

## DISCLAIMER

Electronic versions of the exhibits in these minutes may not be complete.

This information is supplied as an informational service only and should not be relied upon as an official record.

Original exhibits are on file at the Legislative Counsel Bureau Research Library in Carson City.

Contact the Library at (775) 684-6827 or [library@lcb.state.nv.us](mailto:library@lcb.state.nv.us).

Mr. Chairman and members of the committee. My name is Keku Kamalani, UNLV intern for Senator Dina Titus.

Brownfields are defined as abandoned, idled, or underused properties where redevelopment or expansion is complicated by real or perceived environmental contamination. Brownfields typically occur on or near properties that were formally used for industrial purposes, such as chemical production, manufacturing and any activity that may result in soil or water contamination. Until an environmental assessment is conducted, the property owner, developer, or purchaser may not know that the property presents an environmental risk. The uncertainty associated with a property's environmental liability can slow or stop the development process. Brownfields redevelopment is a form of recycling land. It is a means of reestablishing previously underused or underdeveloped property as a viable resource.

At the federal level there have been many attempts at addressing the problems associated with brownfields. Both the U.S. Senate and House of Representatives have introduced legislation that provide funds to finance brownfield site activities, such as assessments and cleanup, and tax incentives to ease the cash flow or cost of capital for brownfield projects. In

1997, the Clinton administration signed into law the Brownfield tax Incentive which uses the tax code to encourage non-responsible parties-such as innocent owners and prospective purchasers-to undertake clean up projects (such as making cleanup expenses fully deductible in the year incurred). The law also authorized \$1.5 billion in incentives for cleanups undertaken by Dec. 31, 2000. There has also been legislation introduced which offered further protection for brownfield participants such as prospective purchasers and adjoining property owners, while other bills provided a more direct link between EPA and state voluntary cleanup programs.

Such has been the case in Nevada. In 1999, SB 363, sponsored by Sen. Titus, was passed and created a brownfield program whereby prospective purchasers of contaminated property can voluntarily enter an agreement with the Nevada Department of Environmental Protection to clean up environmental hazards on land, and in turn receive protection from liability for damages caused by the hazardous substance prior to the cleanup. And before you today, AB 74 supplements this program by creating a revolving fund through which federal dollars can be distributed. We are pleased to

commend Allen Biaggi and the Nevada Division of Environmental Protection for acquiring this grant.

Brownfields Development is important because many benefits are associated with this program. When contaminated sites are cleaned a healthier environment is the end result. Besides the environment, other benefits attributed to brownfield development include the creation of new jobs, and improved property values. Revitalized, economically successful sites could attract additional industry and commercial enterprise to the State of Nevada and further the diversification of the business sector. This diversification of the business sector promotes diversification of the job market and labor pool. Economic diversification may reduce the cyclical slumps that can occur in mono-economies, such as those based solely on tourism. This is especially important post 9-11, in which Nevada's tourist economy is at risk.

So I urge you to support AB 74. Thank you.