf course that has been built in recent memory as part of a master plan development has different zoning and land use designations. There are entitlement requirements from local government. The course may come under the open space requirements, as do the golf courses in northern Nevada.

You have a variety of controls currently in existence. We can work to be sure property owners adjacent to golf courses have adequate notice should there be proposals to change use or zoning or sell the course, which I think exists now in local law. To the extent that can be strengthened, we are certainly more than happy to work with the sponsor and the Committee on that.

There was an article in the Las Vegas newspapers on Sunday about golf courses and the economic challenges. Some courses were singled out. One talked about having to lower its rates by as much as two-thirds to remain competitive.

As Assemblywoman Pierce suggested, there has been a nationwide decline in the rounds of golf being played. In Las Vegas, we are down about 10 percent. Golf is a billion-dollar industry and a substantial part of the tourism industry in this state. We are probably not as competitive as hotel room rates, but particularly those of you from southern Nevada know how competitive and how quickly those rates change.

It is not unlike that with golf courses. If you cannot fill the course, you are going to get involved in trying to cut rates to get people there. The papers talked about courses in southern Nevada cutting rates by two thirds. The courses in Summerlin, which are owned by the homeowners—which is very important—are talking about losing \$2.5 million a year on golf operations.

If you change the tax law, the tax bill will be picked up by those homeowners. Every one of them is going to see his property tax bill increase. The way the legislation is currently written, it would be revalued—we believe, if we understand it correctly—in 2009 dollars, which gets rid of all the abatement under the cap that you passed in 2005. There are some very real issues here.

I will be glad to answer questions. I know Barbara Campbell can walk you through some of the details we have. Many people from the industry are in the

audience today. Only a few have asked to speak. We will try to keep it brief to give some of them the opportunity to talk about some very specific issues.

**Chair McClain:**

You have not seen this mock-up amendment? [Mr. Hillerby said he had not.] It is as different from the original bill as night and day.

**Michael Hillerby:**

We cannot comment on it directly, but only on the testimony we heard. We will work with Mr. Segerblom and make sure we understand his intention. We remain committed to trying to help with the problem of owners adjacent to golf courses and understanding what is happening.

**Chair McClain:**

He might have addressed most of your concerns in the amendment. We will go ahead and hear more testimony, and you can get together with him.

**Assemblyman Goedhart:**

That clawback going back seven years is the difference between the tax as open space and the tax as a golf course, is that correct?

**Michael Hillerby:**

Yes, that is correct.

**Barbara Smith Campbell, President, Consensus, LLC of Nevada, Reno, Nevada, representing Somerset Country Club:**

[Distributed prepared testimony from Ernest M. Micelli, General Manager, Somerset Country Club ([Exhibit I](#)), who was unable to testify.] The reason I am here is I was involved with the regulation when it was developed after the 2005 legislation passed. If I might, I would like to correct the record on one thing that was entered into the record by Clark County. This is not a tax exemption, nor is it a tax abatement. This is a statutory classification of real property that the Legislature codified in 2005.

We took probably 10 to 15 months working with the assessors and the Department of Taxation developing the regulations. The open space side for the real property is fundamentally very simple because the statute spells out the valuation per acre and puts the Consumer Price Index on top of it. The most important thing we need to look at for unintended consequences is that NRS Chapter 361A also codifies the valuation of the improvements. That is the bulk of property tax that is coming to the counties and cities from the ad valorem taxes.

If this bill, as it stood before the amendment, were to go forward, there would be unintended consequences. If the open space designation were to be pulled, it would also pull the improvement side. There are a lot of golf courses across the state that are owned by HOAs. I can give you a list of three or four of them that I am aware of. Somerset has a homeowners' golf course. Sun City has a golf course that is owned by the more than 7,000 members of the HOA. I believe Summerlin, down by Las Vegas, has two golf courses that are owned by the HOA.

If, in fact, the original bill proposal were to pass and unwind everything in NRS Chapter 361A, that increase in value would then go to each of the homeowners' individual parcels within those developments and would create a new tax outside the property tax abatement. That is an unintended consequence that needs to be looked at when looking at this bill and the proposal within it. I have not had a chance to review the amendment prior to today, and we do look forward to working with Assemblyman Segerblom on this.

**Chair McClain:**

We are just beating a dead horse, because the bill has been changed so much that nobody knows what is going on any more.

**Assemblyman Grady:**

When those homeowners are assessed the new rate, is it capped at 3 percent or 8 percent?

**Barbara Smith Campbell:**

That is part of their property tax bill. That is going to depend on whether the residence is rented as a personal residence or as income property.

**Chair McClain:**

Michael, what do you think? Should we just leave this one for now?

**Michael Hillerby:**

We will follow your lead. We would be happy to come back to share information with you if the Committee is ready to be done with this issue for today.

**Chair McClain:**

If you would like, we could go on to the next bill while you all go out in the hall to confer and see if you are on the same page. Just let us know if we can continue today or if we will have to come back to this.

We will recess the hearing on A.B. 267 for now and open the hearing on Assembly Bill 307.

**Assembly Bill 307**: Revises provisions governing the publication of certain information relating to property taxes. (BDR 32-714)

**Assemblyman Paul Aizley, Clark County Assembly District No. 41:**  
[Submitted and read from prepared testimony ([Exhibit J](#)).]

**Chair McClain:**

When I first saw this bill, I thought we had done this two or three sessions ago. Apparently, that did not make it all the way through the system.

**Assemblyman Grady:**

Why did you decide to do this just for counties with populations of 100,000 or more? Why did you not do it for everybody?

**Assemblyman Aizley:**

The issue is that it is not as much of an expense or abuse of resources in the smaller counties. It was just a matter of saving costs and resources.

**Assemblyman Grady:**

I think, proportionately, everyone would have the same problem. In truth, some of our smaller newspapers in rural Nevada are owned by the same firms you are talking about in the larger counties.

**Assemblyman Aizley:**

I have no objection to making it statewide, but I was clearly influenced by what I saw in Clark County. That was the major concern.

**Lisa Gianoli, Owner, LG Strategies, Ltd., Reno, Nevada, representing Washoe County:**

We just want to go on record in support of this bill for all the reasons Mr. Aizley has mentioned. We get calls from constituents wondering why we are spending the money to publish these property tax rolls.

**Sabra Smith-Newby, Director, Administrative Services, Clark County, Las Vegas, Nevada**

We are also in support of this bill. As Mr. Aizley stated, this will be a cost savings of more than half a million dollars annually. Those costs appear to be rising by about \$10,000 a year.



I do not know how many of you have been on the assessor's website—go to [www.accessclarkcounty.com](http://www.accessclarkcounty.com), then go under the departments to "assessor"—but it is fairly extensive. You can look up just about anything you want to know. You can look up anybody's house, see an aerial view of it, the number of bedrooms and bathrooms, the last purchase price, and all recorded documents—sometimes even sketches of the house. You can look at all the prior people who owned the house and all of their recorded documents. There is a wealth of information there about these properties, including all their taxing districts and political districts. We do not feel this would create a dearth of information. It would simply save our resources and some money, too.

**Chair McClain:**

What exactly is in the notice in the newspaper? Is it just name, address, and the amount of the tax bill? You see how often I have looked at this.

**Assemblyman Aizley:**

It is called the secured tax roll for inspection, and it includes the deed and parcel number of the property and the value of the property.

**Chair McClain:**

The name, the parcel number, and the value? [Mr. Aizley confirmed that.]

**Kyle Davis, Policy Director, Nevada Conservation League, Las Vegas, Nevada:**

We are in favor of A.B. 307. It is great to be able to save the money, but, obviously, from our perspective, the important thing is all the paper that will be saved by not having to print the tax rolls in the newspaper. We think this is a good piece of legislation.

**Chair McClain:**

Are there any questions for these people? I do not see any.

**Doug Sonnemann, Assessor, Douglas County, Minden, Nevada, representing Nevada Assessors Association:**

We are fully in favor of this bill. We have been an advocate of this or similar legislation for a number of years. As Assemblyman Aizley said, if you include Washoe County, you are looking at more than \$600,000 and quite a stack of paper. Regarding Assemblyman Grady's comment, the smaller counties have this issue as well. It is certainly on a smaller absolute scale, but probably of a similar relative magnitude.

As a representative of a small county, it would certainly be our desire to be included for consideration in this legislation as well. The smaller counties have

made significant strides in expanding and enhancing our Internet presence so the information has maximum exposure for public inspection.

As an alternative to publishing the roll, and to help the public be more aware of the availability of the information, we could publish a large announcement or legal advertisement in the newspaper to inform the public of the posting of the roll and the availability of the updated assessment information. Important details, including the ability and time period to petition values, as well as some of the veterans' and surviving spouses' exemptions and the senior rebate program, could easily be included as well.

**Chair McClain:**

Is there anybody else in support? [There was no one.] We have Barry Smith in opposition.

**Barry Smith, Executive Director, Nevada Press Association, Carson City, Nevada:**

I will probably be the only one speaking in opposition to this. The reason we publish the assessment rolls, and have for years and years, is a matter of fairness. That is how people compare how their property is being assessed with that of other people.

I agree the information that assessors place on the Internet is an excellent supplement to what is published in the newspapers, but it is not a substitute. There is a reason that public notices in general are required to go in newspapers in general circulation. These are items of information that the Legislature has said need not just be available to the public because they are all public records. You could always go look this information up. It is because this information needs to be pushed out to the people so they are aware of what is going on with their assessed valuations and are able to compare.

It is a matter of curiosity if you look up your own information, or you look up the assessments of some of your neighbors or business competitors to see if it is fair or comparable to what you are being assessed. There is that curiosity factor, but it goes well beyond you as the owner of that property. There are various groups of tenants who are not notified if an assessment changes. They may first be aware of what is going on with the property they rent or live at through those assessment rolls.

Again, you can check this information on the Internet. I would submit there is a cost associated with that. There is a cost to operating those websites. It takes electricity, owning a computer, and having an Internet connection. Nevada generally does very well in high-speed Internet connections, but the

areas you get low in are minorities, seniors, and the poor. Those are the people who are underrepresented in that area.

Tax associations and neighborhood groups use these published tax rolls to compare the fairness of assessed values across different neighborhoods. There have been several issues of a taxpayer association keeping a close eye on what is happening in different parts of different counties.

I also want to address the second part of this bill, which is delinquency notices. That is, again, part of keeping an eye on what is going on with politicians, neighbors, or people you know. Tenants' first warning of foreclosure on a property may be when they see a delinquency notice. I would note that this statute requires the delinquent taxpayer to pay for those notices. Taxpayers are not paying for them; the delinquent taxpayer is assessed for that cost.

In general, the argument for keeping public notices in newspapers is trying to avoid a proliferation of websites where people have to go to search for information that is now available in their local newspaper. That is, again, why these exist and why this concept came into place. People know to look for legal notices in the local newspapers for each county. I have counted 300 to 350 websites for these city, county, and state departments, agencies, and commissions. There is a matter of knowing where to look and how to find that information.

I agree that, in some cases, an assessor's website is very useful and easy to search, and it is very easy to find something. However, that is not always the case. Some do not even exist.

You brought up the figures of \$550,000 and \$600,000, and that is a significant amount of money. I do not have anything against saving money. I just want to note that in the smaller counties, that cost is considerably less. It is \$5,000 in Mineral County. In Storey County, it is about \$8,000. In Carson City, \$8,500 is the amount you are talking about. I just wanted to make that clear.

**Assemblywoman Leslie:**

I do not know how many times we have heard this bill, but I think it has come up in every session I have been here. Your argument seems to be that the Legislature thought this information should be available, so therefore it should be available. Just think, though, what has happened in the last ten years.

Even the newspapers are all going on the Internet. In fact, I almost cancelled my newspaper subscription because the news I want is complete on the

Internet, but they cut it when they put in the paper. Clearly, the trend is away from newspapers.

Every time the tax roll is published in Washoe County, I get complaints from constituents about how wasteful it is and questions about why taxpayer money is going to that. Yet, in ten years, I have not had one constituent come to me and say he actually uses it. It is just the opposite.

It is time to change. Do you have a more compelling argument? Publishing this is just insanity. I have not heard anything in what you said today that would convince me otherwise.

**Barry Smith:**

Again, the Internet information is a good supplement. You need to go look for it, though.

**Assemblywoman Leslie:**

What if you do not subscribe to that newspaper? Do you think people go to the library and ask what day the tax rolls are coming out? People just do not do that.

**Barry Smith:**

But they do get it delivered to their door.

**Assemblywoman Leslie:**

Hardly any people do any more. The subscriber levels are going way down. I do not want to debate this; I am just not hearing anything.

**Chair McClain:**

As for the argument that the Legislature wanted this in the newspapers, that was the 1890 Legislature, not the 2009 Legislature. That was the only form of public communication the people had.

**Assemblyman Goedhart:**

For the record, this is a great bill. We can save money and save resources. A lot of people do not get the newspaper delivered to their house, and they may not have it that one day. It is a lot more accessible via the Internet than it is even in the newspaper.

**Assemblywoman Kirkpatrick:**

I am a newspaper reader, and I think this really boils down to a personal choice. A lot of older folks in my community do not know how to turn on a computer,

and I can never figure out how to read the paper on the computer. I just want to defend the newspapers.

**Chair McClain:**

That is for news articles.

**Assemblywoman Kirkpatrick:**

I actually read that tax roll and compare it. There are some of us crazy people out there.

**Assemblywoman Pierce:**

Like many people, I have seen this bill come through every single session. It always winds up dead, but we will give it another shot.

**Chair McClain:**

Are there any other questions or comments? Is there anyone else who would like to testify on this bill? I do not see any. We will close the hearing on A.B. 307. Does the Committee have any appetite for this today?

ASSEMBLYMAN GRADY MOVED TO AMEND AND DO PASS ASSEMBLY BILL 307 WITH THE AMENDMENT TO INCLUDE ALL COUNTIES.

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

THE MOTION PASSED. (ASSEMBLYWOMAN KIRKPATRICK VOTED NO. ASSEMBLYMEN ANDERSON, ARBERRY, AND GUSTAVSON WERE ABSENT FOR THE VOTE.)

**Chair McClain:**

I have not seen the golf course people come back in, so we will open the hearing on Assembly Bill 98.

**Assembly Bill 98:** Requires certain county fair and recreation boards to remit to the city of origin unobligated room tax revenues attributable to new transient lodging. (BDR 20-505)

**Rob Joiner, AICP, Manager, Government Affairs, City of Sparks, Nevada:**

I just want to begin by saying that when we submitted this bill draft request (BDR) back in the summer to be prefiled, we did make it specific to the City of Sparks. However, when it came out of bill draft, it included other cities within Washoe County. That was never our intent. I came to you, Madam Chair, with a representative of the City of Reno at the end of February

and presented you with this draft amendment language ([Exhibit K](#)). That language eliminates Reno, which was their desire. Again, it was never our intention to include them, but that was part of this bill draft.

The City of Sparks, based on its population of less than 100,000, does have the benefit of one single BDR in any one session. You can see we consider this an important bill, as this was the one our City Council chose to bring before you.

**Adam Mayberry, Public Information Officer, City of Sparks, Nevada:**

I would like to introduce Councilman Ron Smith on my right. Councilman Smith is the Chairman of the city's Redevelopment Agency. To his right is Councilman Mike Carrigan. Also with us today is Mayor Geno Martini. To his right is Councilman Ron Schmitt, the Chairman of the city's Tourism Marketing Committee. Also with us is our City Manager, Shaun Carey, and the Assistant City Manager, Stephen Driscoll.

I am privileged to be here today. I was born and raised in Las Vegas and went to high school at Western High School. I have been living in Sparks for a decade now, and it is a wonderful place to be.

The proposal before you, A.B. 98, is really about the future of our city. The City of Sparks has invested \$160 million in a major tourist destination, The Legends at Sparks Marina. The Legends opens this fall and includes the world's largest all-sports store, Scheels, along with the recent opening of the world-class Golden Eagle Regional Sports Complex and the impending arrival of the Whitewater Park at Rock Park this spring, to name a few. Sparks is fast becoming a destination in northern Nevada and offers tourists a diversion from the Reno/Tahoe region. Alone, Sparks hosts more than one million visitors downtown for our special events.

I trust you have a presentation handout in front of you ([Exhibit L](#)). The City of Sparks is the state's fifth-largest community with more than 90,000 residents. Many of the state's legislators seldom see Sparks because they arrive at the airport and travel south to Carson City. We would like to give you a standing invitation to tour our city any time you would like.

We have turned the corner in the last few years and are no longer just a bedroom community to Reno. Assembly Bill 98 is about the future of our city. It will help us position ourselves as a destination and raise awareness of the abundant diversionary tourist and leisure activities Sparks has in the Reno/Tahoe region.

We are under way in marketing our city around the special events that are held in Sparks, which is a long-term program for us. Assembly Bill 98 is a proposal for the city to receive all future unobligated occupancy room taxes for the express purposes of marketing and tourism-related purposes, which include tourism-related capital improvements.

Assembly Bill 98 is not a proposal for the city to separate itself from the Reno-Sparks Convention and Visitors Authority (RSCVA), nor is it a precursor to removing ourselves from the RSCVA in the future. We need to work very closely with the RSCVA. We appreciate the close working relationship we have with them, as well as their partnership and their professionalism. They do a phenomenal job of promoting and marketing our region.

Our City Council has one opportunity to submit a BDR each legislative session, and the majority of the Council felt this was a priority. Once again, A.B. 98 is a proposal for the City of Sparks to receive all future unobligated occupancy room taxes for the express purposes of marketing and tourism related purposes, which could include tourism-related capital improvements.

Today, we receive a designated certain amount of room taxes for the sole purpose of funding tourism and marketing programs. That is capped at \$200,000 a year. We also receive a 2.5 percent room tax rate that was established within Sparks in 2003. These proceeds can be used on capital projects or debt service that fund capital projects and are intended to attract or expand tourism within the Victorian Square area, which is the city's redevelopment area number 1. Those funds are restricted to capital improvements in Victorian Square only. Currently, all obligated room taxes are directed to pay for existing bond projects, all of which are in Reno, such as the downtown Reno Events Center.

If nothing is built in the city—if there are no future hotel rooms built in the city—we get nothing. Our proposal is not new. There are similar concepts in place today. For example, working closely with the Las Vegas Convention and Visitors Authority (LVCVA), local governments in Clark County receive funds for capital improvements and marketing. The LVCVA funded the construction of an amphitheater for the City of Henderson. Boulder City established a tourism authority to enhance LVCVA's promotional efforts.

The LVCVA directs 2 percent of its hotel room taxes to the cities in the south. This allows these communities to market themselves for tourism. This kind of symbiotic relationship in the south has allowed Henderson to build the Henderson Convention Center.

The City of Sparks is not asking for anything different from what is currently being administered in southern Nevada. Similar to Boulder City, Sparks is underway in a branding program that will provide marketing infrastructure needed to promote our city to the region. We do want to be clear that the city will continue to work in close partnership and cooperation with the RSCVA today and well into the future.

Page 9 of the handout shows why we proposed this BDR. It illustrates the variety of attractions and events that are growing yearly in our City of Sparks to make it a truly unique destination. The Sparks Marina is a regional attraction with a beach and a variety of activities, including boating and even scuba diving. We have a Whitewater Park that will complement Reno's Whitewater Park, which will open later this spring. There is a variety of world-class golfing.

We have two prominent resorts in Sparks. Our Victorian Square is known for its special events, attracting over a million visitors a year. Of course, the Golden Eagle Regional Sports Complex will attract a million visitors in and of itself when we consider the softball tournaments and the youth activities. These visitors come from throughout the nation.

Turning to page 10, The Legends at Sparks Marina is currently the largest construction project taking place in northern Nevada. It will help establish our city on the map. It provides the number-one diversionary activity that tourists take part in, which is shopping and dining. It is a \$1.3 billion, 1 million square foot destination retail and entertainment center that will attract well over 800,000 visitors a year and have a significant economic impact.

The Legends' ultimate build-out will include a 300 to 500 room hotel/casino resort along with an indoor arena and IMAX theater. The inter-tourism core of the project is an open-air outdoor plaza walkway with lots of art exhibits and nostalgia of northern Nevada. It will provide a very festive environment that will appeal to visitors bringing their families to our region.

Page 12 shows some of the tenants The Legends project will house, many of which are unique to the region and, in some cases, the state. Scheels All-Sports is 295,000 square feet of retail with just about anything you could want to purchase in the sports world. I believe you could fit a Boeing 747 in that building, it is so big. Some of the other venues include a T-Rex Prehistoric Restaurant, which is similar to the Rain Forest Café and a variety of unique retail and dining opportunities that will not be found anywhere in the state or within a very large radius of northern Nevada.



Page 13 is a snapshot of all the visitors who came to Scheels. You can see the geographic distribution from all over the continental United States. Visitors from all over the country, some from as far east as Maine, have had an opportunity to visit Scheels.

Page 14 is a brief overview of the branding campaign we are engaged in. The thrust of any branding project is to give the city a distinct identity. Our proposed brand is somewhere along the lines of a festival concept where there is something always happening in Sparks. We currently have about 30 event days. We want to increase that to 200.

Page 15 illustrates the festival concept. Of course, more visitors would ultimately enhance the downtown economic activity. Pages 16 and 17 are images of what takes place in downtown Sparks with the crowds and special events. The Rib cook-off hosts over a half million visitors over a six-day period. It is the world's largest barbecue; you can smell the barbecue in the air for several miles. The farmer's market is held every Thursday throughout the summer. It is a very popular event that attracts families and groups of all ages.

Page 19 shows the ultimate build-out of The Legends project that is well underway. Scheels has already opened, but we will see the first phase opening with about 35 to 40 additional retail and dining venues later this summer. Scheels is truly an attraction in and of itself, with the Ferris wheel and a variety of simulators and sights and sounds. Golden Eagle Park is the world's largest artificial turf project we are aware of, and it will host a million visitors annually.

That is a snapshot of our city in terms of what we see as unique and different. We believe strongly that our city also has a responsibility and role to market our community as a tourist destination in close partnership with the RSCVA. We believe this proposed legislation, if passed, will allow us to take the first step for the future of our city. I will defer questions to our elected officials.

**Assemblyman Mortenson:**

This really looks great. I am looking on page 12 at the T-Rex Prehistoric Restaurant. It sounds very interesting. What is Big Bang? Is that a restaurant?

**Mike Carrigan, Member, City Council, City of Sparks, Nevada:**

Yes, I believe that is a new restaurant that we have not even seen yet, but it is on our list of tenants coming to The Legends.

**Chair McClain:**

Let me understand this bill. You want all the lodging tax on new rooms?

**Rob Joiner:**

That is correct. However, we understand—it has been made perfectly clear to us by the RSCVA as we work closely with them—that some new room activities and the revenues they would generate are already pre-obligated for existing bonding. We want to do nothing to impair the repayment of those bonds. If there is any increment above what is pre-obligated, that is what we are talking about.

**Chair McClain:**

These are only the new rooms being built within the Sparks city limits? [Mr. Joiner verified that.] Then do you really intend to say you can never use that for bonds? In subsection 3 of your amendment it says:

In a county whose population is 100,000 or more but less than 400,000, the proceeds of any tax imposed on the revenues from the rental of transient lodging attributable to newly constructed rooms that become subject to the tax after July 1, 2009, must not be obligated to pay or secure bonds or other obligations issued on or after July 1, 2009.

You are sort of tying your hands there, are you not?

**Shaun D. Carey, City Manager, Administrative Services, City of Sparks, Nevada:**

That section of the bill is correct. We are looking for this to be a source of funding for the promotion of tourism and for doing capital projects on a pay-as-you-go basis. We are also aware of the obligations the RSCVA has in its existing bonding, which are important to us.

**Chair McClain:**

Right; that is addressed in a different paragraph. This paragraph, though, specifically says you will never be able to use that money.

**Shaun Carey:**

We do not want to use that money in a bonding capacity. We think that will allow us to best utilize these funds to maintain an ongoing presence of creating the destination for our community that is so important as visitors arrive in our region. We are trying to be another important tool in the tourism tool box in northern Nevada. The Legends development does require ongoing promotional activity, as does Victorian Square. Being part of the market by having these funds on an ongoing basis, bonding is just not something we seek at this time, nor do we think the use of these funds has much of a bonding need.

**Chair McClain:**

So right now you are getting some room tax from existing rooms, and that will not change?

**Shaun Carey:**

That will not change, and we will continue to work very closely with our partners at the RSCVA on the distribution of room taxes. We do receive an allocation for tourism and marketing. But, for our community, we have had a tremendous change as we have moved forward with The Legends project.

For our community, \$160 million of investment has been made. That is about 17 percent of the total cost of that billion-dollar project. We believe this focus on tourism will create a better outcome for our community—one where we can control part of our tourism future and ensure our revenues do sustain themselves as we move forward with promoting our share of the Reno/Tahoe experience.

**Chair McClain:**

I am just trying to understand. If new hotel rooms are built in Reno, you are still going to get your share of that.

**Shaun Carey:**

We are capped in a couple of areas for room tax. One is from the bill that was passed in 2003, where there is a \$200,000 cap today on the City of Sparks for room tax proceeds that can be used for marketing and tourism. We are in a place behind an important regional project that was constructed in Reno and which still has bonds out on it. That has been something we have invested in—special events—since the bill was passed, but it is capped at \$200,000.

The game changer has been that our city has grown and with it our desires to protect our tourism future—just like cities in southern Nevada are doing—by creating a niche inside a larger regional and national market where our identity is known. We want people to choose to spend more time in Victorian Square, as they do all summer. We can add more events there and promote our community.

This is not a bricks-and-mortar proposal. This is one about identity and branding and marketing and creating a niche and a connection.

**Chair McClain:**

I am assuming through this process you have not been able to convince the RSCVA to give you more money for your branding and marketing out of the big pot.

**Ron Smith, Member, City Council, and Chairman, Redevelopment Agency, City of Sparks, Nevada:**

We are in negotiations about that. It still has to be done down here. Right now we are being funded at a level of \$200,000 a year. That does not even fund our special events, so we will be falling behind. We will be broke in two years if we cannot do something on our own. This money we are talking about right now will not even come into play until we get a hotel built, which is a couple of years away at the least. We are just looking at our future, which is not bright, based on our funding through the RSCVA.

**Chair McClain:**

That is the next question. When do you plan on some of these hotel rooms being built?

**Ron Smith:**

They are in the planning stages now. They are planning to go in; they just have not started construction yet.

**Assemblywoman Kirkpatrick:**

I have a couple of questions. First, you just made a comment that solidified my concern with this. You said in two years you could be broke if the hotels do not come on line. If they have not broken ground, I cannot imagine they would be completed within that two years. Even in Las Vegas, we build hotels, but not within a two-year time frame.

My real question, though, is on the second page of the amendment, on line 23, where it talks about the revenues. This is probably one of the broadest pieces of legislation when it comes to the RSCVA. I am concerned because it really does not tie you to doing anything.

The above says you cannot use the money for bonds, but below it says you can pretty much use it for anything. I am wondering what that would be. If it is going to be strictly for marketing, and I disagree, I think using Boulder City for comparison is completely disingenuous because they have 15,000 people as opposed to 90,000 people in Sparks. It is comparing apples to oranges.

I wonder how the casino within your area currently feels about this legislation because I have not heard anything about you planning to promote both casinos when they come online. I have heard that you are going to promote the new, but I am a big proponent of protecting the old, the folks who invested in our cities before all the new glitz came, so I have yet to hear that within this presentation.

I am going to make sure this session that a lot of legislation is very tight because I think if we give folks an inch they take 2 1/2 miles. That is not going to happen any more. I am going to make it my personal priority. So I have problems with those portions of it, and it seems to me that is most of the bill. I was wondering if someone could address my concerns.

**Ron Schmitt, Member, City Council, and Chairman, Tourism Marketing Committee, City of Sparks, Nevada:**

Councilman Smith said we would be broke in two years. That is in regard to the \$200,000, which is the result of a formula that was originally set in the 1999 Legislative Session and then changed in 2003. The City of Sparks is the last entity in a chain to actually receive funding. If room taxes drop, the City of Sparks actually takes that hit. Then it goes up the line to the RSCVA.

Right now we are capped at \$200,000 a year. During the best of times, we will never receive more than \$200,000 a year under present legislation. The forecast for the next two-year cycle has our payment dropping from a maximum \$200,000 to \$3,200. That is the low estimate for what the City of Sparks will receive for tourism and marketing. The high estimate for next July is approximately \$80,000, so there will be a 60 percent or more drop in the next 12 months in the revenue the city spends on marketing.

On top of that right now, we spend nearly \$500,000 of other funds to promote our city. Those are funds that do not come from hotel rooms or the RSCVA. Those are funds we take from our own budgets to promote, which, in turn, creates hotel room occupancies and tourism and generates more money.

We are investing heavily in tourism marketing. What we see over the next two years is that we will have virtually nothing to work with. That is why we are looking to solve those problems.

You are absolutely correct to say that if you give someone an inch they will take 2 1/2 miles. We are looking to get to the 1/8 inch stage to where we actually have something to work with. We would love to get that inch to be able to fund some of the things we need to do and to promote tourism in our community.

**Assemblywoman Kirkpatrick:**

You did not address my concerns on line 23. What other purpose is not otherwise prohibited in that chapter? That is a large chapter that allows a lot of different things, so I know a lot of local governments currently use their redevelopment dollars to promote different things with their agencies.

I do not want to debate this. I just think this is way too broad. I never want to stifle growth, but at the same time, there is only one other hotel, and I do not want them to be left by the wayside by not being part of this to begin with.

**Mike Carrigan:**

Our intention for this bill was to use it for tourism and marketing. If we need to make that change, we can do that with no problem. We wanted to make sure you knew it was not for bonding but was strictly for tourism. Again, we are members of the RSCVA, and they do promote. We do not want to change any of that. We are just looking to the future.

**Assemblyman Aizley:**

What is the room tax rate in Sparks, now?

**Mike Carrigan:**

I think we were at 12.5 percent and now we are at 13.5 percent.

**Chair McClain:**

Are there any more questions? [There were none.] Is there anyone in opposition to A.B. 98?

**John P. Sande IV, Jones Vargas Attorneys at Law, Reno, Nevada, representing Reno-Sparks Convention and Visitors Authority:**

My purpose today is to introduce our CEO, Ellen Oppenheim. I want to say a few things prior to that, though. In this time of economic turmoil, there are discussions of government efficiencies and ways we can go.

I believe at this point it is important that we consolidate our efforts, especially in northern Nevada, to speak out with a unified voice to potential tourists about our area and the reasons they should travel here. The true intent, and what will happen if we segregate at this point, is that we are going to be speaking to these people in different languages. We want to be unified in our efforts, and that is really the purpose of the RSCVA and the reason these tourism boards exist.

I also wanted to clarify a little of the testimony you have heard. There really is no true precedent for what is being proposed here. What is being proposed is to take away all future revenue streams that could go into this consolidated effort and give it to another city. The Henderson and Boulder City examples were where the LVCVA did give funding for a particular purpose, but that was not funding that was continued into the future.

Boulder City and Henderson, similar to the City of Sparks and the City of Reno, do receive a portion of that room tax that is collected by the LVCVA or the RSCVA. As you heard, there is the \$200,000 that is for tourism and marketing. There is also 2.5 percent, which is used for the Victorian Square redevelopment projects. It is not exactly accurate to say there is a precedent in Nevada. I think this is a radical departure from what we have seen in the past.

**Ellen Oppenheim, President and CEO, Reno-Sparks Convention and Visitors Authority, Reno, Nevada:**

[Distributed prepared testimony, a table showing disposition of transient lodging tax revenues, and two articles: "Sparks May Leave RSCVA" and "Sparks should keep funds with RSCVA" ([Exhibit M](#)).] The RSCVA opposes A.B. 98. Before I get into specific points, I would like to introduce a few of our board members who are here in support. Sharon Zadra is the Chair of the RSCVA Board, a member of the Reno City Council, and a marketing professional. Mark Pardue is the Vice Chair of the RSCVA and is also on the Incline Village/Crystal Bay Visitors Authority and is General Manager of the Hyatt Regency, Lake Tahoe. Liza Cartlidge, on the RSCVA Board and Marketing Committee, is the General Manager of Harrah's, Reno. Howard Lenox, Jr., who just had to leave, is also on the RSCVA Board and Marketing Committee and is President of AT&T Nevada.

The RSCVA supports the City of Sparks with marketing and sales efforts to promote visitation to Sparks. We encourage visitation to the City of Sparks by actively promoting the new Legends at Sparks Marina, Golden Eagle Regional Park, the new Rock Park Whitewater Park, and the existing Sparks hotel properties and amenities.

To be successful in attracting new and repeat visitors, especially in this kind of climate, it is essential that we work together to promote the Reno/Sparks/Tahoe region against other destinations. Potential visitors have literally thousands of options when selecting a destination for their next getaway or vacation. We can get the message out more effectively when we work in collaboration with a unified message to market the assets of the region.

Another issue is the room tax revenues from Sparks. Hotel/motel rooms presently support all of the following: the City of Sparks, with funding for the Victorian Square project that is 2.5 percentage points; funding for the Tourism and Marketing Committee, which is an additional amount up to a cap; and the RSCVA, which receives some of that funding that goes for debt service on the Reno-Sparks Convention Center and for marketing tourism and convention sales efforts. Some of that funding from Sparks hotel rooms goes to the City of Reno for debt service on the Reno Events Center and the National Bowling Stadium.

Some of it goes to the State of Nevada for funding for the Nevada Commission on Tourism (NCOT). In short, all of the City of Reno, the RSCVA, NCOT, and the City of Sparks rely on revenues from transient room taxes for a strong tourism economy.

Assembly Bill 98, if passed, would remove future tax streams generated by new Sparks hotel rooms from the RSCVA, the City of Reno, and the State of Nevada. This would take money away from needed marketing and existing debt service for the Reno/Sparks/Tahoe region. We have chosen to work very closely with the City of Sparks and will continue to do so. We have offered to enter into a memorandum of understanding or an interlocal agreement with them to codify the areas of mutual efforts and mutual interest.

Allow me to just clarify a couple of the questions that were asked. Sparks receives 2.5 percentage points of room tax for Victorian Square, which was a little over \$900,000 last year. Based on 2003 legislation, from Sparks revenues, the first \$1.5 million goes to the City of Reno, up to the next \$200,000 goes to the City of Sparks for their tourism marketing efforts, and any funds beyond that are split between the City of Reno and the RSCVA. The last ones on the list who may not receive funding from that effort are the RSCVA and a portion of Reno's funding.

This is an era of regional cooperation in government. Starting down the path toward creating another entity to promote tourism would create needless duplication and expense. The RSCVA is committed to continued support of Sparks' tourism efforts, but this bill is counterproductive, which is why there is little support to go forward with the bill. The BDR adopted by the City of Sparks was adopted on a City Council vote of only 3 to 2.

Somebody asked about the existing property in the City of Sparks. John Ascuaga's Nugget, the largest hotel/casino in the City of Sparks, opposes A.B. 98. The Reno City Council voted unanimously to oppose A.B. 98 last month, and the RSCVA Board of Directors voted unanimously to oppose the bill last fall when it was proposed.

**Chair McClain:**

You said the first \$1.5 million goes to Reno for marketing, right? Then, if there is any left, the next up-to-\$200,000 goes to Sparks. Have you tried to renegotiate this at all?

**Ellen Oppenheim:**

This was adopted with the support of the City of Sparks in the 2003 Legislative Session in return for upping the percentage that went to Sparks that is now the



2.5 percent for Victorian Square. That legislation raised the room tax and gave them the funding for the Victorian Square project. In return, the cap was lowered from \$350,000 to \$200,000. The \$1.5 million to the City of Reno goes for debt service rather than marketing.

**Tom Medland, Vice President, Airline Business Development, Reno-Tahoe International Airport, Reno, Nevada:**

I am here today to express our opposition to A.B. 98 as it would fracture the regional effort to promote and sell the Reno/Tahoe area as a destination. Reno-Tahoe International Airport continuously presents a business case to airlines across the nation, explaining why they should commit a \$30 million to \$50 million asset to fly to and out of Reno-Tahoe as a destination and as a region. Our job is to convince them to add new air service or maintain their existing air service by explaining the attraction of the region and why people would want to get on their airplanes and come to Reno as opposed to going to Las Vegas or Denver.

We show them everything the region has to offer, including the Ritz-Carlton Highlands at Lake Tahoe's north shore, the vast outdoor adventure and recreation we have around the lake, gaming in the entire area, and The Legends at Sparks Marina. We tell them about Scheels as a new attraction going in to show them how vibrant the area is. We talk about the rib cook-off, skiing, bowling, golfing, and we impress upon them the scope of our region with our 23,000 rooms available throughout the region.

Airlines always want to see a community that is unified in its effort to promote itself. We offer them assistance by marketing as a region to fill those airline seats they invest in. The airport works together with all entities in the region to attract visitors to fill their airplanes.

The RSCVA is of particular benefit to the airport's air service development effort because of its broad reach throughout Reno, Sparks, and the entire region, and its focus on efforts to promote the region with such things as the Regional Marketing Committee. We promote the partnership with RSCVA and the entire region when we talk to the airlines about incentive programs we can put on the table to bring their airplanes to our community.

The RSCVA has participated on a regional level in visits to the airline corporate offices. Their ability to explain large-group business coming into the region and to convince airlines they should add larger equipment or additional flights is a great benefit. This is crucial when we have a group as large as Safari Club International coming in that fills every bed in the town, when we have

Hearth, Patio, and Barbecue that recently held their meeting here at Reno/Tahoe, or when we have a volleyball festival that fills the entire region.

Designing a regional welcome for large groups also serves us well. It shows the airline community that we want their business back, so they will come into our region year after year. The passage of A.B. 98 would fracture that regional effort and would negatively impact the Reno-Tahoe Airport's effort to develop new air service.

**Chair McClain:**

So the \$1.5 million that goes to Reno is for debt service. Does the RSCVA give Reno any special marketing money?

**Ellen Oppenheim:**

Each of the entities receives different components of the funding. The Reno funding goes for the Reno Events Center and National Bowling Stadium debt. There are no separate marketing dollars.

**Chair McClain:**

And then Sparks gets the 2.5 percent for Victorian Square and anywhere from \$3,000 to \$200,000 for marketing?

**Ellen Oppenheim:**

The marketing money for the past several years has exceeded \$200,000. The cap is \$200,000. Considering what is happening in the current economy with travel spending nationwide, the recent forecast we share with Sparks indicates that, for the next two years at least, revenue will underperform the cap. That means RSCVA will not receive anything, and Sparks may receive less than \$200,000.

**Chair McClain:**

I appreciate all the information. Do we have any other questions? [There were none.] We are obviously going to have to look at this to see if there is some way to work it out. We will close the hearing on A.B. 98.

We do not have any more bills today, and it looks like the golf course people are not going to make it back. We will reschedule another hearing for Assembly Bill 267.

Unfortunately, we have had a request to withdraw Assembly Bill 427.

**Assembly Bill 427**: Provides for the assessment of certain real property used for grazing stray or feral horses as agricultural property. (BDR 32-1045)

**Chair McClain:**

We cannot seem to be able to figure out what to do with the horses. We will take A.B. 427 off the agenda, and we will get A.B. 267 back on the agenda within a short time.

With that, we are adjourned [at 3:51 p.m.].

RESPECTFULLY SUBMITTED:

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Mary Garcia  
Committee Secretary

APPROVED BY:

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Assemblywoman Kathy McClain, Chair

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

**EXHIBITS**

**Committee Name:** Committee on Taxation

**Date:** March 24, 2009

**Time of Meeting:** 1:38 p.m.

<b>Bill</b>	<b>Exhibit</b>	<b>Witness</b>	<b>Description</b>
	A		Agenda
	B		Attendance Roster
<u>A.B. 369</u>	C	Assemblyman Mortenson	<i>American Archaeology</i> , Spring 2009, Vol. 13, No. 1
<u>A.B. 369</u>	D	Assemblyman Mortenson	Email in support of bill from Alan O'Neill, Executive Director, Outside Las Vegas Foundation
<u>A.B. 369</u>	E	Angus R. Quinlan	Prepared testimony
<u>A.B. 267</u>	F	Assemblyman Segerblom	Prepared testimony
<u>A.B. 267</u>	G	Assemblyman Segerblom	Informational packet: "Classic Las Vegas, Helping Preserve 20th Century Las Vegas: Paradise Palms—Mid Century Modern Living In Las Vegas " and table: "2006–2007 Clark County Golf Course Taxable Value Change"
<u>A.B. 267</u>	H	Assemblyman Segerblom	Proposed amendment
<u>A.B. 267</u>	I	Barbara Smith Campbell	Prepared testimony from Ernest M. Micelli, General Manager, Somerset Country Club
<u>A.B. 307</u>	J	Assemblyman Aizley	Prepared testimony
<u>A.B. 98</u>	K	Rob Joiner	Proposed amendment
<u>A.B. 98</u>	L	Adam Mayberry	PowerPoint presentation: "AB 98, Presented on behalf of City of Sparks, NV"

<u>A.B. 98</u>	M	Ellen Oppenheim	Prepared testimony in opposition, table showing disposition of transient lodging tax revenues, and articles: "Sparks May Leave RSCVA" and "Sparks should keep funds with RSCVA"
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