



Nevada's tax debate: The untold stories

*Letters to lawmakers from businessmen and women
on the burdens of taxation and regulation*

Prepared by the Nevada Policy Research Institute

March 31, 2011

March 31, 2011

Dear Nevada Policymaker,

For 120 days every two years, you are one of the most popular individuals in Nevada. Not because of any of your personal qualities or charisma, but because of the authority your constituents have entrusted to you as an elected official.

Because of this power, many people and interest groups have been and will continue to clamor for your attention. Given the limitations on both your time and individuals' ability to testify, especially in person, you will only hear from a tiny fraction of Nevada's 2.6 million residents and the more than 700,000 Nevadans who voted in the 2010 elections.

Of those who testify, a disproportionate number want something from you — mostly taxpayer money. After weeks and months of this type of testimony, it's easy to lose sight of the tens of thousands of people whom you represent but who don't testify and don't want anything from the government.

These individuals have struggles — lost jobs, disabled children, family illnesses, foreclosed homes — that are just as heart-breaking as any testimony you have heard or will hear this year. But these individuals aren't turning to you to solve their problems. Indeed, many of the problems they have, especially in the case of business owners, result from laws or regulations enacted by government officials. Despite their absence from committee meetings, these individuals' struggles and stories are just as important as the ones you hear on a regular basis.

That's what this collection of letters is all about. These letters come from businessmen and women all across Nevada — from Zephyr Cove to Henderson, from Elko to Las Vegas — and they share their personal stories of how government taxes, fees and regulations have impacted their businesses and the effects that increases in taxes, fees and regulations would have.

Just as this publication contains a wide variety of stories, different individuals and groups hold a variety of positions on the state's current fiscal challenges. This collection of stories should not be taken as support for or opposition to any particular legislation.

It is simply a reminder that your actions as a legislative body impact those you don't see, just as much as — and, collectively, much more than — the people you do see. The authors of these letters — and the many, many other Nevadans like them — should be kept in mind as you make decisions that will impact our state for years and even decades to come.

Sincerely,

Victor Joecks
Communications Director
Nevada Policy Research Institute



Doug Busselman
Executive Vice President
Nevada Farm Bureau Association



Adam Stryker
Nevada State Directory
Americans for Prosperity



Ray Bacon
Executive Director
Nevada Manufacturers Association



Dianna Fyke
Director of Government Affairs
Henderson Chamber of Commerce

Bill Chernock
Executive Director
Carson Valley Chamber of Commerce
and Visitors Authority



Michael Chamberlain
Executive Director
Nevada Business Coalition



Open letters to Nevada policymakers

I am drafting this letter from the perspective of a small-business operator in Nevada. I hope the information that I am providing will enable our legislators to better understand how their votes directly impact the quality of life for all Nevadans.

Unfortunately many of our small-business leaders and operators have found it virtually impossible to take the time to address such issues as government policy, regulations and enforcement procedures, taxation, fee structures and other costs of doing business. It is no secret that they are just too busy trying to stay alive. In the past three years, due to a 30% reduction in revenues, our employee base has gone from 110 employees to 70. Volume is the only thing keeping restaurants alive because the fixed costs remain the same. Profits are only seen when particular volume levels are met. Just for the heck of it I will add that wholesale food prices shot up 17% over the past three years as well. Do we dare raise prices? On the contrary, now we have to offer steep discounts just to attract customers.

Nobody can argue the fact that unemployment is the most detrimental consequence of an economy. It creates a vicious cycle and the result is less disposable income for the individuals that are employed and unemployed, which leads to less revenue for business and subsequently more unemployment for individuals. Meanwhile, the unemployment funds have to come from somewhere. In our case, we face an unemployment tax hike that was recommended by the state Employment Security Council back in October of 2010. Unfortunately, many businesses are at a point where laying off employees will not equate to savings or saving their business even though they may be forced to do so. When a business is at the breakeven point, it is already sacrificing customer service, and if it lays more employees off, it loses its customer base as the service becomes unacceptable. Ultimately, this scenario leads a business to close down, and the remainder of the employees are then laid off.



A small-business person puts their assets up for collateral in order to create or expand their business. This is a risky venture, but without these folks the economy stops. Unlike corporations, small-business owners are not just bound by the principles of operating a business but are also affected by situations in their personal lives such a divorce, illness, credit, etc. When a small-business person goes bankrupt, they have to close their door and stand no chance of opening another business because their credit is ruined. They cannot keep the business running like corporations do by restructuring or unloading debt when they declare chapter 11. This puts small business at a big disadvantage in comparison to corporations. Unfortunately, lawmakers are ignoring some of the inherent differences between small and large business. If legislators believe large business is more relevant to Las Vegas and Nevada than small business, we are in for a disastrous ride.

Small businesses borrow and pay back our community banks. They contribute to the local

economy and donate many more resources to charitable foundations and causes. Just a sample of our contribution of resources has gone to:

Southern Nevada Domestic Violence Task Force, Nellis Air Force Base, UNLV, Las Vegas Metro Volunteer Program, Chefs for Kids, AFAN, F.E.A.T of Southern Nevada (Families for Effective Autism Treatment), Blind Center of Nevada, Nevada Partnership for Homeless Youth, Vegas PBS, Cystic Fibrosis Foundation, Firefighters of Southern Nevada Burn Foundation, Desert Research Institute, Clark County School District, Big Brothers Big Sisters, American Parkinson Disease Association, Bridge Counseling (at-risk children and their families), Three square.

Of course, we have had to reduce these contributions considerably due to the dire status of the local economy.

In the restaurant industry we are subject to some of the fees and costs specific to our industry that make it difficult to operate. With minimum wage one dollar over the Federal Minimum Wage requirement and without a tip tax credit, Nevada becomes very unfavorable for potential incoming restaurants. We pay our non-tipped employees far over minimum wage because it is a competitive business. But why do we pay the high rate of Nevada's minimum wage when those wages essentially only go to tipped employees? This law severely penalizes restaurant operators and puts Nevada at a huge disadvantage in attracting more restaurants to open here, thus creating more jobs.

The 24-hour rule that requires overtime to be paid to individuals working more than eight hours within any 24 hour period has already stopped some of the chain restaurants from opening more restaurants in Nevada. The restaurant operators do not have the luxury of scheduling everybody 9-5 as our legislators may believe. There are many challenges in scheduling and the lack of understanding by our legislators penalizes our industry even further. I find it quite interesting that some of the Culinary Union employees have deleted any overtime pay in their contract because the employees would rather work extra hours for the tip income and waive the overtime pay. Does tip income preclude all reasoning behind overtime pay to individuals working in excess 8/40 hours just because they are part of a bargaining unit? Aren't these laws put into play to protect employees from being overworked? This is another disadvantage that the small-business operator faces.

The restaurant industry leads all others in employee turnover. Thus, our industry pays a much higher modifier into the State Unemployment fund. The real problem, though, exists in the way that unemployment eligibility is determined. It is not uncommon for an employee to simply quit or not show up and still receive unemployment benefits. This is a major problem that is costing business an inordinate amount of money.



The State Health department adopted new rules in November of 2010 that will definitely lead to higher revenues for the state. The regulations are very cumbersome, and the financial penalties are stiff. This is another example of how our industry is under fire and will be the source of needed revenue. Perhaps the Health Dept. should inspect the Unemployment division. They do a fantastic job at keeping people in compliance and abiding by the rules. I am sure they would find thousands of cases where funds were doled out to people undeserving.

Finally, it is my personal opinion that because the state failed to bank so much of the tax revenue that it collected during the economic boom, businesses are bearing the burden of bailing out the State government. This is a huge mistake because without strong commerce, we will be steeped in financial trouble for a very long time, while other states grow and rebound. And if the legislators believe levying taxes, assessing fees and using other methods to collect money from business is a fiscal solution, just take a look at California, New York and Michigan.

Thank you,

Jeff Ecker
Corporate General Manager
Paymon's Mediterranean Cafe / Hookah Lounge



As a small-business owner, the government is my biggest and fiercest competitor. The constant, unrelenting demand for more and more money and regulation impacts my ability to (1) hire and retain qualified employees by providing better salaries, benefits and incentives; (2) invest in my business so that it can grow, resulting in more jobs; (3) set aside reserve funds in the event of economic challenges; and (4) stay in business.

I am not joking. The demands of the government severely inhibit the ability to survive and grow. The government programs inhibit the hiring of employees and expansion of business.

Here are some specific examples:

- We signed up for a defined-benefit plan to assist the employees for retirement. We are discontinuing the plan. Why? The money that would be used to fund the plan needs to be used for taxes instead.
- This firm previously paid all insurance premiums for the employees and family alike. No longer. Why? Those funds need to be set aside to pay taxes.
- We are currently investigating expansion into neighboring states. What impedes us? Taxes. Regulations.

- We donate to charitable groups through investing time and money but even that is more difficult because our time and money must be spent on generating income to stay in business to pay all the taxes being demanded of us.

I am convinced that I can take better care of the employees than the government can. The government impedes my ability to do so. It impedes my ability to progress. In sum, the government is the reason that I don't hire more employees, whose salaries could then be used to stimulate the economy.

I could go on but you get the picture.

Kurt Faux, Nevada

BrightStar is an In-Home Care company, providing non-skilled caregivers to care for (mainly) seniors in their own homes.

I just started my company one year ago. I am now at two FTE's plus approximately 25 part-time employees (averaging 10-40 hours per week). Getting licensed was a painful and long – way too long – experience. My costs to do business in Nevada are now only going to go up – *significantly* – through state license fee increases in 2011 and beyond.



Nevada says it is an easy place to do business. I would say the opposite. Here is some chronology. (By the way, I am a franchisee, and my colleague in California — that ‘terrible state to do business in’ — needs only to get a cheap, simple business license and he could set up shop tomorrow: tomorrow!! There is no regulation.)

- I formed my company in November 2009.
- I applied for my Personal Care Agency license in April 2010, through the Dept. of Health, Division of Health Care Quality and Compliance and sent my check in.
- They cashed my check, but things went into a black hole: I heard nothing — nothing — until July, when only then they would tell me what I *actually* needed to do/have in place to get licensed.
- Finally, in August I got my license. Yet, I had to have staff on board, get an office (I had to have one to even apply for the license in the first place and get it passed by the fire marshal), employ staff, pay payroll taxes to the state, have insurance, workers



comp, post a fidelity bond, training, etc., etc., for at least five months without the remotest possibility of even receiving just one dime of revenue in the door.

- Also, all my licenses have just gone up — *way up* — and they have delayed my PCA rates for the coming year, but the state intends to go from a renewal fee of \$687 per year to \$3,238 per year: **an increase of 471%!!!!**
- I also have applications in at the state for two other licenses: Home Health Agency and a Nursing Pool. Sadly, both of them also disappeared into the black hole of Carson for many months and have just, literally in the last week, surfaced in the same way as my PCA license — as in I now have been given the ‘secret code’ of what I actually have to do to get the license. (Not receiving the actual license, you understand, so I can’t do like those other businesses and employ even more people — and pay more payroll taxes....)
- Meanwhile the state has my money for those two other license applications. And guess what, they have already — already!! — sent me a bill for the increased license fees that I have not even been able to operate under. And these fee increases are not being delayed for a year: They are actually now in force as of January!!! One has gone up by **70%** (Home Health) and the other by **7%** (Nursing Pool), to say nothing of the future renewal fees.
- Now, what about restrictions on my business brought about by bad regulations — specifically, in this example, overtime rules? My business is a 24x7 business — we have to be able to support seniors when and where they need it. Yet if I have a caregiver go over eight hours in one shift, or go over 40 total hours in one week, or work more than eight hours in any one 24-hour day (not midnight to midnight, mind you, just any 24 hours), I have to pay them overtime. They might only work for me 12 hours in one whole week and yet I have to pay them overtime!!! We are in a very low-pricing business; overtime will kill me. So I end up only giving that caregiver eight hours, or five eight-hour shifts, when they would gladly, even pleadingly, work longer to earn more money, but I cannot afford them!
- Also, regulations in PCA licensing prohibit my staff from rendering first aid in the event of an incident when caring for someone, yet I am compelled by those same regulations to ensure that my caregivers *are certified in First aid and in CPR!!* Now really — the state is burdening me with the cost of that training and then simultaneously prohibiting me from using it. How is that good for business?
- Then, turning to Medicaid. I am in the process of applying to be Medicaid-approved, but the rates Medicaid pays mean I am not even sure I can afford to take the business. One of the services they only pay \$12 an hour for, yet at minimum wage, plus taxes, insurance, state bond, state licensing fees, workers comp, office overhead, regulated pre-hire background checks, health checks, TB checks, hepatitis shots, pre-hire



training, on-the job training — how can I afford to run a business? I can't.

- Yet it is proven that keeping Medicaid recipients *out* of the hospital and at home is not only significantly cheaper, it produces far better outcomes! Why on earth would any politician not want to see state healthcare costs come down while the electorate becomes happier, healthier and better cared for? It just is so short-sighted not to properly fund some of these services.
- Proper funding would be a three-way win: health costs come down, more people are cared for, I would employ more people and pay more payroll taxes, less of my staff would be claiming un-insurance ... Wow, it's not a three-way win, it's a miracle win for all!

I could go on and on about how tough it has been/still is to start up a new business in Nevada. I want, and would love to, hire a ton of people, better care for seniors and become a welcome and proud member of the business community. If only the people in Carson would enable me to be so, it would surely be a better place for all.

PETER MORRIS
PRESIDENT/OWNER
BrightStar of Reno

As you debate the issues that face our State, as well as the impact on local government, please take a few minutes to review the concerns of a small-business owner.

My wife and I moved our business from Chicago, IL, to Las Vegas, NV, back in 2004; this move was prompted by quite a few factors, but one that had the most influence was the tax climate in Illinois. The elected officials there seem to think that the only way to solve any problem is to increase taxes and throw more money at the problem.

As a business owner, I know this is not the solution to problems; I cannot simply raise my rates to my customers to solve inefficient operations. I must determine what processes work the best, which are the highest priority and then fund those first and trim the cost of the inefficient operations and reduce funding for them.

This is a lesson that, if learned by every elected official and put into practice, as a nation we would no longer face deficit spending and we would have balanced budgets from the federal level all the way down to the local level.



As you consider how to plug the gap in the budget, keep in mind that our business as well as many others will consider other locations that are tax-friendly. We do not mind paying our fair share and encourage equal treatment of all businesses in Nevada, but as a small-business owner, we must evaluate any tax increase and determine if Nevada has followed the path of Illinois and if a re-location is necessary on our part.

Thank You

Billy Johnson, Nevada

We are a Service Disabled Veteran Owned Company. A Nevada Corporation. Small business.

Over the last two years we have lost 38% of our revenue; we were forced to let employees go as clients shut down or cut costs. We have held our employees' pay, while taking a 50% cut in our take-home pay. We did not nor do we expect a bail out from the government.

But I wish our elected representatives at all levels would take their hands out of our pockets. Small businesses cannot continue in the direction that our leadership is taking us. As you bankrupt our country, our state, and our local economy, you will bankrupt us as well. STOP and STOP right now!



Edward C. Norton II, CPP, Nevada

Our 2010 revenue is one-third of what it was in 2006. The impact on our business and our team has been substantial, as we try to survive the cost reductions necessary to off-set the huge, multi-year declines in gross receipts.

Yet, when we look at two line items on our shrinking Income Statement, State Payroll Taxes and Local & State Taxes & Licenses, we paid nearly a quarter of a million dollars, up 4.1% in 2010 vs. 2009, despite a continuing, and staggering, 22.5% decline in teammates and a further, 19% decline in revenue. (The decline since 2006 in teammates and revenue is 67%.) Further cost reductions are necessary and on-going if we are to survive as a local, independent business entity.

It is easy to see why government is out of touch.

— Businessman in Reno

Our family moved to Las Vegas, Clark County, NV, back in early 2004. We actually purchased our home and the lot next door in late 2003; our intentions were to move to the home in 2004 and build on the adjacent lot once we had moved.

We applied for building permits for the vacant lot in late 2004 and started the process to be able to build the house on it. We hired an engineer, an architect and a contractor, so in our mind we were following proper procedure and employing numerous persons in the area. Little did we know that the building/planning/zoning department in Clark County was such a poorly run and inept operation. We were told that our lot is in a flood zone and the house would need to be built eight (8) feet above grade. After much research and contact with FEMA concerning the “flood zone,” which FEMA laughed at us about, it was determined that we are not in a flood zone.

This went on for over a year, at which point we told the engineer to just submit and produce grading plans with the elevation that was requested. After doing this it took another year for the permits to be issued. Why? This cannot be answered, nor can anyone at planning/building/zoning explain, either.

Fast- forward to 2009. We decided to build an accessorial building on our property where our original house is located. Hired an engineer, an architect and a contractor, started the process. Again, planning/building/zoning told us we are in a flood zone (thought this was settled five years ago), so again contacted FEMA for a flood insurance plan, and got laughed at again. Planning/building/zoning told us that we could build, but the elevation would need to be three (3) feet above grade (three feet above the elevation of our existing house). Argued back and forth. Over a year later we finally have a permit, we did get to build the building only eight inches above grade, but had to prove that we were/are not in a flood zone, which even FEMA agreed with.

I submit this little bit of information to show just how government bureaucracy has impeded the development of our area, how government regulations, while some are necessary, have caused much grief to a simple project. How government has created an atmosphere that discourages new business and development. Both of these projects did employ local contractors, but only after we were put through the ringer to get approval. If we were in the



business of developing land, we would definitely not stay in Clark County. I point this out to help explain why developers are not flocking to NV, why jobs are leaving the State, why revenue is down and why our State is failing to be attractive to new businesses.

— Anonymous in Clark County

Every employee of the five northern Nevada Napa stores (two in Sparks, one each in Reno, Fernley and Fallon) have taken a 6% cut in their wages and salaries over the past two years. Each has agreed to this cut rather than suffer the loss of jobs within the company. Unlike most government entities, they had to adjust their living standards to live within their household budgets. Some cancelled television subscription services, others dined out less often, while still others looked to grocery budgets to trim and thermostats to adjust accordingly.

It seems that the primary function of government is to protect its citizens and yet the first area to be cut always seems to be police and firefighters. I think it is time to restore law and order and maintain roads and bridges, while cutting social programs. When people, all people, pay less in taxes, they will be able to keep more, thus spend more, and create the jobs we need. I think we already have more government than we need. Cut the spending and live within your means!!!

Sincerely,

George Wright, Nevada

The Las Vegas Zoo is a non-profit, 501 (c) 3 tax-exempt organization serving the Las Vegas community for nearly 30 years. We do not pay taxes nor do we receive a nickel from any form of government. We do, however, pay city, county, state and federal agencies nearly \$20,000.00 a year for licenses, permits, services, inspections (many not having taken place in years) and filing fees. And we don't pay taxes? One state agency began the permit process about 15 years ago, starting at \$25.00. It's now \$500.00 per year, for a clerk to retype the permit each year. But, we don't pay taxes — but government regulators still interfere with our operation.



Four months ago, I submitted a permit request to a state agency. It was denied due to the attitude of those now in charge and in clear violation of the state statute. If I had let that stand it would have vastly crippled our ability to expand and bring extremely popular animals to Southern Nevada from the San Diego Zoo. I had to call contacts in the Governor's office and a senior state Senator, both of whom immediately called the head of the agency and got his attention. It still took four months and the permit was still denied until circumstances allowed me to tell the agency director his staff misinformed him as to what the statue really says. I received approval that afternoon.

Not receiving any funding from government, only rules and conditions, does have an upside, though. We operate like a Swiss watch. Morale is sky-high, decisions are made on the spot and there's no politics. It's all about the animals, not us. And we pay all our bills within two weeks of receipt, have no debt and operate in the black. Show me a government agency who can say that. Many visitors are amazed to hear that we receive no city, county or state funding whatsoever, like the zoo did in the city they moved here from. They react the same way when told "no, the casinos donate very little to us." Having lived in Las Vegas for 50 years now, I'm not the least bit discouraged. The San Diego Zoo is also a private zoo, not the city's. They have been our partner for over 30 years and it seems we get more support from them than we do in our own community, including very rare/endangered animals, also, from many other major zoos.

In my opinion the money we pay government would be better spent, and more effective, staying in our zoo for programs like our Zoo Intern Program, where students 14-18 receive high school credits. We are the Community Wildlife Learning Resource open to all, 9-5, seven days a week. The less we have to pay the government agencies, the more and better exhibits, displays, activities and more educational opportunities for our visitors of all ages. For comparison purposes, the Springs Preserve, a six hundred million dollar, taxpayer-funded theme park two years ago only drew 24,000 more visitors than we did, according to the R-J. And they are going in the hole by millions of dollars each year. The Nevada State Museum nearby drew one-third of the number of our visitors. I have no clue just what their budget is, but I'm positive it's much more than ours. And we do so much more with so much less. And, we don't pay taxes, either.

Respectfully submitted,

Pat Dingle



Regulations and permitting has killed my business.

We tried to continue our business of over 30 years, in this area, but were stopped dead at every juncture with "no permits" for the installation of our renewable energy systems anywhere in this area. We sold systems and built the equipment, refunded the money and closed the business.

Not an occasional rejection, EVERY customer's permit is/was rejected! So, the business is closed and we and all our installers are now unemployed and the business is closed. Great Job, GOVT.

PUBLISHED ENGINEERING SPECIFICATIONS REQUIRE that certain guidelines must be followed to have a successful system. These guidelines are accepted/proven from over 50 years of study in 49 states and all foreign countries, yet they are illegal in this area. How ridiculous !

One more business SUCCESSFULLY DESTROYED.
Ten more men unemployed. Hurrah — well done,
Government!

Thanks to all you "educated" Socialists, another
Capitalistic endeavor has been stopped.

Congratulations,

Ralph A. Belden, Nevada



On a local level, governments make it extremely difficult for many small businesses to get up and operate quickly and cost-effectively. Many industrial properties that are located adjacent to the university, hospitals, residential, etc., are required to obtain special use permits, even though they have been operated as businesses for years.

Often a prospective business is required to go through the special use permit process, which can cost thousands of dollars and take a couple of months. Without a guarantee that the permit will be received, many of these prospective employers choose not to go forward. Although many of these companies start small, with one or two employees, some grow into such companies as IGT and OHL (formerly Owens Distribution).

While on the one hand these fees provide income to the local entity, by scaring many of these prospective employers away they hurt the community in the long run.

I would suggest an open meeting where people who have gone through this process be invited to discuss their experiences.

Thank You,

Mark Glenn

Industrial Properties of Nevada
Broker/Owner

This story is compelling. This is a story of a first-generation immigrant who came to the United States for higher education and became a naturalized American citizen.

The first job I held in Las Vegas was at the Clark County Juvenile Court Services. I was a Family Counselor/Caseworker. For three years, I represented families in Family Court, made recommendations to the Judge and also wrote court reports. I held this job for over three years and then resigned to become a church counselor, a minister, a marriage officiant ... and a business owner.

In 1997, I was in a nearly fatal auto-accident and was on a wheelchair and cane for a year. When I got back to walking again, the new manager of the wedding chapel where I worked for 17 years replaced me permanently, and I was out of work or means to support myself.

In 1999, with the help of family and friends and proceeds of an old formal wear business, I opened my own wedding chapel in the heart of the miracle mile on the Las Vegas Strip.

After filing all the papers needed for business licensing, spending money for tenant's improvement, buying inventories and equipment, signing contract to lease premises, hiring employees, and doing everything that was needed to be done, my door was opened for business!

Two weeks after my business license was issued and after I opened my business, I received a certified mail from the County Commissioners stating that they were taking my business license back because of the law affecting wedding businesses.

The "grandfather law" was pertaining to and protecting free-standing wedding chapels. My chapel was not free standing, but inside Polo Towers Plaza. The truth was: Wealthy operators



of the wedding chapels (who raised funds for the Commissioners' election and re-election), through their lawyers, were the ones who wanted me shut down. The big guys in the wedding business won; I lost and lost \$500,000.00.

These Commissioners went to jail (on other cases)!

Trying to build my dream again, word was out that I was looking for another location. I was approached by a strip land owner and a former Commissioner who was then working for this man (the strip land owner). I was promised that this time, I would not encounter the same dilemma.

Again, with the help of my family, friends and proceeds from the sales of my real estates and some cash money I had, I started the same business at the same site and this time, my total investment was at least 1.7 million in cash money. At the time when I opened my full-service wedding and banquet facility and formal wear sales and rentals, the entire operation was appraised for 3.9 million dollars.

Again, the wealthy chapel owners (consisting of two families who were big political contributors, especially to Harry Reid and the Commissioners who were jailed), opposed my opening. Again, I was harassed by the Commissioners to give up my license and my lawyer's fees are getting out of control. Because of this, I needed to borrow 500K to fund some of my debts.

I honestly believe that if the government did not interfere with my business that was fully licensed and did not side to my competitors, I would still be in operation and have not lost my business.



Losing my business created a domino effect in my life. One can just imagine looking for a job now, or even looking for a place to live.

Government officials make big mistakes when they only listen to people who contribute to their election and introduce a bill which is illogical and irresponsible and more so if a law is passed only to protect revenues of the few and negate the lives of many.

Thank you.

Sincerely yours,

Dolly de Leon

I have been an executive recruiter for 30 years. I've seen good years and lean years but nothing like what has happened since the end of 2008. Most of my clients are in Chicago; one is in aerospace and one is in automotive. I've also done some County recruiting here in Nevada.

In 2009, the Housing Authority put out a call for recruiters to fill the top Housing Authority Position. I submitted a complicated proposal with excellent references. They chose a California firm to do their search.

My expenses are the same but my revenues are about 10% of what they normally are. I'm hanging in because I have the support of my spouse; otherwise I don't know where I would be.

I have had a problem recently with candidates failing the drug test. These candidates were all on unemployment, had a chance for a good job but couldn't pass the drug test. This also makes me crazy. Why give money to people who choose to spend it on illegal drugs, therefore not being able to get off unemployment?

— Donna Coleman

When my partner and I started our alternative heating business, we opted for a website over a storefront, knowing that Nevada's strict regulations would prevent anyone from purchasing our product locally. We sell the Sedore, a multi-fuel furnace that requires no electricity. The product does not have the proper classification to be installed in Washoe County. In nearly all of Nevada, this product wouldn't pass a housing inspection — not because of its performance, but because of its unique classification (given by the EPA).

The Sedore burns clean and efficiently, but because it is the first of its kind in the U.S., the EPA didn't know how to test it or classify it, giving it an exempt status.

We are aiming to manufacture a similar product here in Nevada, providing many welding and fabricating, and sales jobs. Unfortunately, we cannot justify this if we cannot sell the product locally.

It is my hope that the Nevada government removes the technicalities of the air quality laws, and instead replaces them with principles and concepts. Green energy technology is moving too fast for our laws; they need to be reworked to inspire growth and invention.



I would also hope that the state government recognize its 10th Amendment right and disregard the excessive and unfair regulations of the Department of Energy, and the EPA. Put private labs to work by setting sensible standards that can be tested and enforced here in our state.

We moved to Nevada because we liked the concept of the Wild West, and its required personal responsibility. The more regulations (and taxes) that fall here, the less attractive it is for business, and for our personal lives.

Angela "Gertie" Refsland
Douglas County

I own an office building on the North Side of Sahara Avenue at Jones and Sahara, 6122 W. Sahara Avenue. Because I am located in the City of Las Vegas, I get to pay double real estate taxes; the exact office building on the other side of the street pays one-half the taxes I pay. I have to pay the City of Las Vegas taxes and the County taxes, while the office building on the South side of Sahara only pays County Taxes.

I also own a real estate company and my business license was reasonable until they decided I needed to pay it twice a year instead of once a year.

Do you know how much is the tax on every gallon of gas I purchase, and have you looked at the vehicle registration and determined how much is that tax? We get taxed on everything we do. When my office building was developed, the City, County and State gave their consent to build the building and put in landscaping and sidewalks for the benefit of the public. Now the state is coming and taking several feet along the property for an upgraded bus stop. They never asked for my input until the plans were cast in stone, when I asked to move the bus stop 15 feet west and still on my property to move the ingress and egress from the front door of my tenant.

We constantly have homeless people riding the buses who get off the bus and see an ongoing business and walk in or throw their sleeping bag down or blanket and lay by the building because of the warmth.



My tenants are trying to do business and this is not conducive to business. My request fell on deaf ears.

This is another way you have taxed and burdened me.

I will agree I should pay my fair share for schools, roads, police and fire protection, but why should I pay double what the building owner across the street pays? I had to have film put on all the windows and doors of my building so the law breakers could not break my windows and gain entrance into our individual offices, which cost \$32,000.00. In addition, I hired a security guard and I still pay more taxes than the office complex across the street. Sometimes you get the feeling that government can't protect me, or my property. Why am I paying taxes?

Kent Clifford CCIM
President/Broker
Clifford Commercial Real Estate
Las Vegas, NV

One of the first lessons one learns in running a business is that firms operate based on marginal, not absolute, costs. More significantly, firms operate within the constraint of diminishing marginal return for factor imputes versus consumers' diminishing marginal need for the firm's product.

That is to say that every unit of a firm's product that has already been purchased by a consuming public satiates that public's demand for the product to the point where additional units are perceived to be of comparatively less value and, therefore, only capable of fetching a progressively lower price. At the same time, each new employee hired by a firm, for a variety of reasons, is likely to provide relatively less output per dollar of wages than the last employee.

Hence in every firm, there is an optimal production point where the amount of labor and capital employed maximizes profits and beyond which the firm begins to suffer financial losses. Even small changes in this delicate financial balance can be enough to distort the marginal calculations. Payroll taxes such as the MBT (a tax assessed as a percentage of a company's payroll) and the unemployment tax (which just rose to 2 percent of payroll) as well as minimum wage laws and health care mandates (my health insurance increased 15%) all artificially inflate labor costs and thus lower profit margins. This could lead to the



dismissal of some marginal workers as I am forced to bring my scale of production into accord with the new, politically manipulated cost structure. My fees are filed with the State of Nevada and regulated as such. I cannot easily pass on any new expense to the public. I must absorb it, which lowers my profit margin. The only way to get my profit margin back in place is to find ways for more productivity, which we have done with the downturn in Real Estate Sales (-50%) so we have no choice but to dismiss employees.

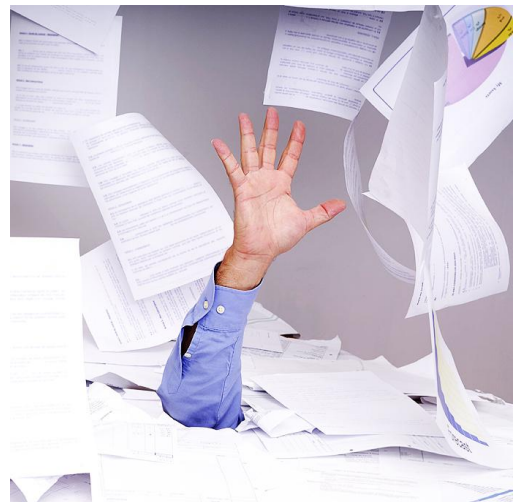
Nevada lawmakers should heed this reality as they debate the impact of taxes to finance their operations. Every tax destroys jobs and wealth.

Ron Peterson
President
Northern Nevada Title Company

Gold Standard Ventures is a gold exploration company, based in Elko, Nevada, operating exclusively within the State of Nevada. Our singular goal is to identify, acquire, and explore prospective properties in Nevada for the purpose of making gold discoveries. New discoveries translate into new mines, which translate into new jobs and new revenues to local, state and federal government.

Funds for our exploration effort come entirely from investors, most of whom are from outside of Nevada. We were founded and began our exploration effort in late 2009. In 2010 our exploration expenditures in Nevada exceeded \$3 million, plus more than \$3 million in property acquisitions. Most of the expenditure monies went to salaries, equipment purchases and rentals, and to contractors in support of the direct exploration process, the salaries and purchases of whom were accordingly taxed. Some of these monies went to federal and state government fees related to our claim holding. The state claims fees/taxes, recently placed on top of the federal fees/taxes, were unnecessary and degrading to our exploration program. These fees/taxes take away from our ability to be successful by taking money from our drilling, thereby reducing our chances of success in our program, which is totally dependent upon the number and depth of the holes that we drill.

I bring to your attention that as recently as 2006, and for several years prior to 2006, Nevada was considered to have the best mineral policy in the world for exploration. Source: Fraser Institute Survey of Mining Companies. Investors were/are well aware of Nevada's favorable exploration environment, and were/are therefore more inclined to provide investment monies to companies operating in Nevada. Nevada's exploration environment took a turn for the



worse, largely because of the new state claim fee/tax. The Fraser Institute now has Nevada as #10 with respect to world-wide mineral policy favorability.

Further, state and federal permitting processes are constantly becoming more expensive and more time consuming. Permitting, particularly permitting related to exploration, is slowing us down and also taking from monies that would otherwise be put into the ground. Some of this process and associated regulations are necessary and beneficial to the stewardship of private and public lands, but some of it is redundant, too costly, and adversely time consuming. The further away the process becomes from the exploration site, the more difficult and problematical the process becomes. It would seem to me that the reverse should be true,

given that local people are most adversely or, alternatively, beneficially impacted. The permitting process has simply become excessively bureaucratically managed and controlled.

States that tend to better invite and support new business ventures will reap the rewards of their support. It should be clear to all Legislators that Nevada is in dire need of both additional jobs and the commensurate increased revenues resulting from these jobs and profitable businesses. Reduce or eliminate adverse taxes and regulations. And let's work together to return Nevada to having the #1 ranked mineral policy in the world.

Thank you,

David C. Mathewson, Elko, NV
Vice President of Exploration, Gold Standard Ventures Corp.

To be brief: My business is totally dependent on people having the capacity (time and money) to travel!!

As a pet/home sitter, when the economy is down and taxes up, folks will not and cannot spend money on traveling!

As it is now, clients who are still leaving town are those with good retirements/savings and those whose travel is paid by their employer.

Higher taxes and fewer deductions have already hurt my 14-year-old business!!

Sincerely,

Connie Chauvel-Gomez
Pets-Plus, Dayton, NV



I am a licensed contractor. When the contractors board went to a bi-annual renewal process it nearly put me out of business. I had to borrow money in order to renew my license ... Not that important.

What is a matter of life and death to most contractors right now is that they are required to maintain four (YES, four) business licenses in order to even use that contractor's license legally. The list of blood suckers are as follows: Clark County Building Department, City of Las Vegas, City of North Las Vegas and Henderson (of course).

Four licenses to work in one city! Well, I for one cannot afford to pay for maintaining these licenses and I do not. I have let them all expire. Result? I cannot pull permits for jobs that require permits.

I don't mind that too much because I just get the homeowner to pull the permit for me. This limits my permit work to residential since commercial property owners cannot pull their own permits. It effectively cuts my business potential in half.



ANOTHER NEGATIVE IMPACT is that many contractors that have followed my route are not as ethical and will convince the commercial property owners that a permit is not required for that particular type of work. This behavior bleeds over into the residential sector and there is a serious diminishing standard of quality and SAFETY.

My suggestion to assist small business and improve compliance with licensing is to create a Contractors business license that is good and recognized in all four cities. The cities would be compensated in return and accordingly from the revenue generated by the cost of the permit. In essence, I pay twice as a contractor to pull a permit. One large yearly fee, and then a fee for every permit I pull.

My experience is that the building departments of the four cities can find code violations with great ease but they can't run a business with any amount of skill at all. Last of all I am going to show you where I lose 60% of my income (illegal labor). Note I did not say illegal aliens. I mean anyone without a contractor's license. And why? Because investors are not held accountable for the people that their "property managers" hire. The investors are one person removed from "aiding and abetting an unlicensed contractor." This takes money directly out of my pocket and ultimately is going to kill people through faulty wiring, gas leaks, structural failure and so on.

Thank you for your time.

John Cook-Owner
Soft Cell Electrical

The State Of Nevada Agriculture:

As an advocacy organization for Nevada farm and ranch families, we engage in the problems and challenges faced by those we serve, representing our dues-paying members in advancing solutions to their problems.

Nevada agriculture currently enjoys a relative positive regulatory environment on the state level, made possible through the opportunity for meaningful interaction with agencies during the regulation development process. Those responsible for Nevada regulations also have maintained a culture of effective enforcement without command-and-control attitudes, seeking to work at addressing problems instead of strong-arm and punitive approaches.

The more critical and often times challenging regulatory problems faced by agricultural producers are related to federal agencies. Because of the dominance of federal lands and the dependence of the largest sector of our state's agriculture (livestock producers) on use of federally managed lands for grazing, the atmosphere is quite frequently charged with conflict. Further complicating the condition are the third-party, anti-livestock grazing interests who have learned to take advantage of regulatory processes and systems to pursue their agenda with litigation and intimidation techniques, restricting use of lands and natural resources and threatening the economic viability of Nevada ranch families.

Agricultural producers who are dependent on surface water irrigation systems have also been seriously harmed through actions by the federal agency responsible for oversight of these systems. Bowing to political pressure and assisting in achieving a political agenda of diminishing water use for agricultural irrigation purposes, the Bureau of Reclamation has pursued a course of regulatory and bureaucratic activities designed to jeopardize the production ability and profitability potential of farm families in two key agricultural areas of the state (Churchill and Lyon Counties).

While Nevada's current tax structure and system provides agricultural businesses with parameters which are not detrimental to profitable operations, the continual legislative pursuit for additional revenue from business is a constant source of concern for farmers and ranchers. Due to the nature of their enterprises, agricultural producers are not able to pass along increased costs of business (such as taxes) through the marketing chain. Higher costs translate directly to less profit and since most farms and ranches are sole proprietorships, these reductions are taken from the family's resources.

Agricultural businesses also pay significant amounts of fees for government services or regulatory requirements. Activities such as livestock brand inspections, crop inspections, various licensing requirements are all financed (as are the government structures which operate the oversight activities) by fees. Increases in fees are the same as tax increases, and paying for government operations and also being required to pay additional taxes amounts to



a double-whammy with serious consequences to the financial viability of these family businesses.

As is common to all Nevada citizens, farmers and ranchers are deeply interested in the performance of our education system. They look forward to meaningful reform which delivers quality outcomes for students. We are particularly interested in vocational education programs in Nevada High Schools and agricultural studies at the University of Nevada's College of Agriculture, Biotechnology and Natural Resources. We are also interested in the outreach aspect of the Land Grant University System, conducted by the Cooperative Extension Service.

With attention on these critical areas and recognizing the degree to which these educational programs/services depend on state financing, we still wish to stress our perspective that Nevada taxes should not be increased. All areas of government spending need careful and thoughtful analysis, with reductions made in line with priorities determined through open, public deliberation.

Simply put, our citizens and business community are not capable of enduring further increasing tax burdens, forced on the private sector by a public sector that is unwilling to tighten their belts or live within the abilities of taxpayers to pay. We are anxious to see our elected representatives live up to their responsibilities of structuring and budgeting for sustainable governmental operations which fit within the parameters of present revenue levels.



Our state's economic future depends on a private sector where profit opportunities are not undermined and diminished by government taxes which are used to finance expansion of state spending.

Sincerely,

Doug Busselman
Executive Vice President
Nevada Farm Bureau

It used to be that when a Nevada motorist was discovered (by traffic stop or literally by accident) drunk driving or without insurance, the violator was saddled with an SR22 Financial Responsibility Filing which required his auto insurer to alert the DMV if his coverage lapsed in the future. To my surprise, one day (around 1998) the lawmakers decided the state should be tracking the insurance on everybody's vehicle, all the time. When the initial enforcement effort predictably went into meltdown, I testified to the legislative Transportation Committee that their new law had the effect of treating all motorists in Nevada like a convicted drunk or uninsured driver. Furthermore, I said, society could ill afford such a 100% compliance audit, as the bill attempts, even if the constituents had requested it — which they hadn't. Not willing to admit to any legislative mistake, the committee essentially asked the DMV to try harder.

The initial bill was sold as revenue neutral to the state. Let's find out!

It certainly isn't revenue neutral to ANYONE else. Did the lawmakers imagine that insurers wouldn't factor the cost of this into their rates for Nevada? My wife registered our new minivan to her husband, Bill, not realizing that the insurance policy might read "William," which means no automated verification. Every day in Nevada thousands of motorists have, for the past decade, been forced to chase after such innocent and inconsequential glitches impeding "big brother's" compliance audit. Every Nevada licensed auto insurance carrier has paid staff working every day to chase down the same trivia and recommunicate "electronically" with the DMV.

Last week, one client reported that all his employees had parked their company vehicles when word got out the registration had been suspended even though there was never any lapse in coverage, only in its verification. Do lawmakers think this doesn't cost anyone?!

1Nevadans have always tried to show their lawmakers that they are not fond of additional government by limiting their lawmaking sessions to every other year. When that failed to rein in the lawmakers we shortened their biannual sessions, but this back fired. The public now has less time to give input and, with still routinely 1,200 bills submitted, the lawmakers have absolutely no idea what they're voting on. I suggest we give them all the time they want (for the same pay) and require the repeal of two existing laws for every new one they feel compelled to enact. Shall we nominate the failed insurance verification bill as one of the first for early retirement?

Respectfully submitted,

William K. Kolstad, Jr., Zephyr Cove



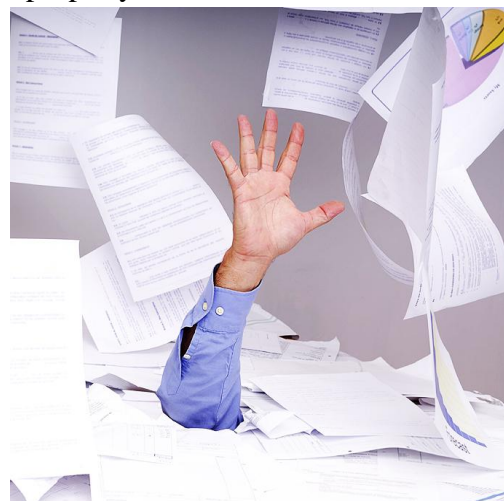
How about us older citizens out here who saved all our working lives to provide our own retirement security, who have no pension (let alone a double or triple dip), who have minimal social security, and are now watching our life savings being devoured by Obama/Democrat-inflation and unnecessary gas prices? We don't have the luxury of a fixed income; ours is a dwindling income with no prospect for a cost-of-living or any other increase.

And now along come all these greedy, selfish public employees who don't think they should have to make the same economic adjustments the rest of us do, businesses and individuals alike. We simply cannot afford more property taxes, sales taxes, gas taxes and fee hikes, especially when EVERY state, county, city and other local budget is loaded with waste, duplication and outright fraud.

Every budget could be cut by one-third with no loss of function, other than reduced performance by angry bureaucrats. In too many cases another property tax increase will cause the loss of more homes. This situation must be resolved by spending reduction and spending cleanup, and is long overdue.

Don, Nevada

Nevada Gold Holdings is a gold exploration company based in Reno, Nevada, operating exclusively within the State of Nevada. Our singular goal is to identify, acquire, explore and discover gold deposits. New discoveries translate into new mines, which lead to new jobs, and new revenues to local, state and federal governments.



Funds for exploration by Nevada Gold Holdings come entirely from investors, most of whom are from outside of Nevada. Our exploration expenditures for 2011 will exceed \$3 million in the form of lease payments to Lander County and the BLM, salaries, equipment purchases, travel expenses (motels, gas, food, etc.) and drilling costs.

The new State of Nevada claim tax has placed an added burden on our exploration activities by “funneling” money away from discovery drilling.

As you may know, as recently as 2006 and years before, Nevada was considered to have the **best mineral policy in the world** for exploration and mine development (Fraser Institute Survey of Mining Companies). Nevada’s exploration environment has taken a turn for the worse, partly because of the new state claim tax and new permitting regulations.

Please consider reducing or eliminating adverse taxes and regulations and work with the

exploration and mining companies to return Nevada to having the #1 ranked mineral policy in the world.

Thank you,

Arthur R. Leger
Geologist, Director of Exploration
Nevada Gold Holdings
Reno, Nevada

Recession? We are in the private sector. We work the same way every year — smart. There is nothing of note from Regulators that we consider “good news,” and it is shameful to suggest they (the Legislature) are trying to seek remedies for the economy by passing meaningful and appropriate financial dogma.

Recession! Do the right thing in the marketplace every year you are in business. Set money aside in the good times, sit on your retained earnings when the economy or interest rates push you that direction. And above all, wait until you hear (not much warning any more) and understand what the Regulators want from you!

In our marketplace rates are competitive (read lower) right now so commission incomes are down (the industry term is “soft market”) about 7% or 8% across the board in all lines of insurance EXCEPT health insurance.

Property and casualty insurance agents, i.e. Independent Insurance Agents, Direct Writers (State Farm, All State, et.al.) all share in this current down cycle. Do we need (or have a choice) to raise our rates to keep our doors open? Do we need to work harder to keep our market share and manage our operating costs? Do we get to ask for some sort of bailout? Do we start sending EMPLOYED folks home so our bottom line is balanced?

We pay our employees’ salaries, health insurance, defined benefit plan, provide paid vacations and sick days and all we ask of them is an honest day’s work and that they be LEGAL U.S. Citizens.

We pay somewhere in the neighborhood of 150 to 175 taxes (and some fees) to Regulators. We have been in business in Nevada since 1935 — 76 years! We are volunteers, we pay association dues, serve on boards and committees and we wait.



We wait for Regulators to tell us what else we will need to do because of the recession. Because of their spending? Wow, good question — how have taxes impacted your business?

My answer is: “When have they not?”

Who will lead, who will help, when will the trust be restored? No, really, WHEN?

— Mike Schellin, Carson City

My husband recently became employed again as the manager of the new Swanson Vitamins warehouse in Sparks. Swanson would not have chosen Northern Nevada to open their new warehouse unless the tax climate was conducive. We cannot afford to chase away new and prospective businesses because certain groups of people in this state refuse to live within the state's means.

Both my husband and I are veterans. We are homeowners. We've spent most of our lives here. The public schools have been crying foul since I arrived here in the 1970s. We do not like big government, and are in daily shock at the entitlement "spell" certain groups in this state are under.

Thank God my husband has a job! We are lucky to own a home and are able to buy food and gas, but it's getting more difficult each month because prices keep going up.

We feel like we're being sucked dry by the vampires in the state and federal governments as it is. We cannot handle more taxes.

— Karen Sorensen, Sparks, Nevada



I am a retired businessman who ran for state senator in the last election. While canvassing, I talked to many out-of-work people who felt frustrated because they had skills to start a business, but were hampered by the fees, red tape and regulations imposed upon them.

For instance, one man was a painter. He was laid off and wanted to start his own house-painting business, but didn't have the finances to get it started. With business licenses now at \$200 and the costs of a DBA filings, along with the time it takes to get the paper work done, an out-of-work person who is looking for a job is really getting further and further behind.

Another was a barber who wanted to start his business in his house so that he could earn some money, but he was not allowed to do so. These people are out of work and eager to do something to earn some money to support themselves and their families.

In these hard times, we need incentives for people to work for themselves, not restrict them with fees, taxes, red tape, and restrictions.

— Tom Jones, Las Vegas

Henderson license fees and the Nev. state tax of 8.1% do not impact the ACE TV CENTER business as seriously as the recent Nevada License annual fee of \$200, which most likely will cause the closing of this business at the end of this year.

This Nevada License fee, which we have paid for the last three years, with great difficulty, especially in the month of December (typically our worst business month), will force our business, which has been open since 1970, to close at the end of this year. We believe this is an unfair tax disguised as a license fee.

The sale of new plasma and LCD televisions during this month, especially, creates a scenario where potential customers choose to buy new products on sale instead of repairing their older plasma and LCD televisions. The money spent on foreign-made televisions instead of repairs at American TV shops has already caused the shutdown of most of these types of businesses. I believe it is down to four TV repair shops in the Las Vegas area, and none in Henderson (except for ACE TV) or Boulder City.

ACE TV does not have a shop. This is a mobile service only, and for that reason customers who want to bring the TVs into a shop, to save the service call fee, will never use our shop for repair service, because now these lighter-weight TVs can be moved by the customer. When they do find a shop which still has an open shop, they usually do not fix them and abandon them wherever they take them. This is similar to the year 2000, when HD type televisions were purchased instead of the repair of older TVs, and forced us to close the expensive shop on East Charleston.



Sony has discontinued making DLP TVs because of class action, and all other manufacturers of DLPs have been sued also. The lamps fail because of the extreme heat during the winter months, and the owners prefer to replace the TV rather than replace the expensive lamp every year or so.

The manufacturers have devised this as a plan to drop the sale price of these TVs so the cost to repair the old ones is phased out. The cost of more expensive parts for the more expensive TVs purchased four or five years ago, for example, create this situation. This factor added to the latest \$200 fee makes this type of repair business no longer profitable.

— George Beard, Henderson, NV

I have two major issues that I feel compelled to write you about. I am one of six owners of a commercial insurance agency in Las Vegas employing 23 full-time employees.

For starters, as a Nevada taxpayer, I encourage our Governor to refuse to begin the legislative process required by the Health Care Reform law to develop the Nevada Insurance Exchanges. With the recent Florida federal judge decision that the individual mandate is unconstitutional, the 50 states in this country will spend \$2 billion collectively to develop the exchanges that may be eventually ruled unconstitutional. Our legislators have enough laws to enact and not enough money for our kids' education to pour tax revenues down a rat hole.

My second concern is that this same Health Care Reform law is requiring health carriers to reduce service fees to agents throughout Nevada and the entire country. My revenues will be cut by about 25%, which will require that I let go two of my four service team members in my benefit department. Our agency prides itself by providing our small employers with claims and administrative services, medical needs navigation and many Human Resource functions. These services will drastically be reduced.

Sincerely,

Frank Nolimal, Las Vegas

I lived and worked in Saudi Arabia for 21 years from 1977 to 1998. Since then, I have been dividing my time between Peru, South America, where I have non-immigrant resident status, and Las Vegas. My wife is a Peruvian with a U.S. green card. I am writing this e-mail from Lima, Peru.

I am absolutely outraged at the Individual Mandates contained in the unconstitutional Health

Care Reform Law and I will not buy health insurance nor will I pay the fine for not doing so.

My wife and I get our health care in Peru where costs are about one-tenth of the costs in the U.S. In 2003 I had successful prostate surgery here in Lima at a private clinic. The surgery was performed by one of the leading urologists in Peru. The total cost, including all preliminary screening, the actual operation and overnight in the recovery room as well as all



follow-up treatment and medication was approximately \$2,700. I have been told this would have cost 10 times as much in the U.S.

I have studied the Health Care Law. Individuals are exempt from the Individual Mandate if they are non-residents. The law refers to a 1986 IRS code that defines non-resident status as residing outside the United States for a minimum of 330 days in a calendar year.



At present, my wife and I spend about half of the year in Peru and the other half in Las Vegas. If the Health Care Law is not repealed or declared unconstitutional, we are going to have to reside in Peru for most of the year. I strongly resent being forced into this situation by an out-of-control federal government.

I would like to share these photos taken near our house in the Peruvian Andes where we will reside when it is not the rainy season.

— Anonymous in Las Vegas

In December, 2007 my micro business closed. In August, 2009 I lost my platinum tenant and defaulted on the townhouse. After 1 1/3 years of foot-dragging, Chase bank finally approved a short sale. We lost substantial savings in the 2008 market debacles. Our medical insurance and co-pays cost over \$20,000 per year, even on Medicare. Being self-employed, we have always paid our own insurance and retirement and taxes. Our small businesses had plenty of government paperwork and fees to contend with.

We have been lucky, but if you raise taxes on folks like us, some will go on food stamps.



It is worse for our children. In 2006 our son started a small business out of his home. Then in 2008 he rented substantial space and expanded. The ridiculous county licensing requirements took four months and a bond required he make a \$40,000 cash deposit for four years. This consumed \$70,000 of badly needed working capital. The bottom fell out of sales in June, 2010 and in November he closed, lost EVERYTHING! And defaulted on two properties. The 8.15% sales tax assessed on vehicles he sold was a real obstacle to buyers and government fees and paperwork on every sale did not help. His wife is fighting stage III thyroid cancer and will lose her accounting job and insurance to out-sourcing to India. We are heart-broken about it all.

I know four friends/acquaintances in AZ, CO and NV who are giving up their homes to TRY to save their businesses. Believe me, no one is helping them.

— Anonymous in Las Vegas

Government Needs Surgery When It Comes To Medical and Health Care

Medicine has declined drastically and deteriorated depressingly in our Country over the past two decades due to government interference. I've had a close, personal, front-row seat as a Practice Manager and Medical Assistant in my husband's once solo, fabulous Family Practice. Most Americans don't realize the disaster that lies ahead where their medical care and health care is concerned. We have a critical shortage of doctors and nurses, and that is mostly because no one wants to go into medicine! Government has completely destroyed the doctor/patient relationship with truly silly laws, regulations and demands put upon what is already perhaps the most difficult job on the planet; much of what has driven medical costs up is federal oversight! Patients once upon a time could actually have a conversation with their doctor, but now, thanks to endless codes which change every year (and it's up to the already strained physician, nurse and medical assistants to re-learn all the bureaucratic ins and outs of



Medicare and Medicaid, and those regs are what drive private insurers to the same lunatic means and methods of reporting), if we can't put a number code on what we do, we're sunk. Absolute scientific fact is, there is not a number for every conversation and delivery of quality care. It will never happen.

Congress seems to feel we can classify, codify, qualify and neatly categorize the doctor-patient relationship and subsequent discussions and treatments. Oh, that Congress gave

themselves the same manner of rules to live by that they expect of doctors and nurses! Medical education is the most arduous field for our bright minds to go into, and takes the longest course of study to meet the demands of today's technology and skill sets. That has to be compensated. Now, this President and many in this Senate and Congress feel they know best how to care for patients. I'll bet when their mother or father, their wife or child, their sister or brother needs a scan or a test, it gets done ... no bureaucratic mumbo-jumbo or waiting weeks for approval and resubmitting referrals and paperwork. Doctors could deliver high quality care with compassion if government and bureaucracy were not putting a pile of red tape between them and their patients. Americans will awaken to a sad day when government tells them to stand in line for someone to listen to their heartbeat and take their pulse ... or to arrive at the ER only to be told to come back later.

— A Doctor's Wife, Las Vegas

We have owned the Arch of Reno Wedding Chapel at 155 N. Virginia St. in Reno since 2002 and interact with local, county and state governments in our business. Our business is unique in that we are 100% dependent upon the Washoe County Marriage License Division being open to conduct our business.

During the special legislative session last year, the legislature passed a bill to temporarily give the Washoe County Commissioners the authority to deviate from the statute (NRS122.061 mandating the hours of 8:00 a.m. until midnight, 365 days per year) setting the hours of operation for the Marriage License Bureau. The County Commission reduced the Marriage Bureau's weekly hours of operation by 24 hours, reduced the bureau's hours on County observed holidays in half and closed the Bureau on Thanksgiving. These cuts forced local wedding chapels to drastically reduce our hours of operation and further reduced our revenues. As a direct result, the Arch of Reno has been forced to cut 48 hours-plus per week from our employees. These deviations had minimal impact on the County Clerk's direct employees (\$4800 per year shift differential and holiday pay) since they are represented by a union and guaranteed 40 hours per week.

The County Clerk and the County Commission are asking the 2011 legislature to permanently grant them the power to set the Clerk's hours without offering any alternatives such as allowing the issuance of marriage licenses by licensing agents or using lower cost satellite locations, which would allow chapels and others in the wedding industry to continue



operating their businesses in the traditional manner. We have been informed by some County Commissioners that more severe cuts are expected in the future.

Approximately 75% of marriage licenses issued in Washoe County are issued to out-of-state couples, primarily from Northern California, Bay Area, Central Valleys, Oregon and Washington. With Washoe County's reduction of hours, many couples are choosing alternatives to getting married in Nevada. The loss of tourism dollars by the continued reduction in the number of weddings (average of 10 tourists per wedding) threaten to further devastate the economy in our area, impacting local business, sales tax, gaming tax, and room tax revenues. Wedding chapels and other industries in South Lake Tahoe, California (only a one-hour drive from Reno), will further benefit by the reduction of hours in Washoe County with the ability to offer weddings 24 hours a day, since Notary Publics are available to issue marriage licenses.

Also, there is currently a state statute (NRS122.189) that mandates an office of the commissioner of civil marriages and sets fees that can be charged. The Commissioner's rate is set at the artificially low rate of \$50 for a civil ceremony, forcing private enterprise to compete at that rate. Taxpayers continue to subsidize the Marriage Commissioner's office that unfairly competes with private enterprise.

Kathleen Marino and Patricia Simpson
Co-Owners, Arch of Reno Wedding Chapel

NCET is a small, two-person, 501c3 nonprofit organization. However, we are required to file a Federal 990 tax return. In 2009, our tax return was 35 pages long and cost almost \$5,000 to prepare. And, uncountable staff hours were required to comply with the required tracking and reporting.



The \$5,000 was the most significant cost, however, as that money would have gone to support our programs, and could have been used as another cash prize in our college business plan competition to

award entrepreneurship and innovation, two of the factors everyone identifies as critical to our economic recovery.

As the legislature meets, I hope they will not impose any similar laws or regulations that will further diminish our ability to serve the people of Nevada, either through direct cash costs, or indirect non-cash costs such as staff time. Thanks!

Dave Archer, Nevada

I am an insurance broker and have been in business since 1965. I have employed up to three CSRs in my office in the past . I now employ one, as a result of government regulations, taxes and fees. I have always had an office presence in Carson City.

But because of the uncertainty of our legislature and what punitive legislation they may pass, I am looking for a way to move my office to my home. This would allow me to save enough each month to keep up with living expenses.

In closing, I would like to say in the 40+years I have been in business I have never seen a legislature that didn't see business as a target to implement a particular group's agenda.

Sincerely,

Larry Cross
Cross Insurance Agency
Owner/Broker

The Nevada Policy Research Institute

is an independent research and educational organization dedicated to improving the quality of life for all residents of the Silver State through sound, free-market solutions to state and local policy questions. The Institute assists policy makers, scholars, business people, the media and the public by providing non-partisan analysis of Nevada issues and by broadening the debate on questions that for many years have been dominated by the belief that government intervention should be the default solution.

*For more information please contact:
The Nevada Policy Research Institute
3155 E. Patrick Lane, Suite 10
Las Vegas, Nevada 89120-3481*

(702) 222-0642 • Fax (702) 227-0927 • www.npri.org • office@npri.org

