

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON GOVERNMENT AFFAIRS**

**Seventy-Sixth Session
May 11, 2011**

The Committee on Government Affairs was called to order by Vice Chair Irene Bustamante Adams at 8:01 a.m. on Wednesday, May 11, 2011, in Room 3143 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4406 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/76th2011/committees/. In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: publications@lcb.state.nv.us; telephone: 775-684-6835).

COMMITTEE MEMBERS PRESENT:

Assemblywoman Marilyn K. Kirkpatrick, Chair
Assemblywoman Irene Bustamante Adams, Vice Chair
Assemblyman Elliot T. Anderson
Assemblywoman Teresa Benitez-Thompson
Assemblyman John Ellison
Assemblywoman Lucy Flores
Assemblyman Ed A. Goedhart
Assemblyman Pete Livermore
Assemblyman Harvey J. Munford
Assemblywoman Dina Neal
Assemblywoman Peggy Pierce
Assemblyman Lynn D. Stewart
Assemblywoman Melissa Woodbury

COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

Senator Moises (Mo) Denis, Clark County Senatorial District No. 2

Minutes ID: 1178

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Senator Joseph (Joe) P. Hardy, M.D., Clark County Senatorial District No. 12

Assemblyman Crescent Hardy, Clark County Assembly District No. 20

Senator Michael (Mike) A. Schneider, Clark County Senatorial District No. 11

Senator John J. Lee, Clark County Senatorial District No. 1

STAFF MEMBERS PRESENT:

Susan Scholley, Committee Policy Analyst

Cynthia Carter, Committee Manager

Jenny McMenomy, Committee Secretary

Olivia Lloyd, Committee Assistant

OTHERS PRESENT:

Melaine Mason, Deputy Administrator, Bureau of Services to the Blind and Visually Impaired, Rehabilitation Division, Department of Employment, Training and Rehabilitation

Brian Patchett, Chief Executive Officer, Easter Seals Southern Nevada

J. David Fraser, Executive Director, Nevada League of Cities and Municipalities

Mike Cathcart, Senior Financial Analyst, Finance Department, City of Henderson

Ted J. Olivas, representing the City of Las Vegas

Barry Smith, Executive Director, Nevada Press Association, Inc.

Randy Tobler, Private Citizen, Overton, Nevada

Rusty McAllister, President, Professional Fire Fighters of Nevada

Alex Kukulus, Training and Safety Captain, Sierra Fire Protection District, Washoe County

Steven B. Perez, Private Citizen, Washoe County, Nevada

Betty Hicks, Private Citizen, Washoe Valley, Nevada

Jane Countryman, Private Citizen, Washoe Valley, Nevada

John J. Slaughter, Management Services Director, Washoe County

P. Michael Murphy, representing Clark County

R. Scott Rawlins, Deputy Director, Chief Engineer, Department of Transportation

Wayne Seidel, Administrator, Motor Carrier Division, Department of Motor Vehicles

Lisa Foster, representing the City of Boulder City

Paul J. Enos, Chief Executive Officer, Nevada Motor Transport Association

Gary Milliken, representing Associated General Contractors, Las Vegas Chapter

Carole Vilardo, President, Nevada Taxpayers Association

Ryan Bauman, representing Nevada Contractors Association

Warren B. Hardy II, representing Associated Builders and Contractors of Nevada; and HDR Engineering

Jacob Snow, General Manager, Regional Transportation Commission of Southern Nevada

Danny Thompson, Executive Secretary-Treasurer, Nevada State AFL-CIO

Paul McKenzie, Executive Secretary, Building and Construction Trades Council of Northern Nevada

Jack Mallory, Director of Government Affairs, International Union of Painters and Allied Trades District Council 15

Addie Crisp, Private Citizen, Las Vegas, Nevada

Rebecca Gasca, Legislative and Policy Director, American Civil Liberties Union of Nevada

Robert A. Ostrovsky, representing Cox Communications, Inc.

Zev E. Kaplan, General Counsel, Regional Transportation Commission of Southern Nevada

Kyle Davis, representing Nevada Conservation League

Morgan Baumgartner, representing Nevada Resort Association

Judy Stokey, representing NV Energy

Debra Gallo, Director, Government Affairs and State Regulatory Affairs, Southwest Gas Corporation

Brian McAnallen, Director, Legislative Affairs, CenturyLink, Inc.

Mark H. Fiorentino, representing Bekam Entertainment

Michael Alonso, representing Caesars Entertainment

Russell M. Rowe, representing Boyd Gaming Corporation

[Chair Kirkpatrick was not present when the meeting was called to order.]

Vice Chair Bustamante Adams:

Chair Kirkpatrick is on the Senate side testifying on a couple of bills. She will be here later. We will open the hearing on Senate Bill 358.

Senate Bill 358: Makes various changes concerning the operation of certain vending stands. (BDR 22-665)

Senator Moises (Mo) Denis, Clark County Senatorial District No. 2:

Senate Bill 358 is a technical correction to some legislation that occurred last session. It has to do with the vending operations in the new regional transportation center in southern Nevada. An unintended consequence that occurred was that normally the Services to the Blind vendors would have the

opportunity to come in and have the contract. There was a technical glitch and that did not occur. We are bringing this back to make a fix in the *Nevada Revised Statutes* (NRS) so that they can get the contract. We also have testimony from Melaine Mason, from the Department of Employment, Training and Rehabilitation (DETR), who will talk about the fiscal impacts to the state because of this technical glitch. It is only those two pages. This bill allows for the contracts that were created to be redone. Those will have to be redone in July.

Assemblywoman Pierce:

What was the bill last session?

Senator Denis:

I do not remember. It was a large bill that came forward and had a lot of different things attached to it. This was just a small piece that got overlooked.

Assemblywoman Pierce:

Did we mean to overlook it?

Senator Denis:

I do not believe that was the true intent.

Melaine Mason, Deputy Administrator, Bureau of Services to the Blind and Visually Impaired, Rehabilitation Division, Department of Employment, Training and Rehabilitation:

Passage of S.B. 358 will allow the Business Enterprises of Nevada (BEN) to fulfill the purpose stated in NRS Chapter 426 enacted in 1959 of providing persons who are blind with remunerative employment, enlarging the economic opportunities of persons who are blind, and stimulating persons who are blind to greater efforts to make themselves self-supporting in independent livelihoods. Currently in Nevada, 18 blind vendors support themselves and their families by operating 29 vending sites throughout the state. The BEN program is entirely self-supporting and does not receive any state or federal funding. The Committee may be aware that federal vocational rehabilitation grant funds require a state match at a 1 to 4 ratio. That is, for every dollar the state contributes, the federal government will provide approximately four federal dollars. The BEN program expenditures are recognized by the federal government as a source of state match.

The Governor's proposed budget expects to use approximately \$2.9 million in BEN expenditures in the upcoming biennium as part of the state match. Passage of S.B. 358 will enhance the growth potential of the BEN program. As the BEN program grows to include more locations and more blind vendors, the

potential for state match to draw in additional federal vocational rehabilitation funds to the state vocational rehabilitation program is also enhanced. Since 2005, the State of Nevada has left well over \$15 million of federal vocational rehabilitation funds unclaimed because we could not provide the state match to bring in these funds. Each dollar that can serve as a state match brings in four additional federal vocational rehabilitation dollars to assist Nevadans with disabilities to become employed, attain greater self-sufficiency, and contribute to the economic well-being of our state.

Assemblyman Livermore:

Can you describe the definition of a vending stand?

Melaine Mason:

A vending stand would be vending machines at a location. We have them in various state buildings. For instance, DETR has them in their employee rooms. They are vending machines.

Assemblyman Livermore:

There is one downstairs in this building. In that case, there is also a little food mart. Is that included in there too? Is this an assortment of vending machines against the wall or are there other operations involved?

Melaine Mason:

In this specific location in the Regional Transportation Commission (RTC) of Southern Nevada facility, they are vending machines. The BEN program does operate vending machines where a food service venue would not be profitable or conducive to the site. We operate both types. In this case, it is a group of vending machines at various locations.

Vice Chair Bustamante Adams:

Senator Denis, do you have anyone else you would like to bring up to testify in support?

Senator Denis:

No.

Brian Patchett, Chief Executive Officer, Easter Seals Southern Nevada:

I am here to support S.B. 358. This is a bill that greatly benefits individuals who are blind. It gives people the ability to have a business to sustain themselves and their families. I agree with the things that Senator Denis and Melaine Mason have said. It is especially important to remember the state and federal mix of dollars. That is one of the biggest concerns that we have had as Easter Seals and with other organizations. We need to make sure that we can

draw down that federal money to support people with disabilities. On a personal note, I am legally blind. I can appreciate the struggle that it is to be someone who is visually impaired and trying to make it in the working world. We fully support S.B. 358.

Assemblyman Stewart:

This question is for Senator Denis. Is there any reason why this bill only applies to Clark County?

Senator Denis:

The technical glitch from last session was that this exemption got applied just to the RTC in Clark County. This does not impact the other counties. We are just trying to fix that particular exemption.

Vice Chair Bustamante Adams:

Is there anyone who would like to testify as neutral on this bill? [There was no one.] Is there anyone who would like to testify in opposition? [There was no one.]

Senator Denis:

This is a good fix. It allows us to get those funds from the federal government that we have been missing for the last two years and to help individuals that need help. This will fix that situation.

Vice Chair Bustamante Adams:

We will close the hearing on Senate Bill 358. We will open the hearing on Senate Bill 65 (1st Reprint).

Senate Bill 65 (1st Reprint): Revises provisions concerning the quarterly publication of certain financial information by certain local governments. (BDR 21-400)

J. David Fraser, Executive Director, Nevada League of Cities and Municipalities:

Testifying with me today is Mike Cathcart. He will also have some brief comments. I appreciate your time in hearing S.B. 65 (R1). This bill relates to quarterly financial publications. I will give you some quick background and then I will go into what the bill does. In 1939, a statute was passed that required that the financial statements of local governments be printed quarterly in the newspaper. That was a great idea back then, and we still feel that it is a good idea that the public be notified of what is going on with a city's finances. In 1939, the newspaper was the best way to disseminate that information. In fact, at that time, that information would have been fairly simple and would have fit neatly into a volume of a newspaper. Today, as our cities have grown,

that information is so voluminous that, not only is it a ridiculously large part of a newspaper, but we feel that maybe some of the transparency that was intended in 1939 may have been lost in that amount of information. We think that our proposal in S.B. 65 (R1) would enhance that transparency by using the modern technology that we have.

We feel there is now a better way to disseminate some of that information. I would like to specify what I mean by this. I do not want to disparage newspapers. I like to read the newspaper. As more and more people are getting their news online, I am one of the people who enjoy having the physical copy of the paper in front of me. We are finding that more and more people are seeking their information on the Web. We believe making the information more available on the Web will actually enhance the transparency because that will allow people to have more up-to-date information, instead of just quarterly. It will be fairly current information. People would also have the opportunity and the ability to query that information and drill down deeper. It would make that information a little bit more obtainable.

The bill proposes to publish the financial information in the newspaper on a quarterly basis. However, rather than publish every receipt in the newspaper, we would publish a summary of those financials with a reference to the city's website or telephone number for further information. It will also have the physical address of where someone could go in order to look at the public records or request copies. It goes a step beyond what the 1939 law did. The 1939 law required that the information be published quarterly. This would require quarterly publication and would also require that those summaries be published for five days, whereas that five-day requirement does not currently exist. Since that information will be going out in the newspaper for a longer period of time, the odds of someone seeing it are increased. If people want additional information on those purchases, there would be three ways to obtain it.

We fully support the intent of the 1939 law in terms of getting that information out to the public. In today's age, this takes that a step further and makes that information more available and more accessible to the public in a more current form. We encourage your passage of S.B. 65 (R1).

Assemblyman Anderson:

My question centers on the Internet sections of the bill. Why do we have it at five days on the Internet? The city would not have to keep paying for it to be up there on their website. Why not create some sort of page with an archive? If they put it up there, why get rid of it?

David Fraser:

The information will be up full-time on the Internet. The five-day requirement is a publishing requirement in the newspaper.

Assemblyman Anderson:

I am looking at language that says it must "Be published on the Internet website of the city for a period of at least 5 consecutive days." I am not referring to the newspaper sections.

Vice Chair Bustamante Adams:

That language is on page 3, line 22.

David Fraser:

That is not what we intended. You are right, it does say that. Our intention is that it would be available on the Internet. Once the information is posted on a website, it is not hard to leave it up there. As I have previously stated, our intention is that, not only would the information be available all the time and not just quarterly, but that it would give us an opportunity to have more current information out there. It is important that we clean up that section because it is not our intention. Our intention is exactly what Mr. Anderson stated.

Assemblyman Anderson:

That language is in the bill a couple of times in the different chapters. We would have to correct a couple of sections. Thank you for clarifying that.

Assemblywoman Neal:

What are the actual cost savings of doing this? This will make it so the information can be obtained in two forms: on the Internet for more detailed pieces and the quarterly publishing in the newspaper. When you shift from the details being on the Internet, is the notice that you are going to give similar to this five-day period? How long will notice be out there to let the public know where to obtain the information? How will that be managed?

David Fraser:

First off, it is currently required to be in the paper once per quarter. This bill would expand it so that it would appear in the newspaper for five days in a row on a quarterly basis to notify the public to go to the Internet. Our publicizing of the information would not be limited to those five days. A lot of our cities would provide links to that information on their homepage. When we publicize that the information is on the website, it would not be limited to quarterly time periods. We want to keep on the path of getting the word out quarterly. It would be five consecutive days, which would be more notice in the paper than is required today.

Assemblywoman Neal:

How much money will you save doing this?

David Fraser:

Mr. Cathcart will cover that in a little more detail from the City of Henderson's perspective.

Mike Cathcart, Senior Financial Analyst, Finance Department, City of Henderson:

For the City of Henderson, the savings would be approximately \$500,000 a year. It would be \$125,000 per quarter. I will give you a little bit of detail about what that entails. For the City of Henderson, per quarter, we have 30,000 cash receipts. The statute requires us to publish cash receipts. That would include anything from a water-sewer bill being paid by all of our residents to a person walking into city hall and buying a dog license. We would have to list each one of those transactions in the newspaper. There are 5,000 purchasing card transactions per quarter and 6,000 accounts payable transactions per quarter. That would be 41,000 lines of data that we would need to publish in the newspaper per quarter. That is approximately \$125,000 per quarter.

Assemblyman Livermore:

Typically, when a newspaper publishes the financial transactions of the state, if a mistake occurs in the publication, the newspaper is responsible for the correction notice that takes place as a result. How would that occur on an Internet site?

David Fraser:

Are you asking if there was an error on the website?

Assemblyman Livermore:

No. If there was an error in the publication in the newspaper, they would have to publish a correction. How does that happen on an Internet site?

David Fraser:

That could still occur because we are publishing the summary and the same process would be followed in terms of correction for the newspaper. If the error were also on the website and that was pointed out, we would be able to correct that quickly and easily.

Assemblyman Livermore:

My point is, when you correct that on the Internet site, the mistake is erased and the new information is updated. How does the public know that that has

happened? Someone may have gotten the information and he now has to rely on an unreliable source. Does he have to go back day after day to see if any corrections have been posted?

David Fraser:

Because of the nature of the website, that information would be going up there more often than quarterly. The information would be updated on a routine basis, including if there were any corrections. That is one of the benefits of doing it this way. People are not just going to have the information for the quarter and then wait another quarter to get additional information. They could go back a week later and there would be new information. It would most certainly be on a monthly basis.

Assemblyman Livermore:

I am not suggesting a solution to that. The unreliability of the information that someone can get off the Internet is the point I am trying to make. It changes hourly, daily, or weekly. The hard copy is something that will never change. The Internet changes frequently. Can you trust the information on the Internet?

David Fraser:

You raise a good point in general in terms of information on the Internet. When we went to school we were taught about sourcing and making sure we have reliable sources. With the Internet, those lessons about reliable sources are even more important. With the city's information, those are all audited. I submit that the city is a reliable source because the information is all audited. There is the possibility that a number would be keyed in incorrectly from a typo and would be subsequently corrected but in the long run, I do not see it being something that would be routine. An occasional mistake would be made but it would be corrected. That is the only way I know how to answer the question.

In addition to the information being more transparent and more easily queried, the summary form in the newspaper will give people a better idea of the general health of the city. There will be a lot more people who will read that summary than there are who will wade through 50 pages of those details. I think there is a benefit both ways. There is a benefit of getting more people information from a snapshot perspective of the general well-being of the city, and for those who are more interested in digging to the details, this is a better tool with which to do that.

Assemblyman Stewart:

This is, in general, a good idea. In the bill you mention that the counties and cities, if they have an official website, can do this. Are there cities and counties

that do not have an official website? If they do not, would they publish as they are doing now?

David Fraser:

At present, there is one city that does not have a website but they are intending within the calendar year to have one. That is the City of Caliente. Their mayor testified in the Senate that they are intending to have their website up and running by October. As for counties, I do not know the answer to that question.

Assemblyman Ellison:

I am all for saving the counties money in every way that I can. I still believe that about 20 percent of the population is not going to be covered under this bill. They do not have access to a computer or the Internet.

David Fraser:

That is absolutely true. We want to make sure that people get the information. Not everyone receives the newspaper but more specifically to the question, people can go to the public library and get on the computer but also that is the reason why, in the notice, we have three ways that people can obtain that information. One is through the Internet, two is by calling city hall, and three is by visiting city hall. The physical address and phone number is also in there. Those are public records; we want those to be absolutely available to the public. We think that anyone in town could obtain that information through one of those three methods.

Assemblyman Ellison:

If it was not in the paper, you would only have the two methods. Is that correct?

David Fraser:

No. In addition to the quarterly summary in the newspaper, there will be three methods by which people can get the detail. The first is the Internet, the second method is by phone to city hall to request the information, and the third is by going to city hall for the information. In the newspaper, the summary and the contact information for the city or county will also be published.

Assemblyman Ellison:

I would assume that the phone option would not work if they were trying to list everything that was on that publication on the phone.

David Fraser:

That would probably be the least efficient way to obtain that information.

Mike Cathcart:

I believe if a citizen were to call us, there would be a request for the information to be prepared and have it available for him to pick up at city hall. I do not think we would be able to convey the information over the phone but it would be a notice for us to prepare the information and have it ready for him.

Assemblywoman Pierce:

I have never seen anything like this. What newspaper do you put this in?

David Fraser:

The requirement under the 1939 statute is the same as other legal notices. It is a newspaper that has general circulation within the community. That would vary by community.

Assemblywoman Pierce:

That would take pages and pages. Is it in print so small that no one can read it?

Mike Cathcart:

From the City of Henderson's perspective, we are not publishing this information at this time. We did not know about this requirement until about 1 1/2 years ago. We are trying to figure out how to comply with this particular requirement. Under *Nevada Revised Statutes* (NRS) Chapter 354, which is the local financial administration chapter of NRS, we publish our audited financial statements on an annual basis. We are in compliance with the Department of Taxation and that piece of NRS. This particular requirement is in NRS 268.030. We were not aware of it until recently. For the City of Henderson, it would be 41,000 lines of data, as I testified earlier. That would be approximately 41 pages in the paper.

Assemblywoman Pierce:

It seems like this bill would have shown up sooner.

Assemblywoman Benitez-Thompson:

We heard a similar bill earlier on. The Pew Research Center for the People and the Press reports that people in many different age groups are getting their news from the Internet rather than from the newspaper, including the 50- to 64-year-old age group. From there, the margin gets a little narrower. The reason I like this language is because there are a couple of ways for people to access this information. If we are really concerned about getting this information to the public, I believe that the Internet has become a better tool for disseminating the information than the newspapers. Giving the cities the option of doing this makes sense to me.

Vice Chair Bustamante Adams:

Is there anyone else in support of S.B. 65 (R1)?

Ted J. Olivas, Director of Administrative Services, City of Las Vegas:

We would like to thank the Nevada League of Cities for bringing this bill forward. It will be helpful to all of us for the reasons that have already been expounded upon. It will be helpful to the City of Las Vegas.

Assemblyman Goedhart:

Quite a few cities are currently conforming to the conditions of existing statute. Is it just a few cities that have not been doing it by an error of omission?

Ted Olivas:

I am not sure that I can answer that question. I am not sure if the League of Cities has done a poll of everyone. With the provisions as they currently stand, I would think it would be a difficult thing for all of us to do. I am not sure if there has been any formal poll.

Assemblyman Livermore:

How many clerks would you need to answer the phone for people inquiring from these Internet sites? Are you prepared to do that?

Ted Olivas:

I do not believe that we are going to have to employ anyone else to meet the provisions of this bill. With the current staff, we will be able to meet these requirements.

Assemblyman Anderson:

We are not talking about removing this from the paper. We are talking about making a summary in the paper of something that has not been normally been done before. It is a 1939 law. We are not taking things out of the paper. We are still allowing people to get their information in whatever way they want to. This is not going to do anything bad for the cities. It is only going to make it easier to comply with the law for the cities and all local governments. Is that correct?

Ted Olivas:

That is correct. I could not have said it any better myself.

Assemblywoman Pierce:

Did the City of Las Vegas ever do this or was this a surprise to you too? I do not ever remember seeing this in the newspaper, and I live in Las Vegas.

Ted Olivas:

Clearly, we did not do this at this level of detail that is required.

Vice Chair Bustamante Adams:

Is there anyone who is neutral on S.B. 65 (R1)? [There was no one.] Is there anyone who is in opposition?

Barry Smith, Executive Director, Nevada Press Association, Inc.:

I would like to start by addressing some of the things that I heard. This is a law that has been on the books since 1939, and cities and counties in Nevada do follow this law. Some of them do not. They are well aware of it because this bill has been presented before. There is no cost savings because they are not spending the money. The ones that do spend the money do so because they understand the law and the responsibility to make this information available to the public. To clarify, this is a fairly radical departure. The bill requires that a summary be published. It does not say to publish the details on the Internet. It says publish a summary on the Internet. If you want to know the detail, you have to go to city hall and look it up. These are public records. That does not do much for me because they have always been public records.

I wanted to see how this would work. I live in Carson City, which publishes a list of its bills. In the last quarter of the year, Carson City published a list of 800 bills. They published the details of where they spent the money. The reason they do that is because people in Carson City can then tell where that money is going and what it is being spent for. I looked at that notice and picked out one item at random. I went to city hall and asked to see the invoice. The people looked it up and showed me what it was. It took less than five minutes. If I had wanted to see the other 799, I would have been there for eight days. This not only informs the citizen but also acts as a deterrent to publish what you spent your money on, rather than sticking that invoice in a desk drawer in the clerk's office on the off chance that someone might want to come see what that is. That makes a huge difference in keeping fraud and costs down. That is what the intent of the original legislation was. It is there so that people can examine what their tax dollars are being spent on rather than a summary.

That publication in the *Nevada Appeal* cost the taxpayers \$2,338 to list what the city spent \$15 million on. Under this bill, that notice would say, "Carson City spent \$15 million last quarter. If you want to see the details, come down to city hall and look them up." It would not put those details on the Internet. A summary would say the same thing. That is a big departure from what the law says now.

A good question is who is following this law and who is not. Most of the rural areas do follow this law. People know where the money is going. They see how it is spent. That is accountability and transparency. That is why this law is on the books. If you would like to make a better law, changing the way this works and throwing out what is happening in those rural areas is not the way to go about it. There may be a better way to go about it, but doing it this way is not it.

This disturbs me. The City of Bell, California, is the poster child for malfeasances that went unreported. The City of Vernon, California, is another example. No one was watching where the money was going. Millions of dollars were being misspent. The City of Vernon is a little community. It has a population of less than 100 people. It is a very rich community. They were paying their public officials \$500,000 a year with a rotating chair. No one was paying attention or watching. No one wanted to see the transactions from each the quarter. That is what disturbs me. It is a potential pitfall.

Assemblyman Stewart:

Do you know how many cities have not complied with this law?

Barry Smith:

To my knowledge, only the ones larger than Carson City have not complied.

Assemblyman Stewart:

Have any of the newspapers published that these cities have not complied with this law in the past?

Barry Smith:

I could not tell you for sure whether they have or have not. I have pointed this out to the newspapers, but I could not tell you for sure what they have published.

Assemblyman Stewart:

It seems to me, if they were very concerned and they have the venue to correct it, they would have published it.

Assemblyman Ellison:

Yes, that has been challenged. There was an incident in my district where they had to go back and publish that information in the newspaper. How many people actually read the paper versus the Internet? Have you done a poll on that? A lot of older people do not use a computer. They read the paper every day faithfully. The whole concept of this bill is to let the public know what the expenditures are for the city or county.

Barry Smith:

That is true. The polling we have done asks about public notices in general. In our poll, where people were asked where they would prefer to read public notices, 56 percent said newspapers and 18 percent said the Internet. Additionally, 87 percent said public notices should continue to be published in newspapers. One of the reasons is because, traditionally, that is where people expect to find public notices. The more they are scattered all over various government websites, the less likely people are to actually look for them. Readership of print publications is how people get their news. It has shifted to the Internet and mobile devices, although the most trafficked stories originate with newspapers and their websites.

Assemblyman Ellison:

How many people does it take to do the website and how many does it take to print it in the newspaper? This is a job bill. How many people does it take to run a press versus someone running a website? During these hard times, I hate to see jobs going out the door.

Barry Smith:

The newspapers certainly derive revenue from this. At the *Nevada Appeal*, which is published in Carson City, their financial statement for this was \$2,338 for a quarter. That is about \$10,000 a year. It is certainly a portion of the revenue that operates a newspaper.

Assemblywoman Pierce:

I appreciate what you said about the bill. I think that there is more information that could go on the website. However, in terms of Bell, California, I think that your profession has some culpability in that situation as well. The public expects the press to inform us when something like Bell is going on.

Barry Smith:

That is precise. The reporters for the *Los Angeles Times* won a Pulitzer Prize for their coverage of Bell, California. As an anecdote, my definition of an investigative reporter is one who missed the meeting and had to go back and read the minutes.

Assemblyman Livermore:

In the last two weeks, there have been two publications in the *Nevada Appeal* that were of interest to me. One was on the delinquent taxes owed to the county. It showed about a 40 percent increase in delinquent taxes. The story went on to discuss the difficulty of paying taxes. At the same time, there was another publication of bills paid by the county. Not that I am emphatic about knowing who is delinquent on their taxes, but as a citizen of Carson City, it

gave me comfort and security to know that the information was accessible to me and the other 57,000 people who live in Carson City. Who is delinquent on taxes and who is doing business with the county has a connection in my mind. I can go to the mayor or board of supervisors and ask why they are doing business with someone who has not paid their taxes. There is a lot of correlation here to the security and the comfort of the citizens. It was not that I got up that morning and needed to find out who was delinquent on their taxes; it was a publication that stirred my interest. That is the appropriate way a newspaper provides that information to you. Are we going to have to rely on an investigative reporter from here on out? We have to search on the Internet for who is not paying their taxes.

Assemblyman Anderson:

We have all read this bill. Mr. Smith, can you confirm to me that the language of the bill states that we are not taking out the requirement that it be published in the newspaper?

Barry Smith:

The way I read the bill, it takes out the requirement that the detailed list be published. It says that it will just be a summary. It does not define what a summary is.

Assemblyman Anderson:

That is not what I asked. I asked whether or not we were taking it out of the newspaper completely. I understand that we are changing the requirements. That is another discussion which is separate from the discussion that has been going on about this bill. We are not fighting the assessor's roll bill right now. We are not taking it out of the newspaper completely. Is that correct?

Barry Smith:

No. It changes the wording in section 2 from "showing receipts and disbursements, exhibiting in detail the bills allowed" to "showing the total amounts of receipts, disbursements and bills allowed." Right now, to continue my example about Carson City, those 800 bills were listed in the newspaper, showing who they were paid to and in what amount. Under this bill, if I am reading it correctly, it would say that in the last quarter Carson City spent \$15 million as a total.

Assemblyman Anderson:

Just to be clear, we are not taking it out of the newspaper completely. We are just changing the requirements for what is published in the newspaper.

Barry Smith:

There would still be a notice in the newspaper. It would be a different notice.

[Assemblywoman Kirkpatrick assumed the Chair.]

Assemblyman Anderson:

The conversation that has gotten me a bit frustrated is that we are fighting a battle of Internet versus newspaper. That really is not what this bill is about. Since we are having this conversation, I am going to stick up for the Internet a little bit. I cannot remember the last time I subscribed to a newspaper. I find the Internet to be a much better tool for searching. When I am looking up statute and reading it, I can type it into the search engine and it comes right up. I do not have to search through a book for it. It is much easier for me to find information. I understand that not everyone is there yet. We are cognizant of that fact. I am not saying we should take it out completely. It is a different discussion about whether we want to have details versus a summary. The reality is, newspapers degrade and the Internet stays forever.

Chair Kirkpatrick:

I have a question and maybe this is for the cities. They may need to put the details on the Internet but publish the summary within the papers and refer back to the Internet if people wanted to get more information to see if that is an option. I read the newspaper because I like to touch it. If I wanted to get further detail, I could go to the city website and dig deeper. Was that something that was discussed? I apologize if it was. The summary may be all right if you have an avenue in order to get the details. Was that discussed?

Barry Smith:

To my knowledge, that had never been discussed.

David Fraser:

That is exactly our intention. We did cover that in our testimony earlier. It is our intention that the summary would be published in the paper directing people to our city website with the backup that if they did not have access to the Internet, they could call or come down to city hall. That would also be published in the paper. The idea is that the detail would be available on the city website, which would increase the transparency. Based on the summary that would be on the paper, I think people would be able to get a more accurate overall view instead of having 30 pages of numbers to go through to figure it out. It would give them a more high-level view of the city's finances. When someone goes to the website, they would not only have all that detail but also have the technology to query that information and drill down more easily.

That leads to an answer to a previous question about how that is defined in the bill. On page 3, section 2, on lines 13 and 14, which talks about the quarterly publication, it says, "The statement must: (a) Inform the public of the provisions of subsection 3," and then subsection 3 indicates that level of detail that you are talking about, Chair Kirkpatrick. With all due respect, I would like to point out that not only are we not proposing to take it out of the newspaper, but we are proposing to make it a summary instead of the detail in the paper for all the reasons stated. We are proposing to put it in the paper 16 more times per year than is required under the present statute. It is currently required to be put in the paper once per quarter, and this bill proposes to put the summary in there five consecutive days each quarter.

Chair Kirkpatrick:

I understand all of those. I think that the legislative intent, that the summary directs readers to the website, is important because if it is too broad people will take liberties with it. The language is a little vague. It just says that the information is posted there. It does not tell you that the explanation has to be in the same summary. I have seen that happen where in one section of the legal notices, you have part one of a request for proposal (RFP) but then you have the real details in another section. So many people go to the Internet to look up recreational activities and other things. There has to be, at least from my standpoint, some clarity on how to find it on the Internet. Clark County's old website was very user-friendly. With their new website, I think they should get their money back. You cannot find anything anymore. There has to be a user-friendly place to find that information.

David Fraser:

I appreciate the statement of legislative intent. It matches our intent perfectly. It is absolutely our intent for the summary to include three elements. The first is that if someone is seeking additional detail, they need to go to the website, call, or visit city hall. That is absolutely our intention of the way this would work. There was another place where the language was not clear as to our intent. Assemblyman Anderson brought that up and we intend to fix that. If, in any way, this language is not clear enough, we are receptive to that input. It is absolutely our intent that the summary directs readers to the website.

Assemblyman Stewart:

I agree with Mr. Smith on page 3, lines 9 through 14, where it says, "the total amounts of receipts, disbursements and bills allowed and paid . . .," it sounds like that is a summary again. I think it should be clear that the details will be on the website, even to the fact that a specific receipt could be viewed on the website. Is that your intent?

David Fraser:
Yes, it is.

Chair Kirkpatrick:
Is there anyone else in opposition? We will close the hearing on S.B. 65 (R1). We will open the hearing on Senate Bill 261 (1st Reprint).

Senate Bill 261 (1st Reprint): Makes various changes relating to the reorganization or combination and reorganization of certain fire protection districts. (BDR 42-836)

Senator Joseph (Joe) P. Hardy, M.D., Clark County Senatorial District No. 12:
Senate Bill 261 (R1) is a bill that allows the concept of what I would call smaller home rule. The basic concept of the bill is that the board of county commissioners of a county with a population of 700,000 or more already has the prerogative of holding hearings. This bill says that they will have a hearing to look at fire protection districts being reorganized. If the hearing determines that they do not want to consider the reorganization of a fire protection district at this time, they will not allow that to go to a vote of the fire protection district that is requesting such a change. The bill is allowing, asking, or mandating the county commission to have a hearing about the reorganization of the fire district, and if the fire district hearing goes to the point where they do not want to reorganize, the issue would be allowed to go to the vote of the people at the next primary or general election.

What brought this about was that people in the Logandale and Overton area felt that they needed to have a more direct say in how soon the garage door got fixed and what equipment should stay there. They wanted to have some autonomy and the ability to do things more expeditiously than to go through the bureaucracy that is currently in place.

Chair Kirkpatrick:
I know that the county often donates equipment that they really cannot use to someone who can use it. This might give them an avenue to do that.

Assemblywoman Flores:
On line 17 on page 2 it says, "A petition signed by at least a majority of the owners of property located within the district or districts." This means only owners of property can participate in this petition. Is that correct?

Senator Hardy:
That would be correct, according to the bill. I would be happy to have your input if you would like.

Assemblywoman Flores:

You are trying to avoid the bureaucratic process, but in that process, everyone has a voice and everyone gets to participate. In this way, only people who own property have a say in this process. I think that is a little exclusive of a lot of people. The other questions I had are that I wanted to get an idea of about how many people it would take to be a majority. You mentioned the Moapa Valley area; can you give me an estimate of how many people would actually have to sign a petition based on what you have now, which is just property owners? How many signatures would be needed to do that?

Senator Hardy:

It would probably be wise to go to the person who brought this out and who lives there without me making up the answers.

Chair Kirkpatrick:

I would like to chime in quickly. That is currently consistent language throughout our statutes and I believe that when it was first established, the legislative intent was because property owners pay the property tax that goes to the fire district. I would want to visit some of the other statutes to see if they are still in play or utilized so that we have some kind of consistency. I understand what you are saying. We are changing laws today that have been in place since 1977 so it might be time to revisit this. I am happy to look at that.

Randy Tobler, Private Citizen, Overton, Nevada:

In answer to the question, my best guess would be that about 3,000 signatures would be needed on the petition to get the opportunity to put that on the ballot.

Chair Kirkpatrick:

Did you say 3,000?

Randy Tobler:

It is a guesstimate of 3,000 to 3,500. We are losing residents there. I sit on the Board of Directors of the Moapa Valley Water District, and I know that we have about 200 vacant homes in the valley.

I have lived in the Moapa Valley area for ten years. I have a soon-to-be family of five. My wife and I have two small businesses. We try to stay actively involved in the community. During our time and involvement, I have encountered and had many conversations with volunteer firefighters and emergency medical services (EMS) individuals who have been frustrated with the cumbersome details involved in getting maintenance, equipment, and training to the area. Our community is reliant on Clark County. They do a great

job in providing many of the services for us. One example is our parks and recreation. We have great ball fields and programs for the youth. We have a wonderful fairground. Clark County gives us the funds. People who live in the community administer and make those decisions.

The Moapa Valley Fire Protection District is overseen by the Clark County Commission. They have delegated that to the Clark County Fire Department. There is no local representation. They do not necessarily know the challenges that we have or some of the things that we may need. Those requests have been slow. There is no ill intent on the part of the county. They have a big area and a lot of resources to manage. These funds are set aside for the Moapa Valley Fire Protection District. If we have a local board that can control those funds, we could better serve the needs of the population and have a better district.

Assemblyman Stewart:

This bill would just give the local people, who know the situation better, the authority to administer and carry out the services of the fire department. Is that correct?

Randy Tobler:

It gives us the opportunity to. We obviously would have to collect the signatures and present that to the Clark County Commission. That would then go on the ballot. As of now, we do not have that opportunity. It would give us an opportunity to look at what the finances are and whether it is feasible for us.

Assemblyman Anderson:

Going back to the property issue, if you have multiple properties, would you be able to sign the petition multiple times under this bill?

Senator Hardy:

Realistically, if you are assessed a property tax of some kind, you have a stake in that game. Every property owner has the right to be represented.

Assemblyman Goedhart:

Why did you tailor this bill to a county whose population is 700,000 or more? Even within smaller rural counties, such as like Nye County, we have smaller communities like Amargosa Valley. They have an almost 100 percent volunteer fire department. Over the last year, there has been a lot of spirited discussion over where the command and control should be. Also, is that command and control structure cognizant of and responsive to the needs of the local community? I would like to see the scope of this bill expanded to include other

communities and counties, to have the same option to provide that greater local control and responsiveness.

Senator Hardy:

Realistically, this obviously touches other people. In my representative role, I did not know about all of the other problems that could happen. I recognize that. It could be a vehicle for other counties.

Chair Kirkpatrick:

All those who are in favor of S.B. 261 (R1) may come forward now.

Assemblyman Crescent Hardy, Clark County Assembly District No. 20:

I am a representative of this area. I have provided a number of statements ([Exhibit C](#)) from locals in the Moapa Valley area in support of this bill. There has been enough said about it by the Senator. The testimony will speak for itself. I have said it before for this Committee, that the governance closest to the people is the most effective. I am in support of this bill.

Rusty McAllister, President, Professional Fire Fighters of Nevada:

We support Senator Hardy's bill. I do not represent many people within southern Nevada who are involved in the fire protection districts that Senator Hardy has brought this bill on behalf of. My true intent for testifying on this bill is to follow along the lines of Assemblyman Goedhart's question about this being limited specifically to Clark County. It specifies counties over 700,000 in population. It goes in the back end of the bill and specifies that counties under 700,000 in population fall under the same provisions that they currently have. This creates a bit of a problem for us because in northern Nevada there are many more fire protection districts than there are in southern Nevada, at least in Clark County. Based on the language within this bill, it is permissible and allows a vote of the public. Why would you not want to have the public voice their opinion? If this bill were processed in its current fashion with Clark County only, it would allow for the residents of Clark County to vote for how they would like to provide fire protection, but it would disallow the other counties in the State of Nevada from voicing their opinion about how they would like their fire protection managed. We think that is inherently unfair.

In southern Nevada, most of the fire protection districts incorporate volunteers. In northern Nevada a large portion of fire protection districts are full-time paid or a combination of paid and volunteer fire departments. They would like the ability to have the voters decide whether or not they would like to be represented by an elected board of fire commissioners as opposed to the board of county commissioners in some areas. The current statutes state that if you want to reorganize or combine fire protection districts, they have to have been

established for ten years. We see that as being a problem in the Washoe County area. One of the large fire protection districts up there has been established for about five years. They are unable at this point in time to reorganize into another one. There is a fire protection district in Washoe County that has been established for over 20 years. They are under a consolidation pact with the City of Reno. They have to make a decision as to whether or not they are going to deconsolidate that fire protection district by June 30. Rumor has it that they could be combining a couple of fire protection districts up there. We are not sure if one is established for 5 years and one is established for over 20 years, and you combine those, where do they fall? Is that a new fire protection district that falls under the provisions of the ten-year law? We have a lot of questions.

We would like some uniformity. We would like to see the ability for northern Nevada to have the right to do this—in fact, not just northern Nevada, but any county. There are some people here from northern Nevada who have come to express some of the issues that they have confronted with their fire protection district management. They will make a good case for why this bill would be better offered to the whole state as opposed to just one county.

Alex Kukulus, Training and Safety Captain, Sierra Fire Protection District, Washoe County:

I am a landowner in the district as well as part of the fire protection district. I not only provide the fire service but I also receive it. I have a multifaceted stake in this issue. I rise in support of this bill. I hope this would be expanded to include Washoe County and any other county in the state. What is good for one is often good for all.

I will give you a little bit of background on our situation in Washoe County. Currently, there are three fire protection districts: Sierra Fire Protection District; Truckee Meadows Fire Protection District, which is on the east side of Washoe County and the unincorporated areas; and the North Lake Tahoe Fire Protection District in Incline Village. All of these provide a somewhat different service as far as whether they have paramedics or not. They all have different tax rates. There are some discrepancies amongst the services provided in the county even though they are adjacent to each other. It is our hope that we could have opportunities to merge some of those districts, if it is the desire of the people.

A good example is that across the street from one of our fire stations in Washoe Valley is a separate fire protection district. It is literally a stone's throw away from the other fire protection district that does not pay taxes to our entity. We, of course, service it because of our proximity to it. That is the

imbalance that we have created over the years as the county has grown. As mentioned earlier, it is outdated legislation, and I hope that we can revise it to adapt to how things have changed.

Another issue that we have observed is that currently our fire protection district lies geographically within only two county commission districts. What that means is that there are five county commissioners in Washoe County, and only two of them are accountable to the residents of our fire district. A majority of the residents and stakeholders have no ability to change their elected officials if they so choose. That, in our view, is a problem. The Washoe County Commission represents two out of the three fire protection districts. The North Lake Tahoe Fire Protection District has its own separate, elected fire board and seems to manage itself very efficiently. What we have observed is that, because the same people represent our district and the Truckee Meadows Fire Protection District, on occasion there can be competing interests when there are disputes over what may benefit one and not the other. We have seen this conflict of interest before. How can the same group of individuals make a decision that benefits one and hurts the other? That has been a challenge for us. This bill has permissive language that, if the residents chose to, they could establish their own fire board or merge the districts into one.

Assemblyman Ellison:

Are the three fire districts volunteer fire departments? Or do they have paid staff and volunteer firefighters? How does that break down? Where does the Nevada Division of Forestry (NDF) play into the support for the district?

Alex Kukulus:

Two out of the three fire protection districts, Sierra Fire Protection District and Truckee Meadows Fire Protection District, have combination departments. They are both paid staff and volunteer staff. They are well integrated that way. The fire protection district in Incline, up until a few years ago, still had volunteers but they have since disbanded that group.

The NDF has a much smaller presence in Washoe County at this point in time. Our fire protection district used to be operated by NDF. The county moved us away from them and back to county control in 2006. We still see NDF as a seasonal presence. They are now a separate entity.

Assemblyman Stewart:

If Washoe County was so dissatisfied with the way things are, why did they not bring up a bill in the past to rectify the situation? Why are we doing this all of a sudden on Clark County's bill?

Alex Kukulus:

These things have been discussed for years. Obviously, our particular concern for our fire district is that we only have about five years of history. It has been a developmental thing. We have identified some of these problems just in the last couple of years. We did discuss legislation towards this effort. We had nothing to bring forward until we saw this bill. It certainly met our needs. This was a vehicle to meet those needs.

Steven B. Perez, Private Citizen, Washoe County, Nevada:

I live in the county area just west of Reno. I have been taking notes as some of the people have spoken. I have 35 years in fire service. I was on the board of directors for a fire protection district in the state of California before I moved to Nevada. I know the workings of a fire protection district and how it should function. I know that we are trying to confine the fire protection aspect. The fire protection districts are important to the State of Nevada. Throughout the United States about 65 percent are either fire protection districts or volunteer fire departments. Either way, they are run by an elected county board of citizens within that district. They provide oversight and determine how that fire protection district should operate and be funded. They determine the needs of the area or department.

The difference that we have in Washoe County is that we have a board of county commissioners. Many of them live in the City of Reno. We have an agreement between Truckee Meadows Fire Protection District and the City of Reno that has been there for about 11 years. The problem is that each area has different needs. We have the problem of having a third entity involved. That problem is that the City of Reno and Truckee Meadows Fire Protection District have had that agreement for 11 years. There is a problem with the administrative aspect with the Reno Fire Department. The Reno fire chiefs have the administrative influence and direction for Truckee Meadows Fire Protection District. There is a conflict of interest between all of the fire protection districts in the area. Sierra Fire Protection District is what we call the "Cinderella" fire department. We are waiting for someone to show up with our glass slipper. We are considering this bill our slipper. Over in North Lake Tahoe, they are financially viable. They have paramedics. They run extremely well. They buy new equipment. It is not necessarily because they have a larger tax base over there. It is because they are governed better. That is because they have an elected board of individuals from their community that runs the fire department in a way that is best for their community.

Sierra Fire Protection District has asked to be included into the agreement with Reno and Truckee Meadows Fire Protection District. We are now the extra wheel. We came into existence five years ago during the preexisting agreement

with the City of Reno and Truckee Meadows Fire Protection District. Rather than make us a third body, so that we could become part of the agreement and have more say in all the fire protection operations within Washoe County, they have chosen to get another ten-year agreement between the two of them and leave Sierra Fire Protection District on the outside with no voice and no say.

Every time we meet with the county commissioners, they say that they are only concerned with the people in Sierra Fire Protection District. In reality, they have the City of Reno looking over their shoulder. Additionally, their fire chief dictates what happens in the larger Truckee Meadows Fire Protection District. We always lose. I will give you an example. At this point, the City of Reno is having some financial issues. We are hoping that is going to be the reason that the agreement is not going to be continued. That will be decided next month by the county commissioners. The property owners are the stakeholders in this. The property owners should have the say as to how the fire protection district in their area is run. We have seen what happens when you are not represented. We have 14,000 people in our community. We have a 19-minute response time from our first engine into a community that has thousands of people in it. We have lost people and homes. We have lost property because of that. We have been told that we have not been able to afford a fire station because we are up on the Mount Rose quarter and, because of the elevation, it takes that much time for people to respond up to our location. Our community has put up enough money that we could easily afford a fire station. The county commissioners have chosen to divert \$3 million a year to a community that has 1,000 people. That is the politics of dealing with the county commissioners.

It is all about expectations. We pay taxes and this is what our expectations are. If we could include Washoe County, that will solve 90 percent of our issues. We then only have to worry about funding issues and doing what is best for ourselves. We do not have to rely on commissioners who have conflicts of interest. They have proven over the last 11 years that they do not have in mind the best interests of everyone in the county. The influence from Reno has to go away. Reno's problems are their own. They are part of Washoe County but the county is much more widespread and a larger community than just Reno. This involves all of Washoe County and all of the other counties in northern Nevada in particular. They have to be able to go in and reorganize and consolidate. If not, they have to bring in a citizen board that is going to be much more attuned to what the needs are.

Betty Hicks, Private Citizen, Washoe Valley, Nevada:

I live in the district that is across the street from Sierra Fire Protection District that was mentioned earlier. I have lived in this district for almost 22 years. When I first moved into the district, it was a well tended district. It was prior to

the interlocal agreement done with the City of Reno. I watched brand-new equipment disappear within a matter of weeks when that interlocal agreement came into effect. I ran for a seat on the county commission in the 2010 election. In preparation for that, I started attending the commission meetings. I was appalled to watch a simple gaveling changing the authority from the commission to the fire protection district. I have witnessed the commissioners' bias in favor of the City of Reno and the area in which they represent. They do not help those who are in the unincorporated areas.

Assemblyman Stewart asked why the citizens had not risen up and said something about this sooner. We have been fighting this interlocal agreement since it was created. We do not like it. We were not asked about it. We have been trying to get them to discontinue it. They will not listen to us. One of the commissioners recently told a citizen who lived in the Sierra Fire Protection District that he did not care whether or not they got their new firehouse. All he cared about was that his fire station, which is adjacent to his house, was browned out. That is a different fire district.

It is the City of Reno versus the unincorporated areas. We want our own fire board. Our money in unincorporated Washoe County in the Sierra Fire Protection District or Truckee Meadows Fire Protection District is dedicated to the fire protection services. In the City of Reno and the City of Sparks it goes into the general fund. Their funding is not direct. We would like to have control over the money that we pay in to the services that we want to experience. My youngest son was hit by a car when he was 14. They took him out of Washoe Valley, which saved his life. Care Flight does not come into Washoe Valley anymore. Someone decided that we do not deserve the services the City of Reno deserves. We get best effort. Roll times are somewhere in excess of 20 minutes. If a person is having a heart attack or stroke, they have to wait for 20 minutes to receive care. Our volunteers are doing a better job in East Washoe Valley than what paid people have been doing. I have seen response times. I have a neighbor who has created more fires than I care to deal with. I saw response times, in the 22 years I have lived there, go from 5 minutes up to 20 minutes. The fire station is two miles from my house. We have a major problem in Washoe County, and we feel that what applies to Clark County applies to every county in the state. Please put in an amendment that this bill applies to everyone, because we all deserve good fire representation and that would only come from a fire board like the one in Incline Village. They govern on behalf of the people in the district who pay for it.

Chair Kirkpatrick:

Just so the record is clear, Mr. Perez and Ms. Hicks are neutral on this bill with the amendment. [Mr. McAllister presented the amendment ([Exhibit D](#)).] They support the bill but they support the amendment as well. Is there anyone else who would like to testify in support of S.B. 261 (R1)? [There was no one.] Is there anyone who is in opposition? [There was no one.] Is there anyone who is neutral who would like to testify on the bill or the amendment?

Jane Countryman, Private Citizen, Washoe Valley, Nevada:

I am a west Washoe Valley resident who resides in Truckee Meadows Fire Protection District. I am one of those people who receive first response from Sierra Fire Protection District but my tax dollars go to Truckee Meadows Fire Protection District. They cannot get to me any sooner than 20 minutes. By then, I am dead.

I would like to support this bill but the reason I am neutral is because I do have one concern. My concern is in the amendment, under section 2, where it talks about how the district has to be in existence for at least ten years. I am coming to testify that if we know there is a problem, why would we want to wait ten years to fix it? We have been struggling for years to get this issue resolved. There needs to be equitability in services for money spent. We are talking about lives. We are not talking about recreation. We are talking about services that preserve lives and property. I cannot find anyone who can explain why we need to wait ten years to fix a problem. I do not know why that is in this bill. If there is any kind of justification in the bill, it is where it talks about if a petition goes out that a change needs to be made. I do not understand why we have the ten-year requirement. I support the bill. I am sorry that our commissioners did not feel that they needed to bring a bill for this issue. They have been dealing with it for a long time. As a citizen, it is hard for us to know the right avenues to take to present a bill. I hope you will not hold it against Washoe Valley that we did not come forward with this bill ourselves. It is important. We need to do away with the ten-year requirement. Anytime a government or community sees that there is a problem, they should have the right to fix it and get it amended to what is suitable and economically right.

Chair Kirkpatrick:

We appreciate when the citizens come forward to testify and be a part of the process. From my perspective, I am not sure why the ten years is in there. I am happy to find out and get that information for you. This has been in statute since before I was a legislator. Hopefully we can resolve this issue.

Rusty McAllister:

I would like to clarify the question that Assemblyman Stewart asked earlier with regard to why this was not brought up in the past and the question about the ten-year requirement. Ten years is existing statute. This bill was amended in the Senate. When it was first proposed, there was no change in the number of years. It left it at ten years, but the amendment that was added in the Senate changed that so that in Clark County it only had to be in existence for two years. That is why these people from Washoe County saw this as an opportunity to come now. Since they are proposing to do this for two years instead of ten years of existence, this would be a good opportunity to come forward and get this changed to include Washoe County. That time frame was changed.

Chair Kirkpatrick:

The ten years was first put in place in 1993. It was then addressed in 1995. It has been there for quite some time. Is there anyone else who would like to testify in support of S.B. 261 (R1)? [There was no one.] Is there anyone who is in opposition? [There was no one.] Is there anyone who is neutral on S.B. 261 (R1)?

John J. Slaughter, Management Services Director, Washoe County:

I have previously testified before the Committee on our efforts on fire regionalization and consolidation. I think you have gotten a flavor of some of the issues and some of the concerns that we have. We have been working on the regionalization and consolidation for a number of years. You are aware of our agreement between the City of Reno and Truckee Meadows Fire Protection District. We have also been working as a region to look at that issue.

We have concerns with the proposed amendment to the bill. I testified on the Senate side. The original language of the bill did apply to the entire state. I worked with the sponsor of the bill and expressed our concerns at that time and the bill was amended in the Senate to the form that you have now. The amendment ([Exhibit D](#)) that is being proposed is asking to go back to that original discussion. I appreciate that we are having this discussion on the Assembly side because there was no discussion on the Senate side on that issue. As a reference, when you land at the airport in Reno and you drive to Carson City, as you drive here, you will pass through four of the six fire jurisdictions that we have in Washoe County. It is really a small area and it emphasizes the need that we have. What has come about over the years is that we are looking into the issue of regionalizing and consolidating fire districts.

Our specific concern is that during that process, over the last several years, we have completed several regional fire studies. We have completed standards of

cover studies. We are looking at EMS and how it is provided by fire services. We have many options before us. Our concern is that, as it is proposed to be amended, this bill may perhaps limit some of our options. In section 1 of the amendment, which references *Nevada Revised Statutes* (NRS) 474.010 and 474.450, if that process were put into place today, as you have heard, that would put in the possibility of a separately elected fire board. We are not sure that is right at this moment. I have come to you before on other fire issues. I have committed that as we move through this process and identify legislation that we may need, we will be back next session with those proposals.

I wanted to address one of the issues that came up regarding the conflicts of interest that our commission has when it sits as one board and then changes over. That is not uncommon and it happens on a number of issues for county commissions throughout the state. Sierra Fire Protection District is working on building a new fire station, which is the Arrowcreek Fire Station. At a recent meeting, sitting as a combined board, the county commission committed to the fact that some of the shortfall funding for that fire station would come from another fire district. I think it is incorrect to say that they have competing interests. I think they do have a full understanding of all of the issues. That was shown by their committing money from a different fire district to help pay for that fire station. This fire station will, in practicality, serve both fire districts.

Chair Kirkpatrick:

It took me awhile to understand how the different fire districts work. We are fortunate in Clark County. We just do memorandums of understanding (MOU) and everyone works together. The first session that I had to deal with the statutes on this issue it took a lot for all of us from southern Nevada to understand it.

P. Michael Murphy, representing Clark County:

I would like to thank the sponsor for bringing this issue forward. As you can tell, as we are getting deeper into the discussion, there are several issues on the table. One of the most important that Clark County would like to bring forward is the communication issue. That is the communication between our board and those in the rural communities to ensure that we are in tune to what their needs are and making sure that they understand the decisions that we make, why we are making them, and what is going on. In this time of economic strife within the state, what is happening, in many instances, is when those decisions are made, if they are not communicated appropriately to the very lowest level of everyone that is involved, what happens is that we see bills like this one. This is not the first time that we have seen something from the rural communities

asking for more control because they do not believe they are getting their fair share or that they do not have enough control.

When Senator Hardy spoke about a garage door that cannot get fixed, I would like to say, as a department head within Clark County, that we have a lot of things in place to make sure that money is spent appropriately. Some of those are state law, county ordinance, et cetera. If you are dealing with that bureaucracy, it can be extremely frustrating. That is not unique to a rural community. My concern is that we create unintended consequences by bringing some of these bills forward that may slow that process down even further. It may not fix the problem at all.

I would like to state that I have been a volunteer firefighter and it is frustrating when the decision making may not be at the very lowest level. All of the people who provide public service are not only passionate in their work but compassionate in their service, especially those who volunteer. We need to remember that and communicate appropriately with them.

It sounds like I may be opposed or in favor. This is why we are neutral. We hear the message loud and clear. The question is, will any of this process block some of the other messages we have received from this Committee and others about consolidation of services, about economy of scale, and about continuing to provide service appropriately to our community by bringing everyone under one umbrella within Clark County or consolidating some services. We have talked about that and you have heard from the firefighters union. Our concern is that we do not want to have anything that would block that. We think that there might be a need for a study to see if this is something that is appropriate to do, or find if there is another way to answer this call from the rural community. We are concerned that this may actually block things that we would want to do in the future. We should look at a study versus actually going into a full statute change.

Chair Kirkpatrick:

Is that a study that the county would pay for?

Michael Murphy:

Washoe County told me that they paid for it. While I cannot commit dollars from Clark County, I am confident that if we were looking into the issue of how we could do this better, it is something we would use our resources for.

Chair Kirkpatrick:

Is there anyone else who would like to testify as neutral on S.B. 261 (R1)? [There was no one.] We will close the hearing on S.B. 261 (R1). We will open the hearing on Senate Bill 214 (1st Reprint).

Senate Bill 214 (1st Reprint): 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)

Senator Joseph (Joe) P. Hardy, M.D., Clark County Senatorial District No. 12: Senate Bill 214 (R1) could be called the Interstate 11 or the Boulder City Bypass bill or a demonstration project for a toll road in connection with the Boulder City Bypass Project. [Senator Hardy gave a slide presentation ([Exhibit E](#)).] The genesis of this bill has been apparent for decades. It is how to handle traffic through the bottleneck that I call my home, Boulder City. In 2003, we had the design-build legislation that was amplified. This bill proposes to use some of that same technology. This is a bill that is an important policy issue for us to consider.

In the process of understanding a tolling facility or a public-private partnership, some issues that have been raised before are addressed in this particular bill. One of these issues is that this is an old road that has already been paid for and is now going to have been paid for again through the use of a toll. This is a new road. It has not been constructed yet. It would allow people to pay the user fee or go through Boulder City on the current state route, which is proposed to continue to be the state route through Boulder City, without any extra cost. There is an alternative way that is free and will not be removed. It will remain under the care of the State of Nevada. It is not a new road and there is an alternative way. The problem that we have had with old technology with tolls or user fees is that you have to stop, slow down, put money in the basket, or slow down to be scanned. The technology that exists now is a digital picture that can be used for billing purposes. There is no slowing down being proposed on this user fee, public-private partnership tolling demonstration.

This policy issue affects our behaviors and our lives. If you look at the cost of the proposed project, it is about \$400 million. There are jobs that will be created from this. It is almost instantaneous by having a transportation facility built. Some estimates would be 7,000 to 14,000 jobs created. This bill also requires prevailing wage to be used. Workers, unions, and the people who are related to the construction workers will all benefit from this.

There is a safety factor involved right now. You will probably hear testimony about the issue of the timing to go through Boulder City as well as the safety

factor. Since the bridge opened in October 2010 below Hoover Dam, the bottleneck of transportation between Phoenix and Las Vegas became Boulder City. That is the new bottleneck. You will hear testimony about that as well. People who come from Arizona to Las Vegas probably do not want to take more time leaving Las Vegas while trying to get home. Shortly after the bridge was completed, the truck traffic was coming back through Boulder City again instead of being rerouted through Laughlin. I just had a call from someone who just spent an hour going from Railroad Pass to the center of Boulder City. That is a distance of about three miles. It normally takes a whole lot less than that because the speed limit is 55 miles per hour. Traffic has been adversely affected. With the traffic slowed down, you get a decrease in the air quality in the hydrographic basin.

The concept of public-private partnerships allows the road to be paved and used long before it is paid off. It is much like buying a home with a mortgage where you understand that you will be paying for something over time so that you do not have to wait 15 or 20 years to get the money to build the house. Boulder City has gone on the record for donating the land. There are not the issues of trying to acquire the right-of-way. It has already been acquired. What they call the record of decision has already happened. The National Park Service has already given permission to cut a hole into the mountain so that we can create a roadway. All of the environmental impact studies have been completed. This road is shovel ready. It just needs the dollars to build it.

There are issues with any bill. There are moving parts. Assembly Bill 212 deals with the design-build projects. I wholly support that. Senate Bill 83 has a design-build component. I do not want this bill to conflict with those.

I would have you turn to page 23 of S.B. 214 (R1). On lines 17 through 22, there is strikeout language there that is current statute. I would suggest the Committee consider unstriking that just in case anything goes south with the process we call legislation so we do not get rid of that while we are processing a new and improved design-build statute from Assemblywoman Woodbury.

Assemblywoman Neal:

This is going to be a public-private partnership. You said that the costs would be somewhere around \$400 million. What is going to be the breakdown of the percentages and how that cost is going to be shared? Is the private portion going to put in any money towards the cost of this?

Senator Hardy:

When we started looking at this project as a public-private partnership some time ago, the state had money. The question was how much it would be. Right now, with the state not having money, I asked that same question of the Department of Transportation (NDOT). Out of the blue, one of the private companies said that they would like to pay for the road all by themselves. What is happening in the economic world is that there are people who have money who do not know where to put it. They are looking for places that are predictable and ongoing where they can put their money safely. This happens to be one of those places. Different companies have actually talked with me. Those conversations cannot go anywhere because tolling is not currently legal in the state of Nevada. If you go through Hawthorne and stop at the park and look at the big Nevada-shaped sign, that is how commerce started in Nevada, through placing tolls on roads back in the 1800s.

Assemblywoman Neal:

My next question is on section 39 of the bill. I need you to clarify how this is going to work. It says that "the Department of Motor Vehicles shall not renew the registration" and there is public-private partnership language if they file a notice of nonpayment; what is going on in this provision? We now have a private company that may be able to file a receipt that a motorist did not pay their toll after the snapshot of their license plate was taken. So they now have an additional role outside of what the Department of Motor Vehicles' (DMV) standard role would be?

Senator Hardy:

Yes. What happens with this technology is that someone is in charge of collecting the fee. That usually would be a mailed bill or certificate that said you used this road on this date, and you owe this much money. Like any bill, the bill is paid, and if it is not, there is a mechanism in this legislation that allows for the DMV to say that if you do not pay, your vehicle registration will be held up until you do. If you pay late, there is a fee. It is a two-thirds majority vote on this policy issue.

Assemblyman Stewart:

I have a vested interest. Nevada people are leery about toll roads. They will not be required to go on the toll road if they do not have to. Is that correct?

Senator Hardy:

That is correct.

Assemblyman Stewart:

For those who do not want to pay the toll U.S. Highway 93 will still be available. These private companies will actually pay for the building of the road. Is that correct?

Senator Hardy:

Yes.

Assemblyman Stewart:

Once the tolls pay for the road, where will the tolls go then?

Senator Hardy:

The tolls will be used for the maintenance and repayment of the initial capital costs to the private company and/or NDOT's cost. If there is any extra money, it will go to the State Highway Fund.

Assemblyman Stewart:

We will actually have funds for NDOT in the future.

Senator Hardy:

We would hope that commerce will increase between Arizona and Las Vegas. The Interstate 11 concept will be bigger than Boulder City. Yes, we anticipate that the road will be used.

Assemblyman Stewart:

Mayor Tobler has actually donated the route that the road will be built on?

Senator Hardy:

He is not quite that rich. Yes, Boulder City has said that the roadway is available at no charge to the State of Nevada. Thus, the private industry partnered with the state. We will be able to do that. There is a significant investment on the part of Boulder City in this.

Assemblyman Goedhart:

From all accounts, once that bridge opened up and once the trucks rolled out across the bypass, the traffic is worse than ever. You have been presenting this bill since before the bridge opened. How many trucks are contributing to this traffic? Do you have an idea, maybe through NDOT, of how many tractor-trailers are running up and down the road every day? Is it in the hundreds or thousands?

Senator Hardy:

It is in the thousands.

Assemblyman Goedhart:

We do not have a better number than that?

Senator Hardy:

I have heard different accounts, but at least 2,000 a day.

Chair Kirkpatrick:

I want to have that debate with you if that is the number. I travel that road. It is not just the truckers. They do not want to sit there. I had that debate with Mr. Snow in the Assembly Committee on Commerce and Labor. I want to be careful.

Senator Hardy:

On September 11, 2001, traffic was basically shut down on the dam. All of the truck traffic was routed through Laughlin. That rerouting of traffic created a wonderful way of being able to turn left again in Boulder City off of what we call Nevada Way, which is Boulder Highway if you are outside of Boulder City. Before 9/11 it was problematic getting through and across the road in Boulder City. After 9/11 after all of that truck traffic was diverted through Laughlin, and it became very manageable. After that, it was not as manageable. I would defer to Scott Rawlins on the exact traffic counts.

R. Scott Rawlins, Deputy Director, Chief Engineer, Department of Transportation:

The estimation is that once the bridge opened and we diverted the trucks back, it would be around 2,000 trucks. We are currently taking counts. A lot of the problems you see out there today are from two things. The first is the attraction of the new bridge. People who have not been out there in a long time are coming back out to see Hoover Dam. The bridge itself has gotten worldwide notoriety. The Arizona approach to the dam has been closed. All the traffic is coming on to the Nevada side to access the dam. It is kind of a combination of all that you are seeing. There are trucks coming back across through Boulder City. There is also all of the additional traffic trying to see the new bridge.

Assemblyman Goedhart:

If a person wants to spend an extra few dollars and take the private toll road, if you could divert 20 or 30 percent of the traffic to the private toll road, it will also greatly facilitate the flow of traffic on the existing state-paid highway, which has no toll. Do you agree with that, Senator Hardy?

Senator Hardy:

Yes, I do.

Assemblywoman Neal:

In section 39, in subsections 4 and 5, it seems to me that the DMV is being given some kind of power to delegate a portion of their authority to this private partner who can issue a short-term certificate and deal with the driver's license information. In subsection 5, they can provide a copy of notice of nonpayment. How is the power being shared? How is this private partner able to do some of those acts without a problem?

Wayne Seidel, Administrator, Motor Carrier Division, Department of Motor Vehicles:

According to the conversations we have had with NDOT, we are envisioning something similar to the courts, like where we are suspending licenses and they are entering our data. The private partner could enter our database and read the information. We would then coordinate if there were some fees to be paid and hold registrations as they are proposing. That is the model we are envisioning. There would be some software modifications to do that. We have done that with the courts. The software to do that is in place.

Assemblywoman Neal:

You would allow a private company that invested in the toll road to access information on drivers. Is that correct?

Wayne Seidel:

We are envisioning NDOT partnering with a third party to work with the DMV to develop the checks and balances of that system. They will ask who the registered driver is on the road. We could then provide that information. They would then say to give the notification on the vehicle, so that upon registration that has to be cleared. It is like a lien. It would be a notification system where we are working together to check and balance back and forth. It would not be unlimited access into the data at this point.

Assemblyman Anderson:

There is a problem that we have to try to fix. I am not sure what the right approach is. I would like to comment on the concerns of Assemblywoman Neal, and I would say that I would be very uncomfortable with handing over driver data and personal information to a private company.

Do we have the authority to reroute trucks along this bypass? If not, how do we convince trucking companies to pay the toll? They are all in business. They

try to make as much money as they can. Do we have any guarantee that if we go forward with this that the road is going to be used?

Scott Rawlins:

There are no guarantees. We will not prohibit trucks from going through Boulder City with this project. We think that, with the access and the time savings that the new road will bring, it would be beneficial for them to use that road. They would not have to go through all of the traffic through Boulder City. They would not have to go through the signal systems. They would not have to slow down. They are running at 65 miles an hour doing the speed limit on the new bypass. It would be attractive to trucking companies. We would not regulate or bar trucks from going through Boulder City.

Assemblyman Anderson:

I would feel more comfortable if we could. If someone who knows about the trucking industry could speak to this issue, I would feel better. I know that Assemblyman Goedhart may know about this. That is one thing that we have to figure out if we are going to go forward with this. Do we have some assurance it is going to fix the problem?

Assemblyman Livermore:

In section 26 of the bill, it describes that the DMV may "acquire, condemn, or hold real property" and the DMV may grant to a private partner a lease, easement, or operating agreement. What parts would the partnership play in eminent domain as far as the acquiring of property under unfriendly conditions?

Scott Rawlins:

There are absolutely none. Any condemnation would have to come through the Department and through the Department of Transportation Board of Directors. That would not be transferred to the private sector.

Assemblyman Livermore:

In section 27 it says, "Notwithstanding any specific statute to the contrary, a private partner is exempt from any assessment on property" I can understand the roadway, but what about the other services that the partner might own, for instance, offices, storage facilities, and things of that nature? Would that not be taxable? It does not describe that in here.

Scott Rawlins:

Essentially, this is a public project. It is still owned by the State of Nevada. It is a public-private partnership. They will operate and lease for that right. We do not pay assessments for our property. It would just carry over to our private partner.

Assemblyman Livermore:

That is not the question I asked. I understand the road part of it. I am talking about the support facilities that this partner might need which might be something like office space, storage space, parking garages, et cetera. How would that work? It tells me that you are exempt from all assessments on properties.

Senator Hardy:

Section 36 addresses, in part, one of your concerns. Subsection 1 reads, "When any real estate or portion of real estate which for any reason is exempt from taxation" If any of those areas would normally be subject to taxation as described starting on lines 19 and 20, "portion of property leased" and "percentage of time," those would be subjected to tax and not exempted. As far as the other issues with the private partner portion of that, I will defer to Mr. Rawlins.

Assemblyman Livermore:

I am just trying to understand the level playing field for other companies that want to invest in Nevada. This is a major investment. I recognize that. I greatly appreciate someone wanting to do that.

Senator Hardy:

You are spot on. The reality is that if we start looking at the straits that we are in, in Nevada, we want to ask what is it that we can do to bring the private dollars into the state. Assemblywoman Woodbury, NDOT, and the rest of us are all looking at those kinds of things. We are looking at how to bring private money in. This particular bill deals with just the Interstate 11 portion through and around Boulder City. I think you are on the right track. What can we do that facilitates that? The moving parts of that puzzle are happening right now. We have that policy issue on public-private partnerships. I appreciate your input.

Chair Kirkpatrick:

I have some concerns because NDOT has not always been a team player with the state. They like to do things differently. They do not typically come to the table unless the benefits are theirs solely. I am just being direct. One of the other things is that NDOT has a tendency to hire out-of-state people. That is the biggest complaint I hear in my district. They see all of these jobs with out-of-state workers. I have talked to Ms. Martinovich about this. When the federal money comes into play, everything changes. That is one of my first concerns. I have said this before. You cannot circumvent this Committee with other things and then expect us to welcome you with open arms and not question your bills.

I have some concern with the toll roads. I drive 600 miles a week in my day job. I go from Mesquite to Laughlin. I understand roads. I understand how important it is to be able to travel down the road at a quicker pace. I understand this because, in my job, time is money; when I am sitting on the road waiting in traffic that is a sale that I just lost. I am frustrated because we have had this discussion since 2005. Where was NDOT when times were good in our state? Did they give money up to help build four lanes, consistent to the way Arizona does it, instead of the two lanes? That is a huge part of the traffic problem. I do not remember NDOT being here and having that discussion. That should have been us planning for the future.

Regarding Laughlin, they were having public hearings in Mohave and Maricopa Counties on what they need to do on the Arizona side. The hearings were published in the Laughlin paper. They were on their game, but where was NDOT at that time? I understand that we go through director changes and those things, but we as NDOT missed the boat and should have been at the table much sooner. I appreciate that you are at the table now, but it does not change my concern from where we are going. I have been very fair with NDOT this time as far as the design-build bill that Assemblywoman Woodbury has presented. I did put it on the desk so that we could evaluate and see what it does. No one talked to anyone about this. Maybe it went to the Assembly Committee on Transportation but this is the Committee that does design-build. This has always been that Committee. We allowed Mr. Daly to put an amendment on to Senate Bill 268 which allowed for NDOT to have a construction managers at risk (CMAR) pilot program. I suggest that you start getting to know who these people are on this Committee, which has always handled those two issues, because they will be in charge of this. I am not going to be overly excited about this process.

Section 15 gives a lot of discretion to NDOT, which is a department. When we go through subsection 2, paragraphs (a) through (j), paragraph (g) says that NDOT can do pretty much anything they want without having any responsibility to come back to anyone. I want to know why we need all that. I want to go through these particular pieces and understand what they all do. I have my own concerns on how well NDOT plays with others. I understand the problem, Senator Hardy, and I want help you fix it, but I am sure that Mr. Rawlins understands where I am coming from. This is not my first rodeo. I have been here for four sessions and I have been the Chair of this Committee for three of those. This is the second time you, or others from your department, have been in my Committee and usually they are opposing. I want you to go through all of the stuff that we are giving you the ability to do. When my constituents call and things do not go right, I am going to call you. We need to have a discussion on every one of those points.

Scott Rawlins:

Subsection 1, paragraph (a) has to do with anything that would be involved with delivering the Boulder City Bypass Project as part of the public-private partnership. This subsection talks about highways, roads, bridges, et cetera.

Chair Kirkpatrick:

I want to apply it specifically to the demonstration project, the toll road, and to where all of this falls within our jurisdiction. I represent a district that is made up of 70 percent construction workers who are out of work. They understand this language. I have to be able to explain to them what we are doing.

Scott Rawlins:

Specific to the Boulder City project, it would be a highway, bridges, and on- and off-ramps. There would be pavement, shoulders, structures, culverts, curbs, toll gantries, and a system for applying the tolls. There would also be drains and rights-of-way. There could also be buildings. As someone pointed out, there will be buildings for the back offices, facilities for communication, equipment, lighting, signage, service centers, operation centers, or anything incidental related to the design, construction, maintenance, operations, or improvements. This would be a long-term deal. There will be maintenance activities that would go on for a length of time beyond the initial construction.

Subsection 1, paragraph (b) would include facilities necessary for the financing, connectivity operations, maintenance, mobility, and safety of the demonstration project for the Boulder City Bypass.

Chair Kirkpatrick:

I think that subsection 2 is the pertinent part. That pretty much gives you the ability to have carte blanche.

Scott Rawlins:

In section 15, subsection 2, paragraph (b) is our normal process. We want to ensure that the private partner meets all of our state statutes, goals, and standards, as well as federal standards, and construction maintenance activities. There would also be goals set for performance measures for the maintenance activities to ensure that they are keeping it up to snuff for the public travelling on the road.

Subsection 2, paragraph (c) is there if we need to enter into agreements. This project will go across federal and state land as well as private land. If there are any agreements that need to be put in place, this section allows us to enter into those agreements with a private partner.

Chair Kirkpatrick:

I would like to elaborate on that a little bit further. Senator Hardy said that we had all the land, and the environmental impact studied, and that this would be an expedited process for the project to move forward. Is that correct?

Scott Rawlins:

That is correct. Subsection 2, paragraph (d) of the bill allows us to enter into a public-private partnership for the "planning, designing, financing, constructing, improving, maintaining, operating and acquiring rights-of-way for the demonstration project." The rights-of-way we have already discussed. It is not an issue.

Chair Kirkpatrick:

Paragraph (d) means that there is legislation currently in place that is mobile within the building. Do you foresee a design-build concept? You are already there; you just need to permission to do it. I am assuming that you are ahead of this. What is this projected to be? Is it design-build? Is it a CMAR project? Where are you on what kind of process you are going to do?

Scott Rawlins:

It would more than likely be a design-build process with a private entity.

Chair Kirkpatrick:

Does that go out for a public bid? That is a question I will be asked by my constituents.

Scott Rawlins:

When we enter into that public-private partnership, they will have a prime contractor on their team. That is part of the process. In our solicitation of a public-private partnership, the private partners will come to us with the financiers, the operators, the maintainers, and the construction arm already in place. That is part of the selection of a private partner. The bid that they give us is part of that.

Chair Kirkpatrick:

Within that design-build concept, is there anything that ensures that Nevada residents are going to work? Has that been discussed? That is why I would like to go through this bill. I want to make sure that we are very clear on what we are trying to do. Those are the questions that are going to be asked, at least from my district.

Scott Rawlins:

This project is already a federal project. It went through the federal process to get the record decision. The federal money has already been extended on the project. We would follow the federal guidelines. There would not be a specific requirement that could be allowed for. There is practicality in this. In looking at public-private partnerships around the country, typically, they go and get the contractors that are within the state. That is the most economical way for them to deliver this project. They go and get local workers because to bring them in is not economical. What we have seen is that it has been local workers and local contractors on these jobs.

Chair Kirkpatrick:

The complaint that I have been getting from my constituents, and also in Senator Hardy's district in Mesquite, is since there are federal dollars in it, they had to go with the lowest bid regardless of where they came from. I have talked to Ms. Martinovich about this. It was a Utah company that got the job in that circumstance. I took about 25 phone calls on that particular job. Arizona is literally a stone's throw away on this project. Those people have been out of work as well. There is nothing that precludes either one of them from using another company. If we are going to do something, I have to be able to explain it to my constituents if they do not go back to work.

Assemblywoman Bustamante Adams:

The private partner in this relationship would be in charge of the prime contractor. Is that correct?

Scott Rawlins:

That is correct under the concession agreement.

Assemblywoman Bustamante Adams:

They would not have to follow the guidelines that you have in place for the bid process. Is that correct?

Scott Rawlins:

It is a team that is selected. Their bid and team are already selected as far as the prime contractor goes. In that agreement and solicitation, we would say that once the team is on board, they need to follow state laws for all those requirements as far as getting subcontractors and procurement processes beyond what you have packaged and delivered. It is quality-based selection and it is the bid that they are putting in.

Chair Kirkpatrick:

We do not have a prime contractor selected yet because we have not gone through that process yet. Is that correct?

Scott Rawlins:

We have not issued a request for proposal (RFP) yet.

Chair Kirkpatrick:

We will move on to section 15, subsection 2, paragraph (e).

Scott Rawlins:

This allows us to "Retain legal, financial, technical and other consultants to assist the Department concerning the demonstration project." This allows us to find people to advise us and ensure that we are protecting the public's tax dollars.

Chair Kirkpatrick:

There is another consultant bill out there this session which is being sponsored by Assemblywoman Smith. The Office of the Governor is taking a much bigger part in this discussion. Would these consultants have to then comply with the Governor's newest task force as well as this other bill? Are you exempt from that process?

Scott Rawlins:

I do not know the particulars of that bill, but whatever is in state statute is what we would have to follow. If there are federal dollars associated with it, it puts a different face on it.

Paragraph (f) says that we must "Secure financial and other assistance for planning, designing, financing, constructing, improving, maintaining, operating and acquiring rights-of-way for the demonstration project." For this particular project, that would be part of the public-private partnership concession agreement. Any financing that they would bring to the table would be part of that.

Paragraph (g) states, "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 . . . that is available to carry out the demonstration project." This is a part of the financing package that we would be soliciting for proposals on. The private entity would bring that financing package forward to us.

Chair Kirkpatrick:

What is the credit instrument? I understand that you will get some assistance from the federal government. I would assume that simply because of the Bureau of Land Management (BLM) land that is involved in this. I have never even seen the term "credit instrument" within statute. It may be there, but I have never seen it. Through the design-build process, there is a combination of everyone putting their money together in order to get the basis of this done. Is that correct?

Scott Rawlins:

That is correct. That private partner would bring in that financier and put that financial package together looking at federal funds or private activity bonds. All that would be part of their proposal to us.

Chair Kirkpatrick:

What happens if they fall through on their financing? What happens with the state's portion of the whole package? It has happened. I will use an example: We are building a road and then all of a sudden, the bonding for the private company falls through or they could not sell another portion of their bonds to keep the rest of the credit going. What happens to the project? Who picks up the slack in case that happens? Where are our protections as a state?

Scott Rawlins:

Those circumstances do not fall back on the state. Those packages are the proposal of that particular team. Their bonding and backing is from their financial package that they have established. It would be clearly stated in our RFP that that is your package. We are protected from that. Any of the deals that you have seen around the country that have fallen on rocky times, the state agency has not been on the hook for those. You asked, "What happens to the project?" They cannot take the road away. It is already there. It has been built. It is the people who are backing that financial package that are going to be losing. If they default on their loans and they do not get the bonding, then the state still has that asset because that is what is in our name. We can then go package that out for another partnership.

Chair Kirkpatrick:

I understand that, but what happens if the bonding falls? There is a good example of this in Las Vegas right now. The Fontainebleau resort is a project that has gone bad and now the state is out quite a bit of money in tax dollars on it. What happens if, early on, the road is not finished and it is just in its early stages and something happens? Is there anything within the contract? I would hate for us to do this and then something out of the blue goes wrong

and we cannot get any traffic across Hoover Dam. That would be quite an embarrassment to our state.

Scott Rawlins:

That is correct. Section 18 talks about how there must be a performance bond as part of that package. There will be bonding requirements in our RFP and our agreement that will protect us from that.

Section 15, subsection 2, paragraph (h) states that the department may, "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." That is what we talked about before with Boulder City providing the land for the project.

Chair Kirkpatrick:

I would like to ask how this works. Currently in statute, it says that you have to get two appraisals. Boulder City was opposed to that particular bill until the language was changed. We tried to work with the cities. Currently you have to go out for two appraisals. I do not believe that there is a process in place that says you can give the land away for nothing. I do not know that you can do that. Would this then allow you to circumvent that portion of the law? Maybe circumvent is not the correct word, but it would put you under a different set of criteria than what everyone else has to go under. Is that correct?

Scott Rawlins:

Yes. We follow the federal process in acquiring and administering right-of-way. There is a process that we would have to do. We would have to have all of that land appraised. We would provide that appraisal to Boulder City, and then they could waive their rights to that value and donate that land towards the project.

Chair Kirkpatrick:

Is that under the federal law? Does that mean that the state law does not apply to you? If it is city land, the law should apply to the city to acquire that land. I am just asking. I would like to verify that with you. If that is the case, that does circumvent the law and we need to have that discussion.

Scott Rawlins:

I would need some assistance from the Legal Division on that question.

Chair Kirkpatrick:

We are making progress. I am feeling better about this whole thing.

Scott Rawlins:

I will go back to the bill. The bill says in section 15, subsection 2, paragraph (i) that we must "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." That is just giving us a vehicle if, for some reason, we terminated the project early. There would still be some liabilities out there on the private partner for our convenience. Not that it is going to happen or that we anticipate that happening. Just as a safeguard, there has to be some kind of provisions that would allow us to do that transaction.

Chair Kirkpatrick:

Please do not take this the wrong way because I am trying to be fair about this, but everything on this bill has federal requirements, so this is 99 percent a federal project. We gave the other 1 percent to a private partner. Where are the citizens of Nevada? What benefit do they get out of it? You are paying a private partner and we are following all the federal guidelines. How does Nevada benefit from this aside from having increased tourism to our state? That is a pretty hard sell.

Senator Hardy:

The benefit is that we do not have to spend an hour getting to Boulder City and an hour getting out of Boulder City. If we are going through Boulder City, we do not have to spend two hours getting through Boulder City. We get the safety, the air quality, the flow of commerce from Phoenix to Las Vegas, et cetera. The public-private partnership is not a permanent thing. It is designed to be used for 55 years. At that point, we have the option to keep the road or revert it back to the original owners, otherwise known as the State of Nevada. If I have misspoken, then someone needs to correct me.

Scott Rawlins:

We get the road back in a condition based on the current standards of the day. We get a facility.

Chair Kirkpatrick:

What is the facility? We keep referring to a facility but is it a parking garage, bus terminal, or something else? I am trying to understand.

Scott Rawlins:

It is almost 15 miles of a highway with bridges and a four-lane road that connects into the Hoover Dam bypass and bypasses into the Las Vegas Valley.

Chair Kirkpatrick:

I understand that part of it. I thought that when we kept referring to a facility, that there is some building that is getting put into this bill.

Senator Hardy:

It goes back to section 15, subsection 1, paragraph (a) in the bill. All of those things—the ramps, the curbs, the tunnels, et cetera—are grouped together in the term “transportation facility.”

Chair Kirkpatrick:

Mr. Rawlins, would you like to continue on to paragraph (j)?

Scott Rawlins:

The provision allows the Department, with a private partner, to enter into a contract to make the deal work financially. For instance, this would be, for the donation of the land, to pledge that with Boulder City in order to make an agreement with them.

Chair Kirkpatrick:

I do want to have that discussion on how the city and NDOT circumvent the statute on the exchanging of land. That was a huge problem. Senator Hardy, if I remember correctly, you gave that bill to Assemblyman Sibley as a freshman in 2005. I have never forgotten to keep with your original words. You taught me to follow the legislation forever. That is a compliment, although you probably do not think so right now, but it is.

Assemblywoman Neal:

In section 27, it states that “a private partner is exempt from any assessment on property.” Is there going to be a sunset provision? I also have another question. In section 25, it says that you can issue a revenue bond to make a loan to a private partner. This confuses me. If the private partner is coming to the table with the money, why do we need that language in there?

Senator Hardy:

Can you restate that question?

Assemblywoman Neal:

In section 27, page 17, it says that “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.” Why do we need to have that language there? What is the benefit of it?

Scott Rawlins:

It reduces the cost of the overall agreement. If the private partner wanted to come into one of our buildings and have 15 units where they do all of their back room operations, and we have the space for it, they would not have to be assessed for that particular location. This is just kind of a broad thing. In this particular project, we would see them going out, getting their own building, and having their own back room operations and facilities. I am not sure that this particular section would apply to this project.

Assemblywoman Neal:

Is this language going to be deleted because it does not apply to this project? This bill deals solely with the demonstration project.

Scott Rawlins:

No. At this time, we do not know what the proposals coming in are and what they are looking at for us to be a public-private partnership. It is a public-private partnership, so if we have some land where they could actually build a facility, it reduces the overall cost of the project. Why would we not have that partnership with that private agency? If it is near the demonstration project on land near the interchange, it is a true public-private partnership at that point.

Assemblywoman Neal:

I understand that. I am assuming that you are in a really good financial position to allow someone to use your property indefinitely and not pay an assessment. Is that correct? There is no limiting language here.

Scott Rawlins:

There are in other parts of the bill as far as the length of time that we can have a public-private partnership for this particular project.

Assemblyman Goedhart:

This question is for Senator Hardy. From the sounds of it, Boulder City currently has title to the proposed route and is willing to basically hand over that title to the entity that will be building the toll road. Is that correct?

Senator Hardy:

No. This gets back to the appraisal question that I do not know the answer to. Boulder City is going to allow this transportation facility to be put onto the ground with all the appurtenances attached to it. In essence, the Boulder City gets it all back. It retains and continues to be a public access road. Technically speaking, I do not think there is a title shift.

Assemblyman Goedhart:

You retain ownership of the land and the physical improvements on that land. Is that correct?

Scott Rawlins:

As NDOT, the State of Nevada would look for the transfer of that land to NDOT's land. The title would come over to us and we would enter into the partnership where they would have the right to build, maintain, and operate the Boulder City Bypass Project. The title would be under State of Nevada ownership.

Assemblyman Goedhart:

Boulder City would be getting no financial compensation for that transfer of title. Is that correct?

Chair Kirkpatrick:

We are going to answer that question because it is unclear at this moment.

Senator Hardy:

Boulder City has not asked for financial recompense for the land. That is one of the caveats. People have asked where Boulder City is on all this and why are they not involved? Boulder City has said that they will donate the land to this facility for many years. It is a huge investment on Boulder City's part.

Assemblyman Goedhart:

Are the savings going to quantify to additional profits from the private entity or reflect into a lower toll? How do we make sure that what has been a significant gift from Boulder City actually translates into a business deal for the people who are going to be using that highway?

Senator Hardy:

You have stated the whole bill very well.

Chair Kirkpatrick:

It will then be a state highway as opposed to a Boulder City highway. Is that correct?

Senator Hardy:

That is correct.

Chair Kirkpatrick:

The one thing that I do not think we have talked about is on this map ([Exhibit E](#)); it is pretty close to the overlay of a good portion of the technology

corridor that Boulder City has for solar. It is your own people who might be manufacturing out there. I know you are increasing your solar plant there. You are going to charge people who are going to potentially bring a manufacturing industry into the state. I spoke with Mayor Tobler last year. There is a huge parcel of land that is adjacent to this area that is going to be a technology corridor. If you were to have manufacturing along this, have you talked about the fact that you will be charging potential manufacturers tolls to get to their places of business? How does that work?

Senator Hardy:

The way the toll facility is going to be designed is that you access it up by the Hacienda Hotel and Casino. The road comes off of the bridge and the next exit would be below Boulder City and Eldorado Valley. The route would be uninterrupted except for emergency access around Boulder City. That would be the proposed concept of the road itself. The two exits have not been designed yet. I am not privy to the latest conversations that Boulder City has had about those kinds of things. The lobbyist from Boulder City is here.

Chair Kirkpatrick:

I just want someone to think about that. It just looks like your exit is going to be right within the corridor that you have worked so hard to create. It is unfortunate that other cities did not do the same thing. I would hate for us to have to go back and fight with a private company on being able to access some of the great jewels that we have within our state.

Senator Hardy:

All of this has been looked at and vetted with the record of decision, so any plans that have been part of the record of decision were developed years ago. All of Boulder City's plans have been made with the thought that the Boulder City Bypass corridor is just that, and everything else has to fit into that scheme.

Chair Kirkpatrick:

All right, Senator Hardy, when you and I are gone, the rest of the people in this room need to remember what you just said if there is an issue with the corridor. We did discuss it. The other piece I do not see within here is who controls the cost of the tolls. New Jersey did toll booths. It was very successful for them in the beginning. However, they sunset it shortly after the roads were built. They did see some shenanigans with the rising costs of the tolls. If you have already determined to use that, who protects the consumer for the long term of 55 years?

Scott Rawlins:

The State of Nevada Transportation Board looks after those affairs.

Chair Kirkpatrick:

Is that all a public process of what they can charge?

Scott Rawlins:

The State of Nevada Transportation Board is a public process.

Chair Kirkpatrick:

I am finished with my questions. I am sorry it took me so long. This should have been a bill that was referred to the Assembly Committee on Transportation, but because it is in the Assembly Committee on Government Affairs, I am going to know it and understand it.

Senator Hardy:

I appreciate the questions because I have never been in this Committee where the questions were not helpful to elucidate and get this down the road.

Chair Kirkpatrick:

I would like to talk about that appraisal process sometime this week.

Scott Rawlins:

We will discuss it with you.

Chair Kirkpatrick:

At this time, we will take the testimony of those who are in support of this bill.

Assemblyman Crescent Hardy, Clark County Assembly District No. 20:

I am here in support of this bill. I believe this project will move the Interstate 11 project up as much as ten years or more. I do not know that for a fact but I do not think we are going to get funding for a long time from the Federal Highway Administration or from the State of Nevada. I have used toll roads. I am very familiar with the East Coast and the Midwest. I have never had a challenge with them and I do not think they have been too costly. It is in my perception that the toll roads in those areas are better maintained, and safer, and they function very well compared to the other routes that go through some of those states that I have had the opportunity to visit. It could be an economic boon for the southern part of the state and the state itself. If we can get that traffic flowing from the Phoenix area, it will be helpful to our state.

One of the things brought up was the truck stall coming up through the area and whether they can go the other direction. Knowing trucks very well in my

personal business, it has taken anywhere from 45 minutes to an hour recently to get through that section of road. A truck will use anywhere from 6 to 12 gallons an hour depending on what kind of load or what type of engine it has. That is an economic thing. I do not think that the toll road will cost anywhere near what it would cost for the price of fuel.

I had the opportunity to sit on the Regional Transportation Commission (RTC) of Southern Nevada for a number of years through the late 1990s and early 2000s. The Boulder City Bypass was put on the list back then as one of those roads that we wanted to try to accomplish. The funding has been difficult through the good times, let alone the challenges that we have right now. It is the fuel tax along with a number of other reasons. The layout was done but the design was never completed. It has been there for a long time. The route has been laid out to the direction that it is going to go. We tried to make those efforts through the good times and, even then, it could not get moved up on the list quickly enough. This happened because of many things, such as the Las Vegas Beltway. I am in support of this bill.

Lisa Foster, representing the City of Boulder City:

We are in strong support of this bill. The city has worked with Senator Hardy for years to try to move forward with the construction of the Boulder City Bypass. City officials have feared the traffic problems that their constituents now face on a daily basis. Some residents complain that they do not want to leave their house on the weekend because they cannot get through town. As Senator Hardy has said, the city is participating in this process and has for years said that they wish to donate land to this project. I will be happy to try to understand the issues that you were talking about earlier as far as the appraisals. We have not really discussed this issue at the city level yet. The city has also acquired millions of dollars in federal earmarks for this project over the years. In closing, we appreciate Senator Hardy's tenacity on this issue as well as the many legislators who have had to listen to us and the ones who have encouraged us for many years. We urge your support.

Paul J. Enos, Chief Executive Officer, Nevada Motor Transport Association:

We are in favor of S.B. 214 (R1). It may surprise some people to hear truckers testifying in favor of toll roads. When we deal with toll roads, we have a lot of concerns, especially when you are talking about public-private partnerships on both a financial level and an operational level. We want to make sure we are clear on how we go into these agreements. We want to make sure that if we do enter into an agreement, the state has its eyes wide open. Some of the concerns we have had are that when these contracts are negotiated—usually they are negotiated with the NDOT—some pretty savvy securities lawyers, usually with Goldman Sachs, are also part of the negotiation process. There are

a lot of times that the state or local jurisdiction that enters into these agreements ends up holding the bag. We do think that some of these concerns have been addressed in section 18 of the bill. They talk about bonds and making sure we are dealing with good actors as far as this public-private partnership goes.

One of the paramount examples of this is State Route 91 in California. Orange County entered into a noncompete agreement that said that they could not maintain or build any new roads that competed with the tolled facility. That ended up causing a huge problem for the residents and for Orange County. They were left holding the bag to the tune of hundreds of millions of dollars. When you look at State Route 91, it is an example to be cautious of. We do think our concerns in this area are allayed because we will have a competing route. That is U.S. Highway 93. That is in section 15, subsection 4 of the bill. The bill also says that you need to allow the same type of traffic on the free route as you would have on a tolled facility. We put that in on an amendment in the Senate. One of the reasons the trucking industry insisted on putting that in the bill is because we do not want to be forced onto a tolled facility. We want to be able to make that choice, just as the regular public would.

We know in Boulder City there has been a lot of talk about banning trucks from coming through the town. Chair Kirkpatrick, I appreciate your real-world experience on that issue. Trucks are not causing the problem on that road. It is a road design issue where that current route does sawtooth. It goes from two lanes to three lanes. It is not a very good design as it is currently laid out. There is the other issue of tourists as well. That is a new place to go look. We are getting people who want to go out there and take a look. They are allowing trucks on that road. That has not happened since September 11, 2001. I can understand trucks being where you want to focus your efforts, but trucks are less than 10 percent of the total traffic on that road. We appreciate having the ability to choose between both the free road, which is currently U.S. Highway 93, and the tolled facility.

We will always oppose taxing an existing facility or turning that into a tolled facility. This bill does not do that. This is a new road. Those are some of the issues that we have. Another one is creating a logjam by having the old-fashioned tollbooths where you throw your coins in the hopper. This will be an electronic facility. We appreciate that.

We think that Interstate 11 is integral to economic development. If this is something that we could have happen, this could help expand, grow, and diversify our economy and facilitate trade and commerce. Regarding that current route, the Boulder City Bypass, if we were to build that as something

different from Interstate 11, the State of Nevada should never build that road. That road does not have a significant cost-benefit ratio for the State of Nevada to be investing the kind of money that we would into it. It makes a lot more sense as part of an Interstate 11. If we take that tack and we think about constructing a bypass as part of a national structure, it does make a lot more sense than saying we are going to build a 15-mile bubble around Boulder City. From that standpoint, it does make a tremendous amount of sense.

We do appreciate that there will be some public oversight on this as far as the toll rates go. Chair Kirkpatrick is right. You have scenarios where you have the private partner deciding that they want to raise the toll rates. The ways in which some of these agreements are structured are very complicated. You can have a management company that the state enters into an agreement with and they are guaranteed a certain rate of return, or a profit. What often happens is that the private partner will set up subsidiaries and divert a lot of that revenue into those companies. They can then say that they do not have the rate of return on their profits and therefore they will increase the toll rates. I think having that public oversight is very important and essential to moving forward with any public-private partnership. Those are some things that we want to consider as we decide to move forward or not move forward on this project. I would like to compliment the Committee. You have asked some very insightful questions on this issue. I appreciate that.

Chair Kirkpatrick:

I may have worn my Committee down on this subject.

Assemblyman Goedhart:

You talked about this one area of the tollway being a component of the overall interstate highway from Canada down to Mexico on Interstate 11. How does that work out in the context of having that designation but still having a component of being a toll road?

Paul Enos:

That is something that would be new. We do not have tolls on our interstate system now. That is something that is new to this area. The trucking industry has always opposed taxing existing facilities. A toll on a part of the interstate system would be something that is different.

Assemblyman Goedhart:

Do you foresee that being problematic?

Paul Enos:

It depends. I like the idea of there being a choice and option to use a toll road or use the free facility. I think that having those two facilities side by side does allay some of our concerns.

Chair Kirkpatrick:

Are there any other questions? [There were none.] We need to wrap this up.

Gary Milliken, representing Associated General Contractors, Las Vegas Chapter:

This is at least the third session that we have testified in favor of Senator Hardy's bill. The difference this time is that this is a demonstration project. This is an ideal location to try a demonstration project. I agree with the Chair that we need to be certain these jobs go to Nevada contractors and Nevada workers. We need to look at that carefully and make sure it is done.

Carole Vilardo, President, Nevada Taxpayers Association:

I would echo Mr. Enos; this Committee has asked some of the best questions I have heard this morning relative to this bill. That is important. We were a toll road state at the beginning. There is a great story in *Roughing It* by Mark Twain about the political use of toll roads and how they were suddenly improved before an election because most of those roads were owned by private individuals who were running for office. They would get the roads into good condition as part of their campaigning for office. One of the things with this bill is that there is not enough money for what is needed on transportation infrastructure. We have supported this type of legislation for a number of years. I have sat on a total of nine committees to look at funding for transportation infrastructure. One of the most important things in this bill is the access to the parallel road. This happened because of an original bill back in 2001. You are not precluding people from a choice. This provides that choice. There are other points that I would like to make; I urge you to consider this bill. It, in effect, is the demonstration project and would tell us how viable it is to use for other projects, generally speaking. There are the safeguards finally put into this bill after a lot of work.

Chair Kirkpatrick:

This is just for the Committee. I know there are a couple of questions for those who are testifying. If you have additional comments you would like to put in the record, you can submit them to my staff and I will add them onto the Nevada Electronic Legislative Information System (NELIS).

Assemblyman Ellison:

Ms. Vilardo, you and I both sit on the Blue Ribbon Task Force to Evaluate Nevada Department of Transportation Long-Range Projects, which looked at

transportation issues within the State of Nevada. Out of that has come a lot of comments on toll roads. Could you address the recommendations from that committee?

Carole Vilardo:

It might be helpful if we provided a link to the reports that came out of that committee. There were two that were relatively recent committees which were the "triple P" committee and the funding committee. I would happy to provide those links to every person on this Committee. I will send them over to you all.

Ryan Bauman, representing Nevada Contractors Association:

Our association is comprised of some of the largest and most prominent contractors in the state of Nevada. We employ tens of thousands of Nevada workers. We see this bill as a great opportunity to put a lot of them back to work. We urge your support. We see this bill as a very efficient way to create some jobs for Nevada construction workers.

Warren B. Hardy II, representing Associated Builders and Contractors of Nevada; and HDR Engineering:

I am also speaking today as the immediate past Senator for Boulder City. We are very grateful that this bill has come forward. We think it is a good bill and we appreciate your consideration.

Jacob Snow, General Manager, Regional Transportation Commission of Southern Nevada:

We are in support of this bill.

Chair Kirkpatrick:

Is there anyone else who would like to testify in support of this bill? [There was no one.] Is there anyone who would like to testify in neutral? [There was no one.] Is there anyone who is in opposition of this bill?

Danny Thompson, Executive Secretary-Treasurer, Nevada State AFL-CIO:

I find it ironic that we have been here for a while now. In a little over three and a half weeks, this session will be over. In the state, we are laying off police officers, firefighters, teachers, et cetera because there is not enough revenue. There is not enough revenue because people have said that there are enough taxes and people do not want to raise those taxes that are already imposed on them. To them, we have enough taxes and we have enough revenue and therefore, we cannot even have a discussion about taxes. Today, you are talking about a bill. This bill is a tax on poor people. This is a tax on the people that I represent. We are opposed to this bill. We are not just opposed; we are adamantly opposed. I would suggest to all the members of the Committee that

if we are not willing to have the conversation about revenue, and yet we are willing to say that we are going to build these roads with tolls, then we are not ready to move forward.

I understand this project; we have talked about this project for a considerable amount of time. We have talked about the need in this community of Boulder City. We have talked about the need in this Committee for a number of years now. I have told you how I feel about it. I go through the City of Boulder City more than anyone else on this Committee except for Assemblywoman Woodbury. The problem with that road is that the state did not improve anything near the Hacienda Hotel. It is down to a single lane. All of the traffic on that bridge should be dumped off into a single lane. The state had the opportunity to do that and they did not because they probably did not have the money to do that. I understand that. It is disingenuous for people to say they are not willing to talk about revenue, and yet they are willing to tax the people who want to drive on good roads. The other people can drive on the other road, the bad road. For that reason, we oppose this bill.

Furthermore, in this bill, the private contractor that comes in as part of the partnership will be exempted from taxes. They will have private security. Who provides the public safety on this road? Who is going to respond to accidents on this road? This is going to cost the State of Nevada a lot of money. At the end of the day, I think this is probably the worst deal in town. If I were negotiating this deal, it would be much different. I will tell you, on their face, toll roads are not good for this state. If we are not willing to talk about revenue and tax increases, we certainly should not be willing to make people who drive down the roads pay taxes. They have already paid for the state to provide a road system to get to and from where they need to go. We are opposed to this bill in its entirety.

Paul McKenzie, representing Building and Construction Trades Council of Northern Nevada:

While Boulder City is not in my backyard and I would not put many workers on it, there are some provisions of this bill that are much more far-reaching than the Boulder City Bypass. I would not be up here if those provisions were not in the bill. There are provisions in this bill that attempt to make a change to the design-build process. That will affect not only every design-build project that NDOT does, but also every project that any other public body does in this state. It eliminates the requirement to submit the subcontractors as part of the team report. Another provision that we are particularly in disagreement with is that the Department takes themselves out from under the public bid process in this bill in a very sneaky way, for lack of a better term. They go in and exempt themselves; it appears to be simply for the Boulder City highway project but

then it would ultimately be a part of *Nevada Revised Statutes* (NRS) Chapter 338. That exempts them from any public bid as outlined in NRS Chapter 338. As far as the taxes, I lease an office and I have to pay taxes on my personal belongings in the office that I own. They are being exempted from those provisions in this bill. Under this bill, the private company that is selected for the partnership would not have to pay taxes on those provisions. The people from NDOT sat up here and said that the company had to submit the team when they put the bid in to do this partnership. Nowhere in this bill is it outlined that that process has to be done. It does not outline that the team has to include the general contractor. It does say that the private partner does not have to have any licenses in this state, including a business license, to become the public-private partner. However, the contractors they use will have to be licensed. The bill does not say they have to submit the list at the time they award the contract. Many of these mechanisms are far-reaching and will extend past the provisions of just this demonstration process. We disagree with this legislation in its entirety.

Chair Kirkpatrick:

Mr. McKenzie, will you get us a list of those provisions that you feel circumvent the process already in place? We need to move on, but I would like to look at it in greater detail.

Assemblywoman Flores:

I was going to try to obtain a list from you as well. You were saying that the bill does and does not do all of these things but were not specifically pointing to where these things were located within the bill. If you could get that information to the Committee, I would appreciate it.

Jack Mallory, Director of Government Affairs, International Union of Painters and Allied Trades District Council 15:

We are in opposition to this bill as well. We are opposed to the concept of the use of a public-private partnership in which the state will be obligated to maintain for no less than 55 years. Without any advanced knowledge of the potential or estimated usage on a daily basis on this Boulder City Bypass Project, it is impossible to tell what the potential cost impact is going to be. If there are 20,000 cars a day that utilize this and the toll is \$1, then it will take 55 years of tolls to pay for the principal of the project, let alone the cost of maintaining it, the cost of security, the cost of patrolling, the cost of interest on the cost of the project, et cetera. There are a number of different issues with this bill.

Speaking from a philosophical standpoint, there are concerns with who this would potentially alienate but at the same time, we do recognize that there are

problems with funding for projects of this nature. We are not entirely opposed to the concept of utilizing a toll road model. This may not be the proper place for it because of the potential for the building of Interstate 11 and this corridor. If the state is going to use a toll road model to construct highways, the state should be doing it solely. They should not be doing it with a private partner.

Addie Crisp, Private Citizen, Las Vegas, Nevada:

I am a flight attendant for Southwest Airlines. I would like to address this subject from a personal level. Before the Las Vegas base was opened three years ago, the majority of our staff was based out of Oakland. In Oakland, the bridge toll imposed there is \$5; 20 years ago it was \$1. If a person lived in Vallejo or San Francisco he had to pay to get to work. We pay for parking at McCarran International Airport. It is a \$40 charge to be exact. The toll road that is being proposed in this bill will be another additional fee for us to work. I realize that there is an additional road to get through Boulder City to McCarran Airport. However, coming from the viewpoint of how the Bay Area ran, we could have gone through the delta and through Lodi but it was an additional hour's worth of driving. Once you have one toll road come up, other roads will begin to be tolled. This is just the first. It will become a case of where the most inconvenient road and the one that is in the worst state of disrepair will be the road that is not tolled and people will not want to travel on it anyway. I was on vacation in Newport Beach and I ran into a toll road. My GPS did not direct me to an alternate route. I did not have the exact change and I received a ticket after my vacation. I think toll roads are extremely troublesome.

Rebecca Gasca, Legislative and Policy Director, American Civil Liberties Union of Nevada:

We have no position on this bill. Our organization would like to have the opportunity to speak to stakeholders on this project and talk about the amendments that we put in on the Senate side on Senate Bill 83 regarding privacy of individuals who are clients of toll roads. We would appreciate the ability to come to the table during that discussion.

Chair Kirkpatrick:

Are there any other comments? [There were none.] At this time we will close the hearing on Senate Bill 214 (1st Reprint). We will open the hearing on Senate Bill 151 (1st Reprint).

Senate Bill 151 (1st Reprint): Requires certain governmental entities to develop a plan for a regional rapid transit system. (BDR22-612)

Chair Kirkpatrick:

I know that this is a relatively simple bill. Senator Schneider, you have only one amendment and it is a good bill. This will be short testimony today.

Senator Michael (Mike) A. Schneider, Clark County Senatorial District No. 11:

Senate Bill 151 (R1) creates a committee to look at doing light rail. There is a map of the proposed light rail but it is not chiseled in stone. The committee that we are looking to establish will look at doing the light rail and will set the route for the light rail. Those of us from Las Vegas know of the congestion there from traffic. The number-one reason people from Southern California do not come to Las Vegas to enjoy Nevada entertainment and tourism is because of the traffic. The traffic on Interstate 15 is terrible. Once the tourists get to Las Vegas on Saturday evening, the Strip is in a complete and total gridlock. The people are frustrated with that. For all the legislators who are from Las Vegas, when we fly home on Friday evenings and fly back up to Carson City on Sunday evenings, the line of cabs is long. We have to wait for hundreds of cabs that go past to pick up people and take them to the hotels. The light rail would eliminate all of these problems that I am speaking of.

The rail could feed into the airport. It would run from the City of Henderson all the way to North Las Vegas. It would be from Nevada State College in Henderson to the newly proposed University of Nevada, Las Vegas (UNLV) campus in North Las Vegas. It would feed the Strip in some way. Last session, I had a discussion with the Nevada Resort Association, and we seem to have worked things out now. The light rail has to service the Strip. If not, this plan will not work. We have to bring the employees to the Strip and we have to bring customers from the airport up and down the Strip and back to McCarran International Airport. In some way, the light rail has to accommodate all of those different demands. [Holds up a map of proposed light rail system. The map was not submitted as an exhibit.] The proposed rail is the green. It would follow a route similar to this and it could be altered. The committee has the ability to change this route in any way.

We are proposing a committee to oversee this issue. On the committee, there will be representatives from Henderson, Las Vegas, North Las Vegas, Clark County, and the hotel and resort industry. I want to make sure that the latter is represented because these are their customers and we impact their corridor. We also put other people on this committee. I would think that it would be chaired, organized, and run by Jacob Snow, who is the General Manager of the Regional Transportation Commission (RTC) of Southern Nevada. He has an amendment for this bill ([Exhibit F](#)) that I perceive to be a friendly amendment. Hopefully, he will speak on this issue.

As you read through the bill, you will notice that on page 2, lines 16 and 17, paragraph (g), a member of the Nevada Arts Council is to be appointed to the committee. That always raises some questions. It has been proven—and my wife has been president of the Nevada Arts Council many times—that artists look at big projects differently than engineers look at them. With engineers, it is just steel and concrete. They just want it put up. Artists look at projects and see where things can be softened or changed. Oftentimes, it is less expensive to build in the recommendations of those artists. When people come to Las Vegas, get off the plane, and hopefully hop onto this train, I perceive that the entertainment starts. They come to Las Vegas for entertainment. They come for the show and pizzazz of Las Vegas. I perceive that to be how the train should be. We should start the entertainment right then. This is another reason to have artists on this committee. They will remind the other committee members of what we are doing. We are not building a New York subway; we are building something that sets Las Vegas apart from the rest of the world.

This rail could be run by a solar plant out by Boulder City. I just wanted to run that by this Committee. There could be a solar plant incorporated with this. It runs completely electrically off the sun. In this way, we would be reducing carbon emissions into the environment of Clark County. Our air is in nonattainment many times of the year. We eliminate cars and traffic. We go completely solar on this project. When these trains are leaving one stop and another train is coming in—I talked with the people from Siemens Company—it transfers that electricity to the other train pulling out. This could be very efficient. This should be part of the show of Las Vegas. The light rail should be part of why people from around the world come to Las Vegas. People may even come here to study what we are about to do.

We are the forerunners on this. We are the largest town in the West without a light rail. Phoenix, Arizona, has light rail and it works very well. I have been talking with the Office of the Governor. The Governor is very familiar with that project. They indicated that they were in favor of this project going forward. The light rail in Salt Lake City, Utah, has been so successful that it is being run from Ogden to Salt Lake City. They are now extending that line all the way to Provo, which is 50 miles away from Salt Lake City. The demand is that great. In Denver, the light rail has been so successful that each suburb is begging for the light rail to come to their location. They actually are asking to put the bonding issues on the ballot so that it can be voted on by the people.

That is the other thing about this rail system. It has to go to a vote of the people. There is a bonding mechanism that helps to pay for it. A big portion of the funding would come from the federal government. It is not an easy and

quick fix. It is a process. There are companies that work on this and will help out the City of Las Vegas and the State of Nevada to process this work.

Chair Kirkpatrick:

Thank you, Senator Schneider. I think this does create a master plan and helps us get in the right direction. My mother-in-law uses that the light rail from Ogden to Salt Lake every day to simply have lunch. It is so convenient for her. Are there any questions from the Committee? [There were none.] Can we have Mr. Snow present his amendment ([Exhibit F](#)) and we will have subsequent testimony.

Jacob Snow, General Manager, Regional Transportation Commission of Southern Nevada:

We are familiar with the bill. We appreciate Senator Schneider's passion and interest in mass transit. If this bill passes, we can accommodate the requirements of the bill within our committee structure. We have a committee structure that would lend itself well to this type of study. We do have an amendment ([Exhibit F](#)).

I would like to briefly run through the proposed language. Section 1 would change the designation of "local government" to include regional transportation commissions. The designation of a local government would prove advantageous to the RTC because in the last few years we have had to turn down some federal grants from the Department of Homeland Security because we have not been designated as a local government. That would allow us to accept grants that we would not have been able to previously. Section 2, subsection 3, and section 3, subsection 3 require that the county treasurer must deposit funds that are dedicated to street and highway projects into the designated street and highway fund immediately. This would allow the RTC to quickly put projects out for bid.

Section 4, subsection 3, paragraph (e) would allow the RTC to add the Director of the Nevada Department of Transportation (NDOT) as an ex officio voting member of the RTC. Allowing the NDOT Director to serve as a voting member of the committee serves to strengthen the partnership between the state and the RTC. It also ensures that the state's interests are represented on this important regional body. Section 5 would incorporate sales and use tax statutes related to transportation funding that are already in law. It would place those into a separate section of state law in the *Nevada Revised Statutes* (NRS). These statutes were inadvertently omitted from a bill in the 2009 Session.

Assemblyman Ellison:

I agree with Senator Schneider. When you pull into Las Vegas, trying to get through some of the areas is a disaster. I know that they had a committee that looked at the high-speed rail that they talked about from Las Vegas to Los Angeles, California. Is any of that information available to this committee? Could they maybe lend a hand on the planning of this?

Senator Schneider:

I am sure that Mr. Snow is familiar with that whole project. Some of the people on his staff also understand the high-speed rail. I see that this works with that rail. Eventually, we will be building the Ivanpah Valley Airport when the economy recovers 10 or 15 years down the road. This rail could tie into that but it is a completely different thing from the high-speed rail. Also, I do not want to put words in Mr. Snow's mouth, but he had indicated to me awhile ago that if the rail had been built two years ago, there would be 90,000 people a day riding that rail and it would not affect the bus service at all. I think the bus service would increase. The bus service would feed into the rail from east to west and north to south. That would be a big boost for our public transportation system. I want to indicate to the Committee that when we form this committee, they will decide on the route of the rail. When the rail goes down the Strip, they will decide if it is aboveground or underground. You may want to keep that in mind. They will decide if this rail will go as a subway down the Strip or aboveground. There is a machine, a chunnel digger up at the Yucca Mountain Nuclear Waste Repository that I am sure Senator Harry Reid will give us to help.

Chair Kirkpatrick:

Senator Schneider, I am trying to help your bill out. You are killing it.

Senator Schneider:

I am finished. Thank you for your time.

Assemblyman Goedhart:

With the components and the way you have set up the proposed committee from the different areas, have you thought about putting someone from the utilities onto the planning committee as well?

Senator Schneider:

The utilities sector?

Assemblyman Goedhart:

Yes, someone who represents utilities because of the interface with the infrastructure that will have to occur out of necessity as part of the route and planning process.

Senator Schneider:

I had not thought about that. I thought of just building a solar plant to power the light rail. They are looking for customers at this juncture.

Chair Kirkpatrick:

Is there anyone in opposition of S.B. 151 (R1)?

Robert A. Ostrovsky, representing Cox Communications, Inc.:

I have opposition to a portion of the amendment ([Exhibit F](#)). I have opposition to section 1 of the amendment, which defines the RTC as a local government. I am not sure what the impacts of that are. I just saw this amendment. If you are going to make them a local government without elected officials, what authority have you just bestowed upon the RTC? You could dream up all kinds of things that could be detrimental, including the right of eminent domain and other things that they may not already have. I would like an opportunity to talk to the commission and others about what the impact of declaring them to be a local government is. I have never seen that done before and I do not know what the impact is. I would hope that we would get an opportunity to have a discussion on this before you decide to process this bill. We would really appreciate that opportunity to discuss this.

Chair Kirkpatrick:

Is there anyone else who would like to testify in opposition? [There was no one.] Is there anyone who is neutral on this bill?

Zev E. Kaplan, General Counsel, Las Vegas Regional Transportation Commission:

I may be able to respond to Mr. Ostrovsky's concern as to why that language is being proposed in section 1 of the amendment. Under current Nevada law, the RTC already qualifies for most of the sections as a local government. For instance, local government purchasing, financing, and everything else helps the RTC to qualify as a local government. The issue has arisen that because it does not specifically delineate it in the RTC statutes as a local government, the Department of Homeland Security was troubled as to whether or not the RTC had the authority and whether or not the RTC was eligible. These were the grants that Mr. Snow referred to in his testimony earlier. Clearly, under Nevada law, the RTC is already considered a local government, but this would just

clarify that and make it clear in terms of being eligible to get some of these federal grants.

Chair Kirkpatrick:

I think that I can probably get with Mr. Ostrovsky and Senator Schneider and we can ensure that we have covered all of the concerns. Is there anyone who would like to testify in favor of this bill?

Kyle Davis, representing Nevada Conservation League:

We are in favor of this bill.

Morgan Baumgartner, representing Nevada Resort Association:

We are also pleased to support Senator Schneider in these efforts. We are in support of the bill in its entirety.

Chair Kirkpatrick:

We will now close the hearing on S.B. 151 (R1). We will now open the hearing on Senate Bill 137 (1st Reprint).

Senate Bill 137 (1st Reprint): Revises provisions relating to the construction of bus turnouts at certain locations. (BDR 22-917)

Senator John J. Lee, Clark County Senatorial District No. 1:

Before you today is S.B. 137 (R1), which is an extension of Senate Bill No. 173 of the 75th Session. As you may recall, that bill required the Regional Transportation Commission (RTC) of Southern Nevada to designate ten bus stops with a bus turnout to be constructed by the end of 2012. Progress on the construction of these bus turnouts is going very well. Senate Bill 137 (R1) attempts to build on that success. Specifically, this bill requires the RTC to designate, on or before the end of the year, 15 bus stops at which the bus turnouts must be constructed by December 31, 2014. These bus turnouts must be constructed on land owned by the state or local government and must be funded by the RTC.

In response to some concerns raised during the hearing in the Senate, the bill also requires the RTC to establish a technical advisory committee to meet and work cooperatively with utility companies and franchise holders who may be impacted by the construction of a bus turnout specified to the bill. Finally, the bill requires the RTC to submit a report to the 2013 Nevada Legislature regarding the designation and construction of these turnouts.

Las Vegas Valley is the home of one of the finest bus transportation networks in the country, and the RTC has explored the conversion of dozens of bus shelters

into bus turnouts for many years. Construction of the bus turnouts is important on many levels, including ensuring a smooth flow of traffic on busy roadways in Las Vegas. This will save precious time and money for our businesses involved in the transportation and delivery of goods and services. Time waiting behind parked buses is detrimental to the economy. Also, providing more efficient transportation to bus customers from one bus stop to the next will enhance ridership. The most important thing this bill does is improve safety for bus patrons and those drivers sharing the road with our RTC buses.

When bus turnouts are constructed, there is a clear and immediate improvement to our community. In fact, I have not heard a single complaint against bus turnouts.

You may ask why we have to do this. The commission has several member agencies, and to get them to all agree on things is very difficult. If we come to the Legislature and say that we want to continue to put bus shelters and bus turnouts in certain locations to help ease transportation, this gives Mr. Snow, the RTC's General Manager, the power to go to the commission and commit to them that they have been mandated to do this by the Legislature. Currently, Charleston Boulevard and Sahara Avenue going to the west are on the list of areas where they want to get the traffic off the main road so that buses can get off, protect the passengers, and keep traffic going. Thank you for hearing this bill.

Chair Kirkpatrick:

Are there any questions? [There were none.] Senator Lee, are you aware of any amendments on this bill? If there are, where do you stand on them?

Senator Lee:

I have been approached about an amendment. If it turns out to be contrary to full agreement by the RTC and by the contractor who wants to discuss this, and your Committee does not accept it, then I am opposed to such an amendment. This bill is too important to have an amendment that will destroy the bill. I would ask you to at least make sure it is friendly to the bill.

Chair Kirkpatrick:

We are the friendliest committee in the building. We will make sure that it will not impede the process you are trying to set forth. The amendments to this bill will be presented in the neutral category. Will those wishing to testify in support of this bill come forward at this time?

Jacob Snow, General Manager, Regional Transportation Commission of Southern Nevada:

We are in support of S.B. 137 (R1). We have identified a number of roads in the Las Vegas Valley that are part of a current construction project or current projects that are being designed that will be going forward. This bill will allow us to accommodate the requirements of this bill. We are in support of it.

Chair Kirkpatrick:

Is there anyone else who would like to testify in support of this bill?

Judy Stokey, representing NV Energy:

We are here in support of this bill. We did work with the sponsor on the other side in regards to the advisory committee that he is putting together. The utilities will be part of that. We will work with Mr. Snow on the placement of those bus turnouts. Our concern is the movement or relocation of some of our facilities that are in the areas where they want to put the bus turnouts. We will coordinate with them.

Chair Kirkpatrick:

I will come back to Mr. Snow in just a minute because Assemblywoman Neal has a question.

Debra Gallo, Director, Government and State Regulatory Affairs, Southwest Gas Corporation:

I would like to add to Ms. Stokey's testimony. Our support is based upon section 1, subsection 8, which established a technical advisory committee. We are specifically a part of the process to look at the total costs that includes their costs and all of the utility relocation costs which everyone pays for. With that caveat, we are in full support of the bill.

Brian McAnallen, Director, Legislative Affairs, CenturyLink, Inc.:

We support this legislation and we appreciate Senator Lee's efforts to work with us. We also appreciate the efforts of Jacob Snow at the RTC to work with us.

Assemblywoman Neal:

Mr. Snow, I do not know if you are familiar with the fiscal note that was presented by Yolanda King in which she noted how it would impact some of the funding that could be planned for a more critical project. Was the issue worked out?

Jacob Snow:

Yes, I am aware of the concern of the county. These are RTC funds that will be allocated to these projects. We have identified existing roadways that are under construction or design right now. I would like to be a little bit more specific. Senator Lee referenced Charleston Boulevard and Sahara Avenue. I would like to add Decatur Boulevard and Jones Boulevard, Martin Luther King Jr. Boulevard north of Carey Street, Eastern Avenue north of Warm Springs Road, Las Vegas Boulevard north and south of Sunset Boulevard, and Burkholder east of Major Avenue in Henderson. We have some remaining turnouts that are slated for construction at the following locations: Charleston Boulevard eastbound at Rancho, Pecos southbound at Bonanza Road, Rainbow southbound at Lake Mead, Green Valley Parkway southbound at Sunset, and Carey Street westbound at West Street. All of these locations have been identified in our capital program and the funding is there to pursue these bus turnouts, including those in this bill.

Chair Kirkpatrick:

Would it be possible for you to send a copy of that list up north, so Committee members who have those bus shelters in their districts can share it with their constituents?

Jacob Snow:

We would be delighted to send up the list.

Chair Kirkpatrick:

The Committee is asking for that in a map form; however, I was going to ask for it in Excel format. However you can get it to us so that we could understand it is the best way.

Jacob Snow:

We need to be all things to all people, so we will send you the Excel spreadsheet, we will send it in Microsoft Word, and we will send you a map. We are happy to do that.

Chair Kirkpatrick:

Is there anyone else that would like to testify in support of this bill? [There was no one.] Is there anyone who is in opposition to this bill? [There was no one.] Is there anyone who is neutral on S.B. 137 (R1)?

Mark H. Fiorentino, representing Bekam Entertainment:

I would like to give you a brief background on our client. An affiliate of Bekam Entertainment developed the Showcase Mall at the end of the Las Vegas Strip. Bekam is a company that has a fair amount of experience in

the last few years working with Clark County and the RTC to develop new revenue opportunities for all the people involved. They have worked with the RTC to develop some vending and advertising contracts in and around the RTC facilities.

I know there are some concerns about this. We are going to try to reserve some time to answer questions. I would like to first expound upon the intent of the proposed amendment ([Exhibit G](#)). This is intended to be enabling legislation that would allow the RTC and the local governments—this would only apply in Clark County—to expand the services that are currently being provided to the riders of the bus system.

Many of you probably already know this, but there is a statutory system in place for locating bus shelters and placing advertising on them. It has been in existence for quite some time. It is a fairly detailed process. The RTC and the local government involved, whether it is the City of Las Vegas or Clark County, have to first enter into an interlocal agreement. Typically those agreements address issues like maintenance, location, and design of the shelters. Once that agreement is in place, a request for proposal (RFP) is usually entered or submitted for respondents to construct, maintain, and place advertising on the structures. All of that is in place now in the statute. The advertising that is currently generated from the bus stop shelters is shared between the contractor that provides the advertising and the RTC. As far as I know, the RTC uses the revenue that they receive for their projects, including defraying the cost of providing bus service. I am just using that as an example.

The amendment that we proposed to you today would utilize that exact same process that is currently in place for locating bus shelters, and advertising on those shelters, to allow amenities to be provided in conjunction with the shelters. The most common examples that we have discussed are the sale of cold drinks, sodas and water, for people who are waiting for the bus at the shelter. Potentially the distribution of tourist information would be another avenue we would look at, especially in the bus shelters along the Strip. The sale of tickets is another advertising opportunity, whether they would be show tickets or transportation tickets.

I can walk you through the amendment if you would like. There are three parts to it. We are suggesting that we add three new sections to the bill. The first is exactly what I described to you. We took the existing statute that governs advertising of bus stop shelters and everywhere there was a reference to “shelters” we added a reference to “shelter amenities.” That was very purposeful, to ensure that they had to go through the same process as the shelters themselves.

The next section is the one where I think there is some work to do. It is the definition of "shelter amenities." It was purposely drafted as being quite broad to give the local governments and the RTC maximum flexibility. We know that members of the Committee have expressed some concern about the breadth of that. The Nevada Resort Association has expressed some concerns about how broad that term is as well and the potential of what it could lead to. Some of the individual property owners along the Strip have expressed that same concern. If you are interested in considering this bill, we have committed to you, to Senator Lee, and to those who have expressed the concern, to work on narrowing that breadth and see if we can provide a greater comfort level. We understand and feel that it is a reasonable concern. We are committed to trying to narrow that language if we can.

The last section is amending an existing statute. Under existing law, you can place advertising on bus stop shelters. We amended that to say that you could do advertising on the amenities. For example, if you have a vending machine that sells sodas, the vending machine could be branded as a Coca-Cola machine. We needed to make clear that the advertising that is already allowed on the bus shelters could also be allowed on the amenities.

Assemblywoman Flores:

I am glad you said that the second section is going to be narrowed in some way. At this point, I believe that it is extremely broad and under this language you could build just about anything at a bus shelter and sell just about anything. That being said, can you give some clear examples of what you actually envision these bus shelters and the advertising to look like? I understand the soft drink and water part of it. In mid-July in Las Vegas there are a lot of thirsty people at the bus shelters. I am fine with the distribution of drinks and the coin-operated machines, but what else do you envision in terms of what could be built inside these structures? I know that there have been some pictures ([Exhibit H](#)) submitted of these ticket machines and advertisements, but do we really envision these huge ticket sale structures at every bus stop on the Strip or even throughout Las Vegas? What do you envision being done even with your narrowed language outside of the soft drinks and water?

Mark Fiorentino:

This is going to be a multilayered answer. It is sort of a yes and no answer as well. The only things that I have heard discussed as a potential are things that I have mentioned in my previous testimony. The sale of cold drinks, the distribution of tourist information and coupons, and the sale of tickets, whether they are show tickets or public transportation tickets, are the only things that I have heard of. The exhibit ([Exhibit H](#)) that you are referring to is not typical to what we are envisioning here. That is a unique example. That particular

structure is located on private property at the Showcase Mall. That did not go through this process. That was the owner of the Showcase Mall working with Clark County. Those structures are on his property.

We understand that a structure that is so elaborate is what is causing some of the concern. That is where we are trying to narrow the focus. We were very specific because there are a lot of other potentially related issues in terms of how it would be designed, where it would be located, and who would maintain it. If we are going to sell water, for instance, we want to have someone cleaning up the bottles after people are done drinking. That is why we were very purposeful in making sure we went through that process where there has to be an interlocal agreement done first. It is discussed at a public hearing. If we are talking about shelters within Clark County, they have to hold a public hearing to enter into an interlocal agreement with RTC to even do this. We envision a lot of those specific details being worked out in that process because that is the most efficient way to do it. Having said that, we do understand that there needs to be some narrowing within this bill. We understand that it cannot be beyond what I just described.

Assemblyman Livermore:

Earlier in the presentation you discussed vending machines. We heard a bill earlier in this Committee about vending machines for services to the blind. Do you foresee them as being the concessioner of the vending machines at these bus stops?

Mark Fiorentino:

No. The bill that you heard earlier is actually more specific than what we are talking about here. It relates to buildings. For example, inside the transportation facility, the bus terminal is where those vending machines would be. This is slightly different. We are talking about structures in and around the right-of-way. They would not be governed by the bill that you talked about earlier.

Assemblyman Livermore:

Are they exempt from participating in these vending opportunities?

Mark Fiorentino:

It is not that they are exempt; it is that the statutes that you discussed are very specific. The statutes are what limit them. We are not, in any way, expanding or adding to the limitations that already exist.

Assemblyman Ellison:

I believe that Mr. Fiorentino's comments do have some merits. Some of these issues need to be worked out. I would hate to have a \$1 million investment and something broad attached to this language. I think that some of the small things could be worked out if we could all get together and compromise.

Chair Kirkpatrick:

I have no issue with all of you trying to work together on this. I will tell you that this Committee will not be here next Friday on the deadline for bills, because we will be at breakfast. We have worked above and beyond our call of duty to get these bills out of the Committee on time. All of you have to work it out very soon because the deadline is in a week.

Mark Fiorentino:

That is completely understood.

Chair Kirkpatrick:

Are there any other questions? [There were none.] Is there anyone else who would like to testify on this bill or the amendment ([Exhibit G](#))?

Judy Stokey:

We had not seen the amendment. We were listening to the testimony and I would like to bring another question to the table. If there is going to be a for-profit company that will have amenities at these bus stops, we want to make sure that our customers are not going to be paying for the relocation or the electricity that is going to be needed for them. There would have to be some kind of sharing of that cost.

Debra Gallo:

We are going to echo Ms. Stokey's sentiments on this issue. That is our question as well. These bus stations and stops are at interlocal agreements right now and we are moving under that agreement. That is where our costs come from, so we need to work that out and be involved in that.

Brian McAnallen:

I associate myself with the comments from the other utility companies that you just heard from. We need to come together and figure this out. This is moving in a different direction than we thought it would be. This is a completely different area.

Chair Kirkpatrick:

Is there anyone else who would like to testify on this bill or the amendment?

Morgan Baumgartner, representing Nevada Resort Association:

We are opposed to this amendment. We just saw the language late last week. Our member properties are very concerned that the significant investment, which is upwards of \$30 billion, that they have put into their properties along the Strip, and the millions of dollars that they have spent in Strip beautification projects to make the Strip one of the most notable and photographed venues in the world, now becomes a place where vending machines proliferate. This could become a place where an already crowded sidewalk area is made more crowded by these vending machines and such.

The Strip could see increased litter problems, which already exist because handbills and different promotional items are in proliferation on the Strip. We believe that this exacerbates an already existing problem. It leads to some unintended consequences as far as making the Strip even less desirable to walk through if you are a tourist. We see the litter as a very significant problem, creating additional need for garbage cans, maintenance, and cleanup along the Strip. We would also be concerned about the safety of the patrons in those bus shelters. As those shelters become filled with vending machines, do we have access problems for the people who are waiting in those shelters? Do they become filled with vending machines rather than people who are trying to stay out of the elements? We have several concerns that need to be addressed. We are willing to work with the sponsors on this, but we do believe there are many unanswered questions and many things that need to be considered before this amendment moves forward.

Chair Kirkpatrick:

The RTC does have other places where this happens. I would like to give an example of where I would think a vending machine would fit. The new Bonneville Transit Center would be a good place for these vending machines to come into play. That is off the beaten path but it is in a situation where someone is standing in between the median of two major thoroughfares in Las Vegas. I understand why you and your association might be hesitant to have this on the Strip, but other places might not be so harmful. I will get in touch with Mr. Snow to see if there is a process by regulation where you can differentiate between the two locations. I do not think this issue will be going away for the long term. We have had even more of it this session than we have in past sessions. There could possibly be a process where Mr. Snow can set in stone for two different locations and applications. The Strip is a corridor but I could see something like this being a benefit to patrons on the Strip. Something like this might work by the Las Vegas sign when you are coming in to Las Vegas. I have seen people standing there and darting across the road to get a drink from the gas station across the street and come back across. It is great now that they have that turnout right there. It might be safer than having

people running across the road and it might be beneficial to our tourists as well. I am just putting that out there as an example.

Morgan Baumgartner:

I believe there are provisions for concessions for the customers inside the bus stations.

Chair Kirkpatrick:

These are not stations as much as they are a transfer point on the bus route. It is just a bus stop. There is nothing there except for a couple of benches at these bus turnouts.

Assemblywoman Flores:

I would like to echo the same sentiments that Chair Kirkpatrick just expressed. I would like to ask a question of Mr. Fiorentino as well. I would like to know what the intent behind this is. We should not exclude other busy routes and have thirsty people throughout Las Vegas suffer at the expense of the Strip. I am wondering if the intent is just to be able to place these things. I agree with you, Ms. Baumgartner, that there are some legitimate concerns in terms of litter and the congestion of the areas, but at the same time the Bonneville station or some other places might benefit from this. Other places throughout the city do not have anything close by. They cannot have vending machines right now or anything else in these bus shelters. I am concerned for the thirsty people.

Morgan Baumgartner:

I believe that it is a valid point, and I would suspect that some of those less populated areas might not be have the critical mass that would support that. We are concerned with the gaming areas, the impact on tourists, and the impact on safety and congestion.

Assemblywoman Benitez-Thompson:

Regarding the shelter amenities in the amendment ([Exhibit G](#)), existing language under the proposed section 5, subsection 3, paragraph (b) says the commission may "Grant an exclusive franchise to any person to provide those services." So would the intent be, for all of the shelter amenities, that there would be a bidding process for one person to secure this? Would it be one person or one business exclusively holding the right to this?

Morgan Baumgartner:

I do not know that I am the best person to answer that question, but reading it, I think it could be an exclusive right. It would be a single provider from reading the language.

Chair Kirkpatrick:

For the Committee, the proposed amendment ([Exhibit G](#)) belongs to Mr. Fiorentino. I believe that Ms. Baumgartner is simply voicing her opposition. I was just trying to see if there really was any room to work together through all of the opposition so that everyone can be happy with this bill and the amendment.

Assemblyman Ellison:

Just for clarification, my last statement was that I said that there were millions behind this project. I forgot to put a couple of zeros behind that number initially. There are large amounts of investments down there and I think we need to look at that when we are considering this proposed amendment. Ms. Baumgartner, you are right. The Strip is a picture-perfect area meant to attract tourists, and I would hate to see some of these facilities out there ruining the picturesque view.

Michael Alonso, representing Caesars Entertainment:

I will simply echo the sentiments of Ms. Baumgartner. Assemblywoman Flores and others have brought up the issue of water and drinks for patrons of the buses. I do not think the purpose is there when you are talking about the Strip, where there are a lot of places for people to go in and obtain beverages. We may be able to come up with a fix. Something within the gaming enterprise districts could be of help, or the Las Vegas Strip corridor could be taken out of the language of this bill or the amendment. There may be a fix to that where it is not in the Strip or other areas where there is congestion because it is in a gaming enterprise district. All of the bus stops that we are talking about are right in front of casino properties.

Chair Kirkpatrick:

Are there any other questions? [There were none.]

Russell M. Rowe, representing Boyd Gaming Corporation:

We would echo the sentiments already expressed to you by the other gaming entities here. We would like to share anecdotally some of Boyd Gaming's efforts to ensure that what occurs in front of their property is controlled by them specifically. I am specifically referencing the Echelon site, which is on hold given the current economy. Boyd Gaming has worked extensively with both Clark County and the RTC with respect to what occurs in front of that property. The design elements are very important to my clients. The Clark County Board of Commissioners demanded and expected significant architectural elements on a property as far as landscaping and the like in front of the property. To have kiosks and vending machines like this in front of one of these resorts begs the question of why a company like ours would go

through the costs and expense to build a large and beautiful property and have a kiosk, like in this exhibit ([Exhibit H](#)), placed in front of it. We spent months on the design of the bus shelters alone that are going to be placed on the Strip. Jacob Snow can attest to that. I am sure he was tired of hearing us and seeing us come into his office.

We do have concerns about many issues. We have concerns about the gathering of people in one location. The handbillers distributing leaflets are then attracted to that area. We are concerned about a carnival atmosphere that seems to be encroaching upon Las Vegas Boulevard after decades of beautification projects. Many of these projects have been developed by the county and funded extensively by the properties along the Strip, with respect to the palm trees you see, and what is expected of those properties when they develop their sites for their off-site landscaping elements. We would ask you to think very carefully about these types of proposals before you make a decision about them.

Assemblyman Livermore:

I agree with you, Mr. Rowe. Most people come to Las Vegas and take pictures when they are on vacation. When people who have been on vacation in Las Vegas, go home, they should be proud to show those pictures to people. They should be able to talk about the architecture and what the properties looked like. The investment that is taken on by these properties is immense, and I think your clients are in support of picture taking by tourists because when they go home, they advertise the property to other potential tourists. I cannot imagine your property with this kiosk ([Exhibit H](#)) in front of it. I was trying to figure out what it would look like, and your description of a carnival atmosphere was right on the money. There has been a carnival down at Mills Park in Carson City this last weekend, and there were a lot of these units parked down there. I think it cheapens the environment considerably.

Chair Kirkpatrick:

Are there any other questions? [There were none.] Would anyone else like to testify on S.B. 137 (R1)? [There was no one.] Mr. Fiorentino, did you want to make sure that you get with the Committee members and others to answer all of their questions?

Mark Fiorentino:

I would be more than happy to address all of the Committee's concerns. Whatever would be easiest for the Committee is what I would be happy to do.

Chair Kirkpatrick:

Thank you. If you could just follow up with all of us on an individual basis within the next week, now that we all know what the concerns with this bill are, I would appreciate it. We will now close the hearing on Senate Bill 137 (R1). Is there any public comment? [There was none.] We will adjourn until Friday at 8:00 a.m.

Meeting adjourned [at 12:19 p.m.].

RESPECTFULLY SUBMITTED:

Jenny McMenomy
Committee Secretary

APPROVED BY:

Assemblywoman Marilyn K. Kirkpatrick, Chair

DATE: _____

EXHIBITS

Committee Name: Committee on Government Affairs

Date: May 11, 2011

Time of Meeting: 8:01 a.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
S.B. 261 (R1)	C	Assemblyman Crescent Hardy	Constituent Testimony
S.B. 261 (R1)	D	Rusty McAllister, President, Professional Fire Fighters of Nevada	Proposed Amendment
S.B. 214 (R1)	E	Senator Joseph (Joe) P. Hardy, M.D.	Boulder City Bypass Presentation, prepared by Jacob Snow General Manager, Regional Transportation Commission of Southern Nevada
S.B. 151 (R1)	F	Jacob Snow, General Manager, Regional Transportation Commission of Southern Nevada	Proposed Amendment
S.B. 137 (R1)	G	Mark H. Fiorentino, representing Beckham Entertainment	Proposed Amendment
S.B. 137 (R1)	H	Morgan Baumgartner, representing the Nevada Resort Association	Pictures