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STATE OF NEVADA

DEPARTMENT OF TRANSPORTATION

1263 S. Stewart Street

Carson City, Nevada 89712

Telephone (775) 888-7440 • Facsimile 888-7201

April 29, 2003

KENNY C. GUINN, Governor

TOM STEPHENS, P.E., Director

In Reply Refer to:

Assemblyman David Goldwater, Chairman
Assembly Commerce and Labor Committee
Legislative Building
401 South Carson Street
Carson City, NV 89701-4747

Dear Chairman Goldwater:

I am writing this letter in regard to Senate Bill 19 which we understand will be heard by the Assembly Commerce and Labor Committee. The Department of Transportation is very concerned about the impact of a number of provisions which we believe are unintended consequences of the bill.

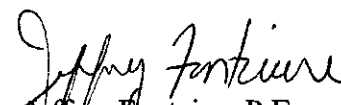
Our most important concern is that S.B. 19 is in direct conflict with federal law and would appear to disqualify Nevada from participating in Federal-aid highway projects. NDOT currently receives approximately \$200 million a year in Federal highway funding, and is working towards increasing the average annual funding level to \$240 million as part of the reauthorization of the Federal surface transportation bill. Loss of these funds would be devastating to Nevada's highway construction program, and result in the loss of hundreds of private sector jobs.

Senate Bill 19 also transfers bidding and awarding highway construction contracts from NDOT to the State Public Works Board. We believe that transferring this responsibility would cause delays in awarding contracts, eliminate standards and safeguards specific to highway construction, and place additional burdens on contractors.

Senate Bill 19 which requires the Director of NDOT to provide written attestation before any work estimated to cost between \$25,000 and \$100,000 is undertaken by Department personnel, would severely hamper NDOT's ability to provide timely repairs to highways. For example, NDOT personnel could not respond to an incident that closes a major highway if the repair is estimated to cost between \$25,000 and \$100,000 unless a written justification is signed by the Director. This requirement will cause serious delays to the motoring public.

Enclosed, please find proposed amendments which would exempt NDOT from S.B. 19, as well as a fiscal note. We appreciate your consideration of these amendments. Please feel free to contact me at 888-7440 if you have any questions.

Sincerely,


Jeffrey Fontaine, P.E.
Deputy Director

enclosures (2)

D104

ASSEMBLY COMMERCE & LABOR
DATE: 5/5/03 ROOM: 4100 EXHIBIT D
SUBMITTED BY: Rudy Edmiston

(O)-4667A

PROPOSED AMENDMENTS TO SB NO. 19

The Nevada Department of Transportation's proposed amendments to the First Reprint of Senate Bill No.19 (BDR 28-409), pre-filed January 24, 2003, and reprinted with amendments adopted on April 21, 2003, is respectfully submitted as follows:

1. At page 1, remove and delete from the SUMMARY of the bill the bracketed language, i.e., [~~and requires Department of Transportation to follow contracting procedures used by other state agencies~~].

2. At page 1, remove and delete from the preamble the bracketed material as follows:

"AN ACT relating to public works; providing for an expedited process by which the State or a local government solicits bids and awards contracts for certain smaller public works projects to properly licensed contractors or completes such projects itself; providing that such an expedited process does not relieve the State or a local government from certain duties; [~~requiring the Department of Transportation to follow the same provisions relating to contracting and design-build projects which other state agencies are required to follow;~~] and providing other matters properly relating thereto.

3. At page 2, Sec. 2, line 10, of the proposed bill, after, and at the end of, subsection 2, insert a new subsection containing the following language: [*3. This section does not apply to any work of construction, reconstruction, improvement and maintenance of highways subject to NRS 408.323 or 408.327.*];

4. At page 3, Sec. 3, line 3, of the proposed bill, after, and at the end of, subsection 5.(b), insert a new subsection containing the following language: [*6. This section does not apply to any work of construction, reconstruction, improvement and maintenance of highways subject to NRS 408.323 or 408.327.*];

5. At page 3, Sec. 4, line 23 of the proposed bill, after, and at the end of, subsection 2.(b), insert a new subsection containing the following language: [*3. This section does not apply to any work of construction, reconstruction, improvement and maintenance of highways subject to NRS 408.323 or 408.327.*];

6. At page 7, Sec. 9, lines 41 to 45, inclusive, of the proposed bill, keep and insert [*The provisions of NRS 338.1375 to 338.1383, inclusive, and 338.139 do not apply with respect to contracts for the construction, reconstruction, improvement and maintenance of highways that are awarded by the Department of Transportation pursuant to NRS 408.313 to 408.433, inclusive.*];

7. At page 9, Sec. 10, line 35 of the proposed bill, keep and insert [*or 408.327*];

8. At page 11, Sec. 11, line 36 of the proposed bill, keep and insert [*or 408.327*];

9. At page 16, Sec. 13, line 40 of the proposed bill, keep and insert [*or 408.327;*];
10. At page 18, Sec. 14, line 32 of the proposed bill, keep and insert [*or 408.327;*];
11. At page 22, Sec. 17, line 43 of the proposed bill, keep and insert [*or 408.333;*];
12. Remove and delete in its entirety Sec.20, at page 24, lines 6 to 23, inclusive. The section to be deleted begins with the words "NRS 408.205 is hereby amended to read as follows: 408.205 1. With the approval of the Board," and ending with "available to all Department officers and employees.";
13. Remove and delete in its entirety, Sec. 21, at page 24, lines 24 to 40, inclusive. The section to be deleted begins with the words "NRS 408.215 is hereby amended to read as follows: 408.215 1. The Director has charge" and ending with "carry out and enforce the provisions of this chapter.";
14. Remove and delete in its entirety, Sec. 22, beginning at page 24, line 41 to page 25, line 3, inclusive. The section to be deleted begins with the words "NRS 408.225 is hereby amended to read as follows: 408.225 [~~Except as otherwise provided in NRS 408.323,~~" and ending with "under the control of the Director.";
15. Remove and delete in its entirety, Sec. 23, at page 25, lines 4 to 13, inclusive. The section to be deleted begins with the words "NRS 408.317 is hereby amended to read as follows: 408.317 1. Except as otherwise provided in NRS" and ending with "paid out of the State Highway Fund.";
16. Remove and delete in its entirety, Sec. 24, at page 25, lines 14 to 25, inclusive. The section to be deleted begins with the words "NRS 408.323 is hereby amended to read as follows: 408.323 [~~1. Whenever it can be justified by the Director~~" and ending with "NRS 408.327 and 408.367 do not apply.]";
17. At page 25, Sec. 25, line 28 of the proposed bill, keep and insert [, *and 408.3875 to 408.3887, inclusive;*]; and
18. Remove and delete in its entirety, Sec. 26, at page 26, lines 15 to 18, inclusive. The section to be deleted begins with the words "NRS 408.327, 408.333" and ends with the words "and 408.3887 are hereby repealed."

Fiscal Note for SB 19 (BDR 28-409)

Submitted by the Nevada Department of Transportation

Fiscal Year	Fiscal Year	Effect on Future Biennia
2003-2004	2004-2005	
\$200,000,000	\$200,000,000	\$480,000,000

Explanation:

This fiscal note is based on the loss of Federal Highway Funds.