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February 18, 2003

Hon. Mark Manendo, Chair
Assembly Committee on
Government Affairs
Legislative Building
Carson City, NV 89701

Dear Chairman Manendo:

Please accept this letter as my support for AB 85 to reduce the cost of issuing Industrial Development Revenue Bonds in Nevada. The vast majority of businesses in our state are small businesses with less than 50 employees. By standardizing the process of issuing bonds and placing caps on cost, more of these Nevada-based small businesses will be able to access affordable financing through the "Mini-Bond Direct Placement Program" in amounts ranging from \$500,000 to \$3 Million.

The Industrial Development Revenue Bond (IDRB) program is a significant and vital component of Nevada's economic development and diversification efforts. This special Federal tax-exempt form of financing made available through the State of Nevada to finance qualified projects at interest rates substantially below comparable commercial rates offers flexible terms at variable and fixed interest rates for borrowers who are credit worthy and present financially feasible business plans. Since its inception, 53 bonds have been issued, representing financing of \$ 810 Million and the creation of nearly 4,000 new jobs in Nevada.

With the proposed changes in the IDRB program, businesses throughout the state will find potential benefit. However, the "Mini-Bond Direct Placement Program" will especially help businesses located in many of our rural areas in Nevada. These businesses have greater difficulty in securing traditional loans because of their perceived remoteness from the state's urban areas. These same businesses most likely do not require funding in excess of \$ 3 Million.

For all the these reasons, I firmly support the changes to Nevada's IDRB program as expressed in AB 85 of the 72nd Session.

Sincerely,

Bob Shriver
Executive Director



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ASSEMBLY GOVERNMENT AFFAIRS
DATE: 2/18/03 ROOM: 3143 EXHIBIT F
SUBMITTED BY: Carl Dahlen