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SENATE BILL NO. 214–SENATORS HARDY; McGinness and Rhoads

MARCH 2, 2011

JOINT SPONSORS: ASSEMBLYMEN STEWART; AND HARDY

Referred to Committee on Transportation

SUMMARY—Requires the Department of Transportation to establish a demonstration project for a toll road in connection with the Boulder City Bypass Project. (BDR S-842)

FISCAL NOTE: Effect on Local Government: No.

Effect on the State: No.

EXPLANATION - Matter in bolded italics is new; matter between brackets [omitted material] is material to be omitted.

AN ACT relating to transportation; requiring the Department of Transportation to establish a demonstration project for a toll road in connection with the Boulder City Bypass Project; authorizing the Department of Transportation to enter into one or more public-private partnerships to design, construct, develop, finance, operate or maintain the demonstration project; providing for the establishment of user fees, administrative fines and penalties; providing for the disposition of money which is received and is to be retained by the Department of Transportation pursuant to a public-private partnership in connection with the demonstration project; providing that such money must first be used to defray the obligations of the Department of Transportation under the public-private partnership; requiring the Department of Motor Vehicles to place a hold on the renewal of the registration of a motor vehicle of a registered owner who fails to pay a required user fee for the use of the demonstration project and to otherwise assist in the collection of such user fees, fines and penalties; authorizing the Department of Motor Vehicles





to establish certain administrative fees; authorizing the issuance of revenue bonds or notes of the State; amending Nevada Revised Statutes to exempt the demonstration project from certain provisions governing public works; amending Nevada Revised Statutes to exempt various highway projects from certain provisions governing public works; amending Nevada Revised Statutes to exempt various property interests connected to the demonstration project from certain provisions governing taxation; amending Nevada Revised Statutes to remove statutory limitations on the use of design-build teams for highway projects and remove statutory limitations on the proposals submitted by such design-build teams; amending Nevada Revised Statutes to revise procedure for renewing the registration of a motor vehicle; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Section 15 of this bill requires the Department of Transportation to establish a demonstration project for a toll road in connection with the Boulder City Bypass Project. Section 15 also provides that the demonstration project must be and remain a public highway owned by the Department. Section 16 of this bill authorizes the Department to enter into contracts with one or more public-private partnerships for planning, designing, financing, constructing, improving, maintaining, operating or acquiring rights-of-way for the demonstration project. Section 22 of this bill requires the Board of Directors of the Department to establish or include in a public-private partnership: (1) a schedule of user fees for the use of the demonstration project or a methodology for establishing such a schedule; and (2) administrative fines and other penalties for nonpayment of user fees. Section 22 also authorizes the Board to establish exemptions from the user fees for certain motor vehicles. Section 23 of this bill provides that registered owners are subject to administrative fines and penalties for failure to pay a required user fee. Section 23 also requires the Department of Motor Vehicles to place a hold on the renewal of the registration of a motor vehicle if the Department of Transportation or a private partner provides notice to the Department of Motor Vehicles that the registered owner of the motor vehicle has failed to pay a required user fee.

Section 24 of this bill requires that all money that is received and is to be retained by the Department of Transportation pursuant to a public-private partnership in connection with the demonstration project that is derived from the imposition of any charge with respect to the operation of any motor vehicle upon any public highway in this State must be deposited in the State Highway Fund and, except for costs of administration, must be used exclusively for the construction, maintenance and repair of the public highways of this State. Section 24 also provides that the money must first be used to defray the obligations of the Department under the public-private partnership, including, without limitation, the costs of administration, design, construction, operation, maintenance, financing and repair of the demonstration project.

Section 25 of this bill provides that the demonstration project and any property improvement determined by the Department to be necessary or desirable therefor may be financed by the private partner to a public-private partnership using its own



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funds or obtaining funds in any lawful manner for that entity or by the issuance of revenue bonds or notes of the State.

Section 27 of this bill provides that a private partner is exempt from any assessment on property which the Department provides to the private partner pursuant to a public-private partnership and on which the demonstration project is located. **Section 28** of this bill requires a private partner to pay prevailing wages to workers engaged in construction on the demonstration project.

Section 30 of this bill authorizes the Board of Directors of the Department of Transportation to adopt regulations to carry out the demonstration project. Section 32 of this bill requires the Board to submit a report concerning the demonstration project to the Legislative Commission on or before February 1 of each even-numbered year and to the Director of the Legislative Counsel Bureau for transmittat to the Legislature on or before February 1 of each odd-numbered year. Section 33 of this bill requires the Department to submit quarterly reports relating to the demonstration project to the Legislative Commission and the Interim Finance Committee.

Under existing law, the Department is authorized to enter into contracts with a design-build team to design and construct highway projects for which the estimated cost exceeds \$20 million and which meet certain conditions. Once each fiscal year, the Department is authorized to contract with a design-build team for a project the estimated cost of which is at least \$5 million but less than \$20 million. (NRS 408.388) Section 37 of this bill removes the monetary thresholds that limit the number of projects of the Department that may be constructed pursuant to the design-build method and, therefore, allows the Department to contract with a design-build team for any highway project if the conditions set forth in existing law are met.

A design-build team that submits a final proposal to the Department on a project is required under existing law to submit, as part of the proposal, certain information about the subcontractors who will provide a portion of the work on the project. (NRS 408.3886) **Section 38** of this bill eliminates the requirement that a design-build team provide this information regarding subcontractors.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

- **Section 1.** This act may be cited as the Boulder City Bypass Toll Road Demonstration Project Act.
 - **Sec. 2.** As used in this act, unless the context otherwise requires, the words and terms defined in sections 3 to 14, inclusive, of this act have the meanings ascribed to them in those sections.
- **Sec. 3.** "Authorized emergency vehicle" has the meaning ascribed to it in NRS 484A.020.
- **Sec. 4.** "Board" means the Board of Directors of the Department of Transportation.
 - **Sec. 5.** "Concession" means any lease, ground lease, franchise, easement, permit, right of entry, operating agreement or other binding agreement transferring rights for the use or control, in whole or in part, of the demonstration project by the Department to a private partner.





- **Sec. 6.** "Demonstration project" means the toll road demonstration project established by the Department pursuant to section 15 of this act.
- **Sec. 7.** "Department" means the Department of Transportation.
- **Sec. 8.** "Motor vehicle" has the meaning ascribed to it in NRS 484A.130.
- **Sec. 9.** "Private partner" means a person with whom the Department enters into a public-private partnership.
- **Sec. 10.** "Public-private partnership" means a contract entered into by the Department and a private partner under which the private partner:
- 1. Assists the Department in defining a potential project concerning the demonstration project and negotiates terms for potentially carrying out the planning, designing, financing, constructing, improving, maintaining, operating or acquiring rights-of-way for, or any combination thereof, the demonstration project, or any portion thereof; or
- 2. Assumes responsibility for planning, designing, financing, constructing, improving, maintaining, operating or acquiring rights-of-way for the demonstration project or any portion thereof.
 - **Sec. 11.** "Registered owner" means a person whose name appears in the records of the Department of Motor Vehicles as the person to whom a motor vehicle is registered.
 - **Sec. 12.** (Deleted by amendment.)
 - **Sec. 13.** "Toll road" means a highway and appurtenant facilities for which a user must pay a user fee as a condition of use.
 - **Sec. 14.** "User fee" means a toll, fee, fare or other similar charge, including, without limitation, any incidental, account maintenance, administrative, credit card or video tolling fee or charge authorized by the Department or a public-private partnership and imposed on a person for his or her use of a toll road.
 - **Sec. 15.** 1. The Department shall establish a toll road demonstration project in connection with the Boulder City Bypass Project. The demonstration project is a toll road in the vicinity of Boulder City, and may:
 - (a) Include, without limitation, highways, roads, bridges, onramps, off-ramps, direct connectors to or from other highways or arterials, tunnels, connectors to an airport, pavement, shoulders, structures, culverts, curbs, toll gantries and systems, drains, rights-of-way, buildings, communication facilities, equipment appurtenances, lighting, signage, service centers, operations centers, services, personal property and works incidental to, related to or desirable for highway design, construction, improvement,





maintenance or operation required, laid out, constructed, improved, maintained or operated for highway purposes.

- (b) Include any appurtenant facilities and facilities necessary for financing, connectivity, operations, maintenance, mobility or safety of the demonstration project, which may include tolled and nontolled elements and on- and off-site facilities.
- (c) Be developed in one or more phases, through one or more solicitations and with one or more private partners.
- 2. The Department may perform such tasks as are necessary and appropriate to plan, finance, design, construct, improve, maintain, operate and acquire rights-of-way for the demonstration project, including, without limitation:
- (a) Plan, design, finance, construct, maintain, operate and make such other improvements to existing highways as may be necessary and appropriate to accommodate, develop and own the demonstration project.
- (b) Determine the allowable uses of and the goals, standards, specifications and criteria of the demonstration project.
- (c) Enter into agreements with any local government or other political subdivision of this State, another state or the Federal Government for planning, designing, financing, constructing, improving, maintaining, operating and acquiring rights-of-way for the demonstration project.
- (d) Enter into contracts with a public-private partnership for planning, designing, financing, constructing, improving, maintaining, operating and acquiring rights-of-way for the demonstration project.
- (e) Retain legal, financial, technical and other consultants to assist the Department concerning the demonstration project.
- (f) Secure financial and other assistance for planning, designing, financing, constructing, improving, maintaining, operating and acquiring rights-of-way for the demonstration project.
- (g) Apply for, accept and expend money from any lawful source, including, without limitation, any public or private funding, loan, grant, line of credit, loan guarantee, credit instrument, private activity bond allocation, credit assistance from the Federal Government or other type of assistance that is available to carry out the demonstration project.
- (h) Accept from any source any grant, donation, gift or other form of conveyance of land, money, other real or personal property or other thing of value made to the Department to carry out the demonstration project.
- (i) Pay any compensation to which a private partner is entitled, pursuant to the terms of the public-private partnership, upon the termination of the public-private partnership.





- (j) Enter into a bond indenture, loan agreement, interest rate swap, financing agreement, security agreement, pledge agreement, credit facility, trust agreement or other financial agreement in connection with the financing of the demonstration project.
- 3. The demonstration project, whether planned, designed, financed, constructed, improved, maintained or operated by the Department or private partner, must be and remain:
 - (a) A public highway;
 - (b) A public use;

- (c) A public facility; and
- (d) Owned by the Department.
- 4. Before construction of the demonstration project begins, U.S. Highway 93 shall be deemed an alternate route to the toll road which does not require a user fee. The Department may establish one or more additional alternate routes to the toll road which do not require a user fee and which can accommodate the same types of vehicles as the toll road.
- **Sec. 16.** 1. The Department may enter into a public-private partnership with one or more private partners for planning, designing, financing, constructing, improving, maintaining, operating or acquiring rights-of-way for the demonstration project. A public-private partnership entered into pursuant to this section may include, without limitation, a concession and may be awarded through one or more solicitations that must include, without limitation, some or all of the requests for qualifications, short-listing of qualified proposers, requests for proposals, negotiations and best and final offers.
- 2. For any solicitation in which the Department issues a request for qualifications, request for proposals or similar solicitation for a public-private partnership, the Department may determine which factors it will consider and the relative weight of those factors in the evaluation process for the demonstration project to obtain the best value for the Department.
- 3. Each request for proposals issued for the demonstration project must require each person submitting a proposal to include with the proposal an executive summary. The executive summary must address the major elements of the proposal but must not include the financial terms of the proposal, the financing plan or other confidential or proprietary information or trade secrets that the person submitting the proposal intends to be exempt from disclosure.
- 4. The executive summary may be released to the public by the Department at any time.
- 5. After evaluation of the proposals submitted in response to a request for proposals, the Department may enter into negotiations





with the applicant whose proposal appeared to have the best value to enter into a public-private partnership. If the Department is unable to negotiate a public-private partnership with that applicant upon such terms and conditions that the Department determines to be in the best interest of the public, the Department may suspend or terminate negotiations with that applicant. The Department may then undertake negotiations with the next highest-ranked applicant in sequence until a public-private partnership is entered into or a determination is made by the Department to reject all applicants that submitted proposals.

- 6. After the award and execution of the public-private partnership, the Department shall make available to the applicants and the public the results of the evaluations of proposals and the final rankings of the applicants.
- 7. Notwithstanding any other law to the contrary, to maximize competition and to obtain the best value for the public, no part of a proposal other than the executive summary may be released or disclosed by the Department before the award and execution of the public-private partnership and the conclusion of any specified period to protest or otherwise challenge the award, except pursuant to an administrative or judicial order requiring release or disclosure of any part of the proposal.
- **Sec. 17.** 1. The Department may reimburse an unsuccessful bidder for a portion of the cost of preparing a proposal or best and final offer, or both. If the Department intends to make such a reimbursement, the Department shall set forth the terms and conditions of the reimbursement in the request for qualifications or request for proposals for the demonstration project.
- 2. In exchange for the reimbursement, the Department shall require the recipient to grant to the Department the nonexclusive right to use any work product contained in the proposal, including, without limitation, technologies, techniques, methods, processes and information contained in the design. Such use by the Department is at the sole risk of the Department, and the recipient does not have any responsibility for such use.
- **Sec. 18.** 1. The provisions of NRS 338.1385, 338.141, 408.327 to 408.343, inclusive, 408.357 and subsection 1 of NRS 408.3884 do not apply to a public-private partnership.
- 2. To be eligible as a private partner in connection with a public-private partnership, a private partner must:
- (a) Obtain a performance bond, payment bond, letter of credit, parent guarantee or other security acceptable to the Department, or any combination thereof, as the Department may require;
- (b) Obtain insurance covering general liability and liability for errors and omissions, in amounts determined by the Department;





- (c) Not have been found liable for breach of contract with respect to a previous project with the Department, other than a breach for legitimate cause during the 5 years immediately preceding the commencement of the solicitation of the public-private partnership; and
- (d) Not have been disqualified from being awarded a contract pursuant to NRS 338.017, 338.13895, 338.1475 or 408.333.
- 3. A private partner is not required to hold the licenses and certifications required to undertake the work for the demonstration project as a condition of eligibility to be a private partner but must ensure that any work which requires a license or certification is performed by persons that possess the required licenses and certifications.
- **Sec. 19.** Information obtained by or disclosed to the Department during the procurement or negotiation of a public-private partnership may be kept confidential until the public-private partnership is executed, except that the Department may exempt from release any proprietary information obtained by or disclosed to the Department during the procurement or negotiation.
- **Sec. 20.** 1. Except as otherwise provided in subsection 2, notwithstanding any other law to the contrary, a public-private partnership may be for a term of not more than 55 years after the opening of the demonstration project to the public and the commencement of its full operations and collection of revenue.
 - 2. A public-private partnership may be extended:
 - (a) As a result of an event in the nature of force majeure;
- (b) As a means to compensate the private partner for events set forth in the public-private partnership that entitle the private partner to compensation; or
- (c) For additional terms upon the mutual agreement of the private partner and the Department, as authorized by the Board.
 - **Sec. 21.** 1. A public-private partnership entered into pursuant to this act may include provisions that:
 - (a) Authorize the Department and the private partner to charge, collect, use, enforce and retain user fees, including, without limitation, provisions that:
 - (1) Specify the technology to be used in the demonstration project;
 - (2) Establish circumstances under which the Department may receive the revenues or a share of the revenues from such user fees;
- (3) State that the user fees may be collected directly by the Department, the private partner or by a third party engaged for that purpose;





- (4) Prescribe a formula, indexation or mechanism for the adjustment of user fees during the term of the public-private partnership;
- (5) Allow a variety of strategies to be employed to manage traffic on the demonstration project that the Department determines are appropriate based on the specific circumstances of the demonstration project; and
- (6) Govern the enforcement of user fees, including, without limitation, provisions for the use of cameras or other mechanisms to ensure that users have paid user fees which are due and provisions that allow the Department of Transportation and private partner to request information from relevant databases, including, without limitation, databases of the Department of Motor Vehicles, pursuant to the provisions of NRS 481.063, for enforcement purposes. The Department of Transportation may impose a civil penalty of not more than \$10,000 per violation for misuse of the data contained in such databases, including, without limitation, negligence in securing the data properly. Any civil penalty collected pursuant to this subparagraph must be deposited in the State General Fund.
- (b) Allow for payments to be made by this State to the private partner, including, without limitation, periodic payments, construction payments, payments for attaining milestones, progress payments, payments based on availability or other performance-based payments, payments relating to events for which the public-private partnership requires payment of compensation and payments relating to or arising out of the termination of the public-private partnership.
- (c) Allow the Department to accept payments of money from, and share revenues with, the private partner. The Department shall deposit such money in the State Highway Fund.
- (d) Address the manner in which the Department and the private partner will share management of the risks of the demonstration project.
- (e) Specify the manner in which the Department and the private partner will share the costs of any development of the demonstration project.
- (f) Allocate financial responsibility for any costs that exceed the amount specified in the public-private partnership.
- (g) Establish applicable liquidated or stipulated damages to be assessed for nonperformance by the private partner.
 - (h) Establish performance criteria or incentives, or both.
- (i) Address the acquisition of rights-of-way and other property interests that may be required for the demonstration project, including, without limitation, provisions that address the exercise of





eminent domain by the Department in the manner authorized pursuant to chapters 37 and 408 of NRS.

- (j) Establish recordkeeping, accounting and auditing standards to be used for the project.
- (k) Upon termination of the public-private partnership, address responsibility for repair, rehabilitation, reconstruction or renovations that are required for the demonstration project to meet all applicable standards set forth in the public-private partnership upon reversion of the demonstration project to this State.
 - (1) Provide for security and law enforcement.
- (m) Identify any specifications of the Department that must be satisfied, including, without limitation, provisions allowing the private partner to request and receive authorization to deviate from the specifications on making a showing satisfactory to the Department.
- (n) Specify remedies available and procedures for dispute resolution, including, without limitation, the right of the private partner to institute legal proceedings to obtain an enforceable judgment or award against the Department in the event of a default by the Department and procedures for the use of dispute review boards, mediation, facilitated negotiation, nonbinding and binding arbitration and other alternative dispute resolution procedures.
- A public-private partnership entered into pursuant to this act must contain a provision by which the private partner expressly agrees to be barred from seeking injunctive or other equitable relief to delay, prevent or otherwise hinder the Department from developing or constructing a facility which was planned at the time the public-private partnership was executed and which may impact the revenue that the private partner derives from the demonstration project developed under the public-private partnership. The publicprivate partnership may provide for reasonable compensation to the private partner for the adverse effect on revenue from the demonstration project developed under the public-private partnership resulting from the development or construction of another facility by the Department.
- **Sec. 22.** 1. If the Department enters into a public-private partnership pursuant to this act, the Board:
- (a) Shall adopt, establish or include in the public-private partnership a schedule of user fees or a methodology for establishing the user fees that may be charged by the Department or a private partner for the use of the demonstration project, which may include, without limitation, provisions for adjusting the user fees based on the types of motor vehicle, time of day, traffic conditions or other factors determined necessary by the Department or a private





partner to implement, finance or improve the performance of the demonstration project;

- (b) Shall, consistent with the provisions of section 23 of this act, establish or provide in the public-private partnership for the establishment of administrative fines, late charges and other penalties for any person who violates any regulation or rule governing the use of the demonstration project or who fails to pay a user fee; and
- (c) In addition to the exemptions provided in subsection 2, may establish or provide in the public-private partnership for exemptions from the payment of a user fee.
- 2. The following motor vehicles are exempt from any user fee established by the Board:
- (a) A transit bus or vanpool vehicle owned or operated by an agency or political subdivision of this State or the United States, to the extent that such vehicles are exempted pursuant to an agreement between the agency or political subdivision and the Department or a private partner;
- (b) An authorized emergency vehicle if the person operating it
- (1) Responding to an emergency and its emergency lights are in use; or
 - (2) Enforcing traffic laws; and
- (c) A vehicle that is exempt pursuant to the terms of a public-private partnership.
- 3. Not less frequently than once each calendar year, the Board shall review any fee schedule established pursuant to this section and any adjustments to the fee schedule made by the Department or a private partner to determine whether the user fees effectively manage travel times, speed and reliability with regard to the demonstration project.
- 4. The Department or a private partner may use any method it determines appropriate to collect a user fee, including, without limitation, the issuance of invoices, prepayment requirements and the use of an electronic, video or automated collection system. An electronic, video or automated collection system may be used to verify payment or to charge the user fee to the:
- (a) Account of a person whose vehicle is equipped with a transponder approved by the Department or other automated payment technology approved by the Department;
- (b) Account of a person who otherwise registers to use the demonstration project in accordance with the policies and procedures established by the Board or set forth in the public-private partnership; or
 - (c) Registered owner.





- 5. The name, address, other personal identifying information and trip data of a user is confidential, and the Department, a private partner, consultant, contractor or representative thereof shall not release, sell or distribute such information without the express written consent of the user, except that the Department or a private partner may release such information:
- (a) As is necessary to collect a user fee and enforce any penalty for a violation of this act or any policies and procedures established pursuant thereto or set forth in the public-private partnership; and
 - (b) To a law enforcement agency pursuant to a subpoena.
- 6. The Department or a private partner may solicit and contract with any person to provide services relating to the collection of a user fee.
- **Sec. 23.** 1. Except as otherwise provided in subsection 3, a registered owner who fails to pay a user fee is subject to an administrative fine for nonpayment and is liable to the Department or private partner for the payment of the user fee, the administrative fine and any additional charges or penalties prescribed by the Board or set forth in the public-private partnership.
- 2. If a driver or registered owner fails to pay a user fee, the Department or private partner shall provide notice of nonpayment to the registered owner. The notice must describe the claimed nonpayment and the amount due, including any additional charges, administrative fines or penalties, and explain that the registered owner must, within 20 days after receiving the notice, pay the full amount due or contest the claim in the manner described in the notice. A registered owner who does not pay the full amount due or contest the claim within 20 days after receiving the notice may not challenge the claim in any proceeding or action brought by the Department or the private partner.
- 3. A short-term lessor of a motor vehicle that is the registered owner is not liable to the Department or a private partner for any failure to pay a user fee arising out of the use of a rented motor vehicle during any period in which the motor vehicle is not in the possession of the lessor if, within 45 days after receiving the written notice from the Department or private partner, the lessor provides to the Department or private partner the name, address, driver's license number and other identifying information of the person to whom the motor vehicle was rented at the time of the use of the demonstration project. If the lessor provides such information, the person to whom the motor vehicle was rented at the time of the use of the demonstration project is liable for the user fee or administrative fee, or both, and any late charges or other penalties or charges resulting from the failure to pay the user fee.





- 4. The Department or a private partner may use a photomonitoring, video, image capture or other automated or technology-based enforcement and collections system to detect the failure of a motor vehicle to register payment of the required user fee, to detect the failure of the driver or registered owner to pay a user fee or to verify and assess the payment of a user fee. The data, including photographs, images, videotapes and other vehicle and owner information generated and obtained by the system, may be used to establish the nonpayment of the user fee and to enforce collection of the user fee and any administrative fines, late charges and other penalties or charges imposed pursuant to the public-private partnership. The Department or private partner shall not use the information for any other purpose.
- 5. If the registered owner fails to respond to the notice described in subsection 2, the Department of Transportation or private partner may file a notice of nonpayment with the Department of Motor Vehicles. The notice must include:
- (a) The place, time and date of the use of the demonstration project which, through nonpayment of user fees, administrative fees, late charges or other penalties or charges, constitutes a violation;
- (b) The number of the license plate and the make and model year of the motor vehicle; and
- (c) The total amount owed the Department or private partner for the violation.
- 6. Upon receipt of the notice described in subsection 5, the Department of Motor Vehicles shall place a hold on the renewal of the registration of the motor vehicle described in the notice pursuant to the provisions of NRS 482.2805.
- 7. In addition to any administrative fine, late charge or other penalty or charge for nonpayment of a user fee established pursuant to the public-private partnership which is payable to the Department of Transportation or a private partner, the Department of Motor Vehicles may impose an additional administrative fee of not more than \$15 upon any person who applies for the renewal of the registration of a motor vehicle subject to a hold pursuant to this section.
- 8. The Department of Motor Vehicles shall work cooperatively with the Department of Transportation and any private partner to establish a timely and efficient manner for providing the motor vehicle registration of the registered owner, pursuant to the provisions of NRS 481.063, to the Department of Transportation and any private partner for the purposes of collecting and enforcing any user fees and any administrative fines, late charges and other penalties imposed pursuant to this act.





- Sec. 24. 1. All money that is received and is to be retained by the Department pursuant to a public-private partnership in connection with the demonstration project that is derived from the imposition of any charge with respect to the operation of any motor vehicle upon any public highway in this State must be deposited in the State Highway Fund and, except for costs of administration, must be used exclusively for the design, construction, operation, maintenance, financing and repair of the public highways of this State. The money must first be used to defray the obligations of the Department under the public-private partnership, including, without limitation, the costs of administration, design, construction, operation, maintenance, financing and repair of the demonstration project.
- 2. Any other money received by the Department pursuant to this act or any policies or procedures established by the Department or set forth in the public-private partnership must be deposited in the State Highway Fund and accounted for separately. The interest and income on the money in the account, after deducting any applicable charges, must be credited to the account. The money in the account may be used for:
- (a) The payment of the costs of planning, designing, financing, constructing, improving, maintaining, operating or acquiring rights-of-way for the demonstration project;
- (b) The payment of the costs of administering the demonstration project and enforcing the collection of user fees;
- (c) Satisfaction of any obligations of the Department pursuant to a public-private partnership; and
- (d) The costs of administration, construction, maintenance and repair of the public highways located in Clark County.
- **Sec. 25.** 1. The demonstration project and any property improvement determined by the Department to be necessary or desirable therefor may, as determined by the Department, be financed:
- (a) By the private partner using its own funds or obtaining funds in any lawful manner for that entity.
- (b) By the issuance of revenue bonds or notes of the State which are payable from and secured by:
- (1) Revenues from the demonstration project, including, without limitation, user fees and payments established, due and collected pursuant to sections 22 and 23 of this act, other than subsection 7 of section 23 of this act;
- (2) Payments from the Department to the private partner pursuant to a public-private partnership;
- (3) Payments from the private partner as described in section 24 of this act;





- (4) Guarantees or other forms of financial assistance from the private partner or any other person;
- (5) Any grants, donations or other sources of funding mentioned in paragraph (f), (g) or (h) of subsection 2 of section 15 of this act, if use of the money to pay and secure the payment of the principal of and interest on those bonds or notes is consistent with and not prohibited by the instrument, law or regulation under which the money is received;
- (6) Interest or other gain accruing on any of the money deposited in the State Highway Fund pursuant to section 24 of this act; and
 - (7) Any combination thereof,

- ⇒ as described in the resolution authorizing the issuance of the bonds or notes. The bonds or notes must be authorized and issued under the procedure described in NRS 408.273, but the bonds or notes must be secured as provided in this section and may have a maturity of up to 40 years after the date of issuance. Any bonds or notes authorized by this paragraph are special, limited obligations of the State payable solely from the revenues specifically pledged to the payment of those obligations, as specified in the resolution for the issuance of the bonds or notes, and shall never be a debt of the State under Section 3 of Article 9 of the Constitution of the State of Nevada.
- (c) By the issuance of revenue bonds or notes of the State, to finance the demonstration project directly or by making a loan to the private partner, pursuant to a financing agreement entered into between the State and the private partner to secure the bonds or notes and provide for their payment. Any bonds or notes issued under this paragraph must be solely payable from and secured by payments made by and property of and other security provided by the private partner, including, without limitation, any payments made to the private partner by the Department pursuant to the public-private partnership. Any bonds or notes issued pursuant to this paragraph must be authorized and issued under the procedure described in NRS 408.273, but the bonds or notes must be secured as provided in this paragraph and may have a maturity of up to 40 years from the date of issuance. Any bonds or notes authorized by this paragraph are special, limited obligations of the State payable solely from the revenues specifically pledged to the payment of those obligations, as specified in the resolution for the issuance of bonds or notes, and shall never be a debt of the State under Section 3 of Article 9 of the Constitution of the State of Nevada.
- (d) By the issuance of private activity bonds or notes of the State or other eligible issuer, to finance the demonstration project directly or by making a loan to the private partner, pursuant to a financing





agreement entered into between the State and the private partner for the purpose of securing the bonds or notes and providing for their payment. Any bonds or notes issued pursuant to this paragraph must be payable solely from and secured by payments made by and property of and other security provided by the private partner, including, without limitation, any payments made to the private partner by the Department pursuant to the public-private partnership. Any bonds or notes issued pursuant to this paragraph must be authorized and issued under the procedure described in NRS 408.273 but the bonds or notes must be secured as provided in this paragraph and may have a maturity of up to 40 years from the date of issuance. Any bonds or notes authorized by this paragraph are special, limited obligations of the State payable solely from the revenues specifically pledged to the payment of those obligations, as specified in the resolution for the issuance of the bonds or notes, and shall never be a debt of the State under Section 3 of Article 9 of the Constitution of the State of Nevada.

- (e) By any loan, grant, line of credit, loan guarantee, credit instrument, private activity bond allocation, credit assistance from the Federal Government or other type of assistance that is available to carry out the demonstration project.
- (f) With any grant, donation, gift or other form of conveyance of land, money or other real or personal property or other thing of value made to the Department to carry out the demonstration project.
- (g) With legally available money from any other source, including a source described in paragraph (f), (g) or (h) of subsection 2 of section 15 of this act, or from user fees.
 - (h) By any combination of paragraphs (a) to (g), inclusive.
- 2. If so determined by the Department, any bonds or notes issued as described in paragraph (b) of subsection 1 may also be payable from and secured by taxes which are credited to the State Highway Fund and which would not cause the bonds or notes to create a public debt under the provisions of Section 3 of Article 9 of the Constitution of the State of Nevada. In addition, the Department may pledge those taxes to and use those taxes for the payment of any of its obligations under a public-private partnership.
- **Sec. 26.** 1. The Department may acquire, condemn or hold real property and related appurtenances under fee title, lease, easement, dedication or license for the demonstration project. The Department may grant to a private partner a lease, easement, operating agreement, license, permit or right of entry for such real property and related appurtenances, and such grant and use shall be deemed for all purposes:
 - (a) A public use;





- (b) A public facility; and
- (c) A public highway.

- 2. The real property and related appurtenances, or the use thereof, that are granted by the Department to the private partner shall be exempt from all real property and ad valorem taxes.
- **Sec. 27.** Notwithstanding any specific statute to the contrary, a private partner is exempt from any assessment on property:
- 1. Which the Department owns or acquires or in which the Department has a possessory interest;
- 10 2. Which the Department provides to the private partner pursuant to a public-private partnership; and
 - 3. On which the demonstration project is located.
 - **Sec. 28.** A private partner who enters into a contract for construction work pursuant to a public-private partnership shall pay the prevailing wage required pursuant to NRS 338.013 to 338.090, inclusive, and solely for the purposes of those provisions, the demonstration project shall be deemed to be a public work and the Department shall be deemed to be a party to the contract and to be the public body advertising for bids for the demonstration project and awarding the construction contract for the demonstration project.
 - **Sec. 29.** The Department may include authority in a public-private partnership or otherwise authorize a private partner to remove any encroachments or relocate any utility from the right-of-way of the demonstration project.
 - **Sec. 30.** 1. The Board may adopt regulations to carry out the provisions of this act.
 - 2. Any public-private partnership entered into pursuant to this act must include a provision which provides that any regulation adopted by the Board pursuant to this act that is effective on the date of the public-private partnership shall be deemed incorporated as a term of the public-private partnership.
 - **Sec. 31.** To the extent practicable, the provisions of this act are intended to supplement other statutory provisions governing the administration of highways in this State, and such other provisions must be given effect to the extent that those provisions do not conflict with the provisions of this act. If there is a conflict between such other provisions and the provisions of this act, the provisions of this act control.
 - **Sec. 32.** 1. The Department shall report annually to the Board on the status of the demonstration project.
 - 2. On or before February 1 of each year, the Board shall prepare a written report concerning the demonstration project. The report must include, without limitation:
 - (a) The current status of the demonstration project.





- (b) The amount of user fees collected by the Department and any private partners.
- (c) The amount of money received by the Department in connection with the demonstration project from sources other than user fees.
- (d) The amount paid by the Department under any public-private partnership.
 - (e) Such other information as the Board determines appropriate.
- 3. On or before February 1 of each even-numbered year, the Board shall submit the report prepared pursuant to subsection 2 to the Legislative Commission. On or before February 1 of each odd-numbered year, the Board shall submit the report to the Director of the Legislative Counsel Bureau for transmittal to the next regular session of the Legislature.
- **Sec. 33.** 1. In addition to the requirements of section 32 of this act, the Department shall report on the status of the demonstration project to the Legislative Commission and the Interim Finance Committee. The report must include, without limitation:
 - (a) The current status of the demonstration project.
- (b) The amount of user fees collected by the Department and any private partners.
- (c) The amount of money received by the Department in connection with the demonstration project from sources other than user fees.
- (d) The amount paid by the Department under any public-private partnership.
- (e) Such other information as the Legislative Commission or the Interim Finance Committee determines appropriate.
- 2. The report required pursuant to subsection 1 must be submitted at least quarterly and at such other times as the Legislative Commission or the Interim Finance Committee may require.
 - **Sec. 34.** NRS 338.1373 is hereby amended to read as follows:
 - 338.1373 1. A local government or its authorized representative shall award a contract for a public work pursuant to the provisions of:
 - (a) NRS 338.1377 to 338.139, inclusive;
 - (b) NRS 338.143 to 338.148, inclusive;
 - (c) NRS 338.169 to 338.1699, inclusive; or
 - (d) NRS 338.1711 to 338.1727, inclusive.
 - 2. The provisions of NRS 338.1375 to 338.1382, inclusive, 338.1386, 338.13862, 338.13864, 338.139, 338.142, 338.169 to 338.1699, inclusive, and 338.1711 to 338.1727, inclusive, 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 —, and sections 1 to 33, inclusive, of this act.

Sec. 35. NRS 338.143 is hereby amended to read as follows:

338.143 1. Except as otherwise provided in subsection 8 and NRS 338.1907, a local government or its authorized representative that awards a contract for a public work in accordance with paragraph (b) of subsection 1 of NRS 338.1373 shall not:

- (a) Commence a public work for which the estimated cost exceeds \$100,000 unless it advertises in a newspaper qualified pursuant to chapter 238 of NRS that is published in the county where the public work will be performed for bids for the public work. If no qualified newspaper is published in the county where the public work will be performed, the required advertisement must be published in some qualified newspaper that is printed in the State of Nevada and has a general circulation in the county.
- (b) Commence a public work for which the estimated cost is \$100,000 or less unless it complies with the provisions of NRS 338.1442, 338.1444 and 338.1446.
- (c) Divide a project work into separate portions to avoid the requirements of paragraph (a) or (b).
- 2. At least once each quarter, the authorized representative of a local government shall report to the governing body any contract that the authorized representative awarded pursuant to subsection 1 in the immediately preceding quarter.
- 3. Approved plans and specifications for the bids must be on file at a place and time stated in the advertisement for the inspection of all persons desiring to bid thereon and for other interested persons. Contracts for the public work must be awarded on the basis of bids received.
- 4. Except as otherwise provided in subsection 5 and NRS 338.147, the local government or its authorized representative shall award a contract to the lowest responsive and responsible bidder.
- 5. Any bids received in response to an advertisement for bids may be rejected if the local government or its authorized representative responsible for awarding the contract determines that:
 - (a) The bidder is not responsive or responsible;
 - (b) The quality of the services, materials, equipment or labor offered does not conform to the approved plans or specifications; or
 - (c) The public interest would be served by such a rejection.
- 6. A local government may let a contract without competitive bidding if no bids were received in response to an advertisement for bids and:





- (a) The local government publishes a notice stating that no bids were received and that the contract may be let without further bidding;
- (b) The local government considers any bid submitted in response to the notice published pursuant to paragraph (a);
- (c) The local government lets the contract not less than 7 days after publishing a notice pursuant to paragraph (a); and
- (d) The contract is awarded to the lowest responsive and responsible bidder.
 - 7. Before a local government may commence the performance of a public work itself pursuant to the provisions of this section, based upon a determination that the public interest would be served by rejecting any bids received in response to an advertisement for bids, the local government shall prepare and make available for public inspection a written statement containing:
- (a) A list of all persons, including supervisors, whom the local government intends to assign to the public work, together with their classifications and an estimate of the direct and indirect costs of their labor:
- (b) A list of all equipment that the local government intends to use on the public work, together with an estimate of the number of hours each item of equipment will be used and the hourly cost to use each item of equipment;
- (c) An estimate of the cost of administrative support for the persons assigned to the public work;
- (d) An estimate of the total cost of the public work, including the fair market value of or, if known, the actual cost of all materials, supplies, labor and equipment to be used for the public work; and
- (e) An estimate of the amount of money the local government expects to save by rejecting the bids and performing the public work itself.
 - 8. This section does not apply to:
- (a) Any utility subject to the provisions of chapter 318 or 710 of NRS;
- (b) Any work of construction, reconstruction, improvement and maintenance of highways subject to [NRS 408.323 or 408.327;] the provisions of chapter 408 of NRS;
 - (c) Normal maintenance of the property of a school district;
- (d) The Las Vegas Valley Water District created pursuant to chapter 167, Statutes of Nevada 1947, the Moapa Valley Water District created pursuant to chapter 477, Statutes of Nevada 1983, or the Virgin Valley Water District created pursuant to chapter 100, Statutes of Nevada 1993:





- (e) The design and construction of a public work for which a public body contracts with a design-build team pursuant to NRS 338.1711 to 338.1727, inclusive;
- (f) A constructability review of a public work, which review a local government or its authorized representative is required to perform pursuant to NRS 338.1435; or
- (g) The preconstruction or construction of a public work for which a local government or its authorized representative enters into a contract with a construction manager at risk pursuant to NRS 338.169 to 338.1699, inclusive.
 - **Sec. 36.** NRS 361.157 is hereby amended to read as follows:
- 361.157 1. When any real estate or portion of real estate which for any reason is exempt from taxation is leased, loaned or otherwise made available to and used by a natural person, association, partnership or corporation in connection with a business conducted for profit or as a residence, or both, the leasehold interest, possessory interest, beneficial interest or beneficial use of the lessee or user of the property is subject to taxation to the extent the:
 - (a) Portion of the property leased or used; and
- (b) Percentage of time during the fiscal year that the property is leased by the lessee or used by the user, in accordance with NRS 361.2275,
- → can be segregated and identified. The taxable value of the interest or use must be determined in the manner provided in subsection 3 of NRS 361.227 and in accordance with NRS 361.2275.
 - 2. Subsection 1 does not apply to:
- (a) Property located upon a public airport, park, market or fairground, or any property owned by a public airport, unless the property owned by the public airport is not located upon the public airport and the property is leased, loaned or otherwise made available for purposes other than for the purposes of a public airport, including, without limitation, residential, commercial or industrial purposes;
- (b) Federal property for which payments are made in lieu of taxes in amounts equivalent to taxes which might otherwise be lawfully assessed;
- (c) Property of any state-supported educational institution, except any part of such property located within a tax increment area created pursuant to NRS 278C.155;
- (d) Property leased or otherwise made available to and used by a natural person, private association, private corporation, municipal corporation, quasi-municipal corporation or a political subdivision under the provisions of the Taylor Grazing Act or by the United States Forest Service or the Bureau of Reclamation of the United States Department of the Interior;





- (e) Property of any Indian or of any Indian tribe, band or community which is held in trust by the United States or subject to a restriction against alienation by the United States;
- (f) Vending stand locations and facilities operated by persons who are blind under the auspices of the Bureau of Services to Persons Who Are Blind or Visually Impaired of the Rehabilitation Division of the Department of Employment, Training and Rehabilitation, whether or not the property is owned by the federal, state or a local government;
- (g) Leases held by a natural person, corporation, association, municipal corporation, quasi-municipal corporation or political subdivision for development of geothermal resources, but only for resources which have not been put into commercial production;
- (h) The use of exempt property that is leased, loaned or made available to a public officer or employee, incident to or in the course of public employment;
- (i) A parsonage owned by a recognized religious society or corporation when used exclusively as a parsonage;
- (j) Property owned by a charitable or religious organization all, or a portion, of which is made available to and is used as a residence by a natural person in connection with carrying out the activities of the organization;
- (k) Property owned by a governmental entity and used to provide shelter at a reduced rate to elderly persons or persons having low incomes;
- (1) The occasional rental of meeting rooms or similar facilities for periods of less than 30 consecutive days; [or]
- (m) The use of exempt property to provide day care for children if the day care is provided by a nonprofit organization [...]; or
- (n) Any lease, easement, operating agreement, license, permit or right of entry for any exempt state property granted by the Department pursuant to section 26 of this act.
- 3. Taxes must be assessed to lessees or users of exempt real estate and collected in the same manner as taxes assessed to owners of other real estate, except that taxes due under this section do not become a lien against the property. When due, the taxes constitute a debt due from the lessee or user to the county for which the taxes were assessed and, if unpaid, are recoverable by the county in the proper court of the county.

Sec. 37. NRS 408.388 is hereby amended to read as follows: 408.388 [1.] Except as otherwise provided in NRS 408.5471 to 408.549, inclusive, the Department may contract with a designbuild team for the design and construction of a project if the *Director determines that the design-build process is appropriate*



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and in the best interests of this State and the Department determines that [:

- (a) Except as otherwise provided in subsection 2, the estimated cost of the project exceeds \$20,000,000; and
- (b) Contracting | contracting with a design-build team will enable the Department to:
- [(1)] 1. Design and construct the project at a cost that is significantly lower than the cost that the Department would incur to design and construct the project using a different method;
- [(2)] 2. Design and construct the project in a shorter time than would be required to complete the project using a different method, if exigent circumstances require that the project be designed and constructed within a short time; or
- [(3)] 3. Ensure that the design and construction of the project is properly coordinated, if the project is unique, highly technical and complex in nature.
- [2. Notwithstanding the provisions of subsection 1, the Department may, once in each fiscal year, contract with a design-build team for the design and construction of a project the estimated cost of which is at least \$5,000,000 but less than \$20,000,000 if the Department makes the determinations otherwise required pursuant to paragraph (b) of subsection 1.]
- **Sec. 38.** NRS 408.3886 is hereby amended to read as follows: 408.3886 1. After selecting the finalists pursuant to NRS 408.3885, the Department shall provide to each finalist a request for final proposals for the project. The request for final proposals must:
- (a) Set forth the factors that the Department will use to select a design-build team to design and construct the project, including the relative weight to be assigned to each factor; and
- (b) Set forth the date by which final proposals must be submitted to the Department.
- 2. Except as otherwise provided in this subsection, in assigning the relative weight to each factor for selecting a design-build team pursuant to subsection 1, the Department shall assign, without limitation, a relative weight of 5 percent to the possession of a certificate of eligibility to receive a preference in bidding on public works and a relative weight of at least 30 percent for the proposed cost of design and construction of the project. If any federal statute or regulation precludes the granting of federal assistance or reduces the amount of that assistance for a particular project because of the provisions of this subsection relating to preference in bidding on public works, those provisions of this subsection do not apply insofar as their application would preclude or reduce federal assistance for that project.





- 3. A final proposal submitted by a design-build team pursuant to this section must be prepared thoroughly [,] and be responsive to the criteria that the Department will use to select a design-build team to design and construct the project described in subsection 1. [and comply with the provisions of NRS 338.141.]
- 4. After receiving the final proposals for the project, the Department shall:
- (a) Select the most cost-effective and responsive final proposal, using the criteria set forth pursuant to subsections 1 and 2;
 - (b) Reject all the final proposals; or

- (c) Request best and final offers from all finalists in accordance with subsection 5.
- 5. If the Department determines that no final proposal received is cost-effective or responsive and the Department further determines that requesting best and final offers pursuant to this subsection will likely result in the submission of a satisfactory offer, the Department may prepare and provide to each finalist a request for best and final offers for the project. In conjunction with preparing a request for best and final offers pursuant to this subsection, the Department may alter the scope of the project, revise the estimates of the costs of designing and constructing the project, and revise the selection factors and relative weights described in paragraph (a) of subsection 1. A request for best and final offers prepared pursuant to this subsection must set forth the date by which best and final offers must be submitted to the Department. After receiving the best and final offers, the Department shall:
- (a) Select the most cost-effective and responsive best and final offer, using the criteria set forth in the request for best and final offers; or
 - (b) Reject all the best and final offers.
- 6. If the Department selects a final proposal pursuant to paragraph (a) of subsection 4 or selects a best and final offer pursuant to paragraph (a) of subsection 5, the Department shall hold a public meeting to:
 - (a) Review and ratify the selection.
- (b) Partially reimburse the unsuccessful finalists if partial reimbursement was provided for in the request for preliminary proposals pursuant to paragraph (f) of subsection 3 of NRS 408.3883. The amount of reimbursement must not exceed, for each unsuccessful finalist, 3 percent of the total amount to be paid to the design-build team as set forth in the design-build contract.
- (c) Make available to the public a summary setting forth the factors used by the Department to select the successful design-build team and the ranking of the design-build teams who submitted final proposals and, if applicable, best and final offers. The Department





shall not release to a third party, or otherwise make public, financial or proprietary information submitted by a design-build team.

- 7. A contract awarded pursuant to this section:
- (a) Must comply with the provisions of NRS 338.020 to 338.090, inclusive; and
 - (b) Must specify:

- (1) An amount that is the maximum amount that the Department will pay for the performance of all the work required by the contract, excluding any amount related to costs that may be incurred as a result of unexpected conditions or occurrences as authorized by the contract;
- (2) An amount that is the maximum amount that the Department will pay for the performance of the professional services required by the contract; and
- (3) A date by which performance of the work required by the contract must be completed.
- 8. A design-build team to whom a contract is awarded pursuant to this section shall:
- (a) Assume overall responsibility for ensuring that the design and construction of the project is completed in a satisfactory manner; and
- (b) Use the workforce of the prime contractor on the designbuild team to construct at least 15 percent of the project.
 - **Sec. 39.** NRS 482.2805 is hereby amended to read as follows:
- 482.2805 1. Except as otherwise provided in subsection 3, the Department of Motor Vehicles shall not renew the registration of a motor vehicle if a local authority has filed with the Department of Motor Vehicles a notice of nonpayment pursuant to NRS 484B.527, or if the Department of Transportation or a private partner under a public-private partnership has filed a notice of nonpayment pursuant to section 23 of this act, unless, at the time for renewal of the registration, the registered owner of the motor vehicle provides to the Department of Motor Vehicles a receipt issued by the local authority pursuant to NRS 482.2807 [...], or a receipt issued by the Department of Transportation or a private partner under a public-private partnership.
- 2. If the registered owner provides a receipt to the Department of Motor Vehicles pursuant to subsection 1 and complies with the other requirements of this chapter, the Department of Motor Vehicles shall renew the registration of the motor vehicle.
- 3. The Department of Motor Vehicles shall renew the registration of a motor vehicle owned by a short-term lessor for which the Department of Motor Vehicles has received a notice of nonpayment pursuant to NRS 484B.527 or section 23 of this act without requiring the short-term lessor to provide a receipt pursuant





to subsection 1 if the short-term lessor submits to the Department of *Motor Vehicles* a certificate issued by a local authority, the *Department of Transportation or a private partner under a public-private partnership* pursuant to subsection 4.

- 4. A local authority, the Department of Transportation or a private partner under a public-private partnership shall, upon request, issue to a short-term lessor a certificate which requires the Department of Motor Vehicles to renew the registration of a motor vehicle owned by the short-term lessor without requiring the short-term lessor to provide a receipt pursuant to subsection 1 if the short-term lessor provides the local authority, the Department of Transportation or a private partner under a public-private partnership with the name, address and number of the driver's license of the short-term lessee who was leasing the vehicle at the time of the violation.
- 5. Upon the request of the registered owner of a motor vehicle, the Department of Motor Vehicles shall provide a copy of the notice of nonpayment filed with the Department of Motor Vehicles by the local agency pursuant to NRS 484B.527 [...] or the Department of Transportation or a private partner under a public-private partnership pursuant to section 23 of this act.
- 6. If the registration of a motor vehicle that is identified in a notice of nonpayment filed with the Department of Motor Vehicles by a local authority pursuant to NRS 484B.527 or the Department of Transportation or a private partner under a public-private partnership pursuant to section 23 of this act is not renewed for two consecutive periods of registration, the Department of Motor Vehicles shall delete any records maintained by the Department of Motor Vehicles concerning that notice.
- 7. The Department of Motor Vehicles may require a local authority to pay a fee for the creation, maintenance or revision of a record of the Department of Motor Vehicles concerning a notice of nonpayment filed with the Department of Motor Vehicles by the local authority pursuant to NRS 484B.527. The Department of Motor Vehicles may require the Department of Transportation or a private partner under a public-private partnership to pay a fee for the creation, maintenance or revision of a record of the Department of Motor Vehicles concerning a notice of nonpayment filed with the Department of Motor Vehicles by the Department of Transportation or a private partner under a public-private partnership pursuant to section 23 of this act. The Department of Motor Vehicles shall, by regulation, establish any fee required by this subsection. Any fees collected by the Department pursuant to this subsection must be:





- (a) Deposited with the State Treasurer for credit to the Motor Vehicle Fund; and
 - (b) Allocated to the Department to defray the cost of carrying out the provisions of this section.

 Sec. 40. This act becomes effective on July 1, 2011.





