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# State of Nevada Assembly

Seventy-Second Session

Good morning Mr. Chairman and members of the committee, I'm Chad Christensen, Assemblyman from Assembly District 13 in Las Vegas. I would have liked to be here in person today to testify in favor of this bill, however, my wife gave birth to our new boy Collin Race Christensen last night, and I am with her and my family at this time. This is boy number four for the Christensen family and we are very delighted to have the new addition.

I support SB 298 for many different reasons. I am a small businessman and am about as pro-business as any Nevadan could be. Our great state has always been a pro-business state and we need to keep that moniker. In fact, Nevada has worked very hard over the years to attract new businesses to relocate to Nevada.

During my campaign, I had the opportunity to meet with the Nevada Resident Agents Association to discuss their concepts for this bill. I found that what they are attempting to do here is something that caught my attention. I decided then that whether I was elected to the Assembly or not, I was going to advocate for this legislation because it will make Nevada more competitive amongst the other states that are considered incorporation centers.

When I was incorporating one of my businesses a few years ago, I looked at what the cost was to incorporate in several states and found that Utah was "cheaper" to incorporate (at least in the first year when my money was tight) than Nevada. To the tune of about \$100. So as I look at what we are trying to do with this legislation, I support the concept of lowering the initial filing fee and raising the other fees as presented in this bill. After all, who are we to tell the Resident Agents how to conduct their business? They do this for a living and are the experts. They know what the market place can bear. When government tries to become the expert and tell business how to do business, I get a little nervous. After all, as a financial consultant, I don't tell Cashman Equipment how to sell Caterpillars, we shouldn't be telling the residents agents how to run this industry.

Over the past several weeks, I have been looking at what this industry contributes to the state in revenues. I was shocked to learn that the Resident Agents spend about \$10 million per year of their own money to promote Nevada as an incorporation center. Additionally, they generate approximately \$80 million in revenues to the state with virtually no demand on state or local services. They don't use our schools, Medicare, highways, universities or prisons. They generate \$80 million to the bottom line of the state budget.

I have also learned that this association was asked to participate last session of the legislature and they did and generated about \$27 million over the biennium for education and teachers salaries.

This session their proposal will generate even more revenues over the biennium if they get the two components they are requesting. I'm going to let Derek Rowley discuss the technical aspects of this bill, because he is the expert.

I am so interested in this legislation that I have a sister bill in the Assembly that was introduced on Monday.

As our great state faces these financial challenges, we should respect an association like this that comes forward with solutions to our problems. I know there may be some here today that might oppose some of these provisions, however, I do know that everyone will enjoy and support the revenue it generate. Unfortunately, we can't have one without the other.

We need to improve the No Charging order provisions in our state and by creating the LLLP selection will generate more revenues for our state. This added protection under the LLLP will make Nevada more competitive with states like Delaware, Wyoming, South Dakota and many others.

Nevada has always been referred to as the "Delaware of the West". This bill can launch us down the path of making Delaware the Nevada of the East!

Again, Mr. Chairman, I wish I could have been with you in person today to testify and show my support for this bill. I would ask that my comments be submitted for the record and hope that the Senate sees way to passing this ever important piece of legislation. If not for helping our state today, then for creating a better place for tomorrow. You see, there are now *four* little Christensens that I am responsible for, and these four kids are why I ran for office. Like all of you, I have an obligation to make Nevada a better place to live and work. I believe this legislation will generate a piece of the revenues the state needs at this time and it makes Nevada more competitive in the business market place.

I thank you for reading my comments, and allowing me the opportunity to participate via this letter.

Sincerely,

Chad R. Christensen  
Member  
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District 13