

**MINUTES OF THE
SENATE COMMITTEE ON FINANCE**

**Seventy-sixth Session
June 5, 2011**

The Senate Committee on Finance was called to order by Chair Steven A. Horsford at 2:56 p.m. on Sunday, June 5, 2011, in Room 2134 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to the Grant Sawyer State Office Building, Room 4412, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Steven A. Horsford, Chair
Senator Sheila Leslie, Vice Chair
Senator David R. Parks
Senator Moises (Mo) Denis
Senator Dean A. Rhoads
Senator Barbara K. Cegavske
Senator Ben Kieckhefer

GUEST LEGISLATORS PRESENT:

Senator Joe Hardy, Clark County Senatorial District No. 12
Assemblywoman Debbie Smith, Assembly District No. 30
Assemblywoman Maggie Carlton, Assembly District No. 14

STAFF MEMBERS PRESENT:

Michael J. Chapman, Principal Deputy Fiscal Analyst
Rex Goodman, Principal Deputy Fiscal Analyst
Mark Krmpotic, Senate Fiscal Analyst
Julie Waller, Program Analyst
Madison Piazza, Committee Secretary

OTHERS PRESENT:

Jacob Snow, General Manager, Regional Transportation Commission
Dale Erquiaga, Senior Advisor, Office of the Governor

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Paul J. Enos, Chief Executive Officer, Nevada Motor Transport Association
Craig Hulse, Washoe County School District
Gary Milliken, Las Vegas Chapter, Association of General Contractors
Jennifer Lazovich, Pardee Homes of Nevada, Focus Property Group
Chris Ferrari, Nevada Contractors Association
Joyce Haldeman, Clark County School District
Mary Pierczynski, Nevada Association of School Superintendents
Terry Graves, Henderson Chamber of Commerce
Russell Rowe, American Counsel Engineering Company of Nevada
Roger Tobler, Mayor, City Boulder City
Brett Kandt, Executive Director, Advisory Council for Prosecuting Attorneys
Richard Perkins, Frias Transportation

CHAIR HORSFORD:

We will open the hearing on Senate Bill (S.B.) 506. Mark Krmpotic will review Assembly Bill (A.B.) 579 and A.B. 580 which have not been referred to the Senate Committee on Finance. We will review them in anticipation of them being referred to the Committee.

SENATE BILL 506: Revises provisions relating to the financial administration of certain local governments. (BDR 30-1313)

ASSEMBLY BILL 579: Ensures sufficient funding for K-12 public education for the 2011-2013 biennium. (BDR S-1304)

ASSEMBLY BILL 580: Makes various changes regarding state financial administration and makes appropriations for the support of the civil government of the State. (BDR S-1318)

SENATOR JOE HARDY (Clark County Senatorial District No. 12):

Senate Bill 506 has three major job bills in it. The aim of this bill is to put Nevada back in business and to get Nevadans back to work. Section 1 deals with the proposal to change the amount of reserves required to 10 percent of the outstanding principal or 25 percent for larger counties and 50 percent for smaller counties.

Sections 3 through 15 deal with a principal of local improvement districts that are not able to complete the project they originally intended to do because of the economic times. For example, if the local improvement district planned a

three mile road, but because of the economy they were only able to sell one mile, there needs to be a mechanism that allows them to cut back on the size of the projects. Likewise, in the projects the local improvement projects have with local jurisdictions, they sometimes come to a point where technological advances would allow things to run more smoothly. For example, a water tower could work better if it was a water pump, but the current statute does not allow them the flexibility to change and use technological advances. Lake Las Vegas and Inspirada were particularly affected by this. If they are given this ability and are in a position to be able to change the breadth and depth of a project they will be able to get people back to work.

It has never happened in the State of Nevada where we have not been able to move forward on projects. This would only be applied to projects that were created before July 1, 2011. It would allow the projects to get restarted and put people back to work. We have had hearings on S.B. 100 which is basically that part of the bill.

SENATE BILL 100 (1st Reprint): Makes changes to provisions governing local improvement districts. (BDR 21-392)

In the subsequent section there is a series of conditions that apply to a public-private partnership and how that would be run vis-à-vis a demonstration project with the bypass of Boulder City. Boulder City has been experiencing increased accidents, decreased travel safety and increased waiting times getting through and around Boulder City. The intent of the bill is to allow the Regional Transportation Commission (RTC) to administer and oversee the public-private partnership.

CHAIR HORSFORD:

Are these the provisions of the public-private partnership that were in your bill or S.B. 83?

SENATE BILL 83 (1st Reprint): Revises provisions relating to transportation. (BDR 35-484)

SENATOR HARDY:

Those provisions are largely out of my bill, S.B. 214. I had help from Assemblywoman Marilyn Kirkpatrick in drafting the bill and fixing the problems, such as the references to using local labor force that were not previously in the

bill, which is critical for the public-private partnership. Those kinds of items were addressed in this reprint. It may not look exactly like S.B. 214, but it will look better and it does not look like S.B. 83 either.

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)

CHAIR HORSFORD:

Please walk us through any significant changes to the bill.

SENATOR HARDY:

Sections 21 and 22 pertain to the public-private partnership. On page 21 it makes reference to the Department of Motor Vehicles (DMV) and may require the Department of Transportation (NDOT), under public-private partnership, to pay a fee for the creation, maintenance and revision of the record of DMV. There has to be a conversation and a tie between NDOT and DMV recognizing that the commission they are alluding to on page 19, lines 42 through 45, is referencing RTC of Southern Nevada. They would apply the lease easement, operating agreement, license permit, right to entry and exemption from any State properties. Whenever it references the commission throughout the remainder of the bill, it is referencing RTC.

The bulk of the bill will be in sections 30 through 34:

- § Section 30: public-private partnership
- § Section 31: definition of registered owner
- § Section 32: the toll road language is defined
- § Section 33: defines the toll or fee that would be involved
- § Section 34: provides the backbone of how this would operate

CHAIR HORSFORD:

Please provide some additional detail on that.

SENATOR HARDY:

I have a proposed amendment to S.B. 506 ([Exhibit C](#)). Section 34, lines 37 and 38 state "the demonstration project is a toll road within city limits of Boulder City." The amendment further defines it with mile markers. It goes from a mile marker by the Hacienda Hotel, where the new road merges onto a smaller road, to a mile marker in Henderson. In addition to Boulder City land, it also

crosses park land, unincorporated Clark County land and part of Henderson. The amendment clarifies that.

Section 34, subsection 1, paragraph (a) discusses how this would be used to construct the highways, bridges, off-ramps and anything else pertaining to the actual road itself and making it serviceable. It goes on to discuss the design, construction, improvement and maintenance of the road. Paragraph (b) has similar language and paragraph (c) states that it can be developed in one or more phases. There are currently two phases in place. We have already received money from the federal government in phase one. There is a provision that states, if it is permissible for the project to be totally funded through private money, without using federal money for the rest of the project. Mr. Scott Rawlins has discussed this matter with NDOT and has recognized that if federal funds were to be used, then we would still have the ability to move on with the project.

Section 34, subsection 2 states that RTC can do the appropriate planning, financing, design, construction and improvements. On line 13 of page 23, where it states "acquire rights-of-way," it has basically already had the record of decision, it has met the Environmental Impact Statement, so this is one of the most shovel-ready projects you are going to see. Section 34, subsection 2, paragraph (a) discusses the plan, design and financing and paragraph (b) talks about the allowable uses of the goals and specifications. Paragraphs (a) and (b) allow RTC to tell a private entity that wants to be involved in this exactly what they want and how they want it to work. This includes paragraph (c), where it states on line 23 the "designing, financing, constructing..." Paragraphs (d) and (e) provide for the legal and technical consultants. Paragraph (f) secures financial assistance. Paragraph (g) discusses applying for any lawful source of money, including federal government assistance. Paragraph (h) provides that they are able to accept grants, donations or gifts.

Continuing on page 24, section 24, subsection 2, paragraph (i) provides that RTC is able to pay any compensation as entitled. Paragraph (j) allows them to do bonding.

Section 34, subsection 3 states that this demonstration project must be and remain:

- § A public highway.
- § A public use.

- § A public facility.
- § Owned by the Commission.

Boulder City would take their portion of the land and deed it over to RTC.

Section 34, subsection 4 states that before construction it is recognized that we have to maintain U.S. Highways 93 and 95 as permanent, ongoing, free access with no user fee. It states that there needs to be a commitment to maintain those roads and to allow all vehicles that can currently go on U.S. Highways 93 and 95 to continue to travel those roads. [Exhibit C](#) provides clarifying language.

Section 35, subsection 1, allows RTC to enter into a public-private partnership with one or more partners for planning through the maintaining, operating or acquiring rights-of-way for the project. Maintenance is a critical piece that we want to make sure is provided. Section 35, subsection 2 gives RTC the ability to request solicitations and determine what factors give us the best value, as seen on line 36. Section 35, subsection 2 states there has to be an executive summary for anything they do.

Relative weight is assigned in section 35, subsection 5 for the whole process. On page 25, line 11 it states that "at least 50 percent of all workers employed on the demonstration project, including, without limitation, any employees of the applicant, contractor and any subcontractors engaged in the demonstration project will hold a valid driver's license or identification card issued by the Department of Motor Vehicles." This is a substantial change to S.B. 214 and S.B. 83.

On line 16 of page 25, all vehicles used primarily for the demonstration project will be:

- § Registered in Nevada.
- § Designed by at least 50 percent of the professionals working on the demonstration project who will also have a valid driver's license.
- § At least 25 percent of the suppliers of the materials will be located within the State, unless RTC requires acquisition of materials or equipment that cannot be obtained from a supplier located within the State.

Those records will be viewable and transparent.

Section 35, subsection 6 states RTC will determine the best interest of the public and may suspend or terminate negotiations with the application, if they do so it will then go to the next highest applicant. The goal is to not only get the road completed, but to get it completed in the best interest and feasibility and to deliver the project as soon as possible.

Section 36 refers back to Section 35, subsection 5 in regard to the preference in bidding. It is the concept of using as much of our local labor force as we can and putting Nevada back to work. On page 27, it gives opportunity for RTC to recognize that if there is not a substantial adherence to that stipulation they can seek remedy and get a different contractor, as seen on lines 13 and 14. It will also allow for money involved to come back to RTC.

On page 28, lines 8 through 13, the private partner must obtain a performance bond, payment bond, letter of credit or any combination thereof, and insurance covering general liability and attend to the legal matters that need to be done. They should not have been disqualified from being awarded a contract pursuant to other matters, as we do not want someone who has defaulted on a contract. We want assurances that they have a good record of completing their work appropriately.

On page 28, line 21, the private partner is not required to hold licenses and certifications required to undertake the work for the demonstration project as a condition of eligibility to be a private partner. However, they must ensure any work which requires a license or certification is performed by persons who possess the required licenses and certifications.

Section 38 recognizes the confidentiality that is necessary in the bid process. Section 39 provides that a public-private partnership may not have a term of more than 40 years. Section 39, subsection 2 states that the public-private partnership may be extended past the 40 years as defined in paragraphs (a), (b) and (c).

Section 40 discusses technology and how the revenues would be received, shared and maintained. Subsection 4 discusses the authority to prescribe a formula and indexation. Subsection 5 gives authorization for enforcement of user fees. Subsection 6 allows DMV to participate. The question came in a hearing on S.B. 83 on how DMV would have enough money to do this. I would suggest when you start looking at this, it could be part of the public-private

partnership agreement. If the public-private partnership comes with a best value offer, we want that to also include a statement that any utilities that need to be moved, maintained or adjusted to the pipes and wires that go over, under or around that, are borne by the public-private partnership and not the utilities which pass it on to the ratepayers.

Page 30, line 25 addresses security and law enforcement. Section 41 covers the scheduling of fees and the methodology of the user fees, otherwise known as the toll. This includes the time of day and traffic conditions. The private partner wants to get money back on its investment. They have an interest in people using the road and making the road attractive to use, so their money is recouped. The process whereby they fix the fees, or schedule the fees, is addressed on line 19 which must be held in a public hearing.

There are exceptions to the fees which are clarified in the amendment, [Exhibit C](#). It exempts enforcement, State, applicable local municipalities and maintenance vehicles from a fee to use the road.

Page 32 addresses the user fee, prepayment requirements and the use of electronic video or automated collection systems. They may be used to verify the payment or charge of the user fee. They will recognize that the driver of the car may not own it and provisions in the bill are used to address that particular issue.

Section 42 addresses a person who fails to pay the fee. If they fail to pay the fee, their car registration can be withheld. Section 42, subsection 3 address rental cars. A short-term lessor is not assessed a fee if they provide, within 45 days, the person's name, address, driver's license and any identifying information to RTC so the appropriate person can be assessed the fee. If RTC does not receive that information within 45 days, the fee would default to the rental car company. Section 42, subsection 6 deals with the hold on the renewal of the registration for those who did not pay the toll fee.

Section 44 states that the demonstration and any property improvement determined by RTC to be necessary may, as determined by RTC, be financed by (a) the private partner using its own funds or obtaining funds in any lawful manner for that entity or (b) the issuance of revenue bonds. Paragraph (b) is further described on page 36. The maturity is up to 40 years and has to be in keeping with *The Constitution of the State of Nevada*. Lines 17 through 21 are

important and state "the revenues specifically pledged to the payment of those obligations, as specified in the resolution for the issuance of the bonds or notes, and shall never be a debt to the State under Section 3 or Article 9 of the Constitution of the State of Nevada." That is further detailed on page 37 in lines 11 and 12.

CHAIR HORSFORD:
Who owns the facility once it is built?

SENATOR HARDY:
The RTC would own it.

CHAIR HORSFORD:
How does that not become a liability if the private party fails to meet any of its financial obligations, if RTC owns the facility? Someone could use the comparison of the Las Vegas Monorail, because it had been said that it would not become an issue, but it has become an issue.

JACOB SNOW (General Manager, Regional Transportation Commission):
Before we enter into any form of a public-private partnership, we would require any private partner to post some sort of bond to RTC to address those types of potentially foreseeable circumstances. That would keep us from being held responsible from finishing the project, and from any type of liability associated with the project, without calling upon that bond that would need to be posted.

CHAIR HORSFORD:
This is a large scale project which means that would have to be a large bond. Where is that stated in the legislation? I see references to issuances of revenue bonds in section 44.

SENATOR HARDY:
On page 37, lines 5 through 12 state:

Any bonds or notes issued pursuant to this paragraph may have a maturity of up to 40 years from the date of issuance. Any bonds or notes authorized by this paragraph are special, limited obligations of the Commission payable solely from the revenues specifically pledged to the payment of those obligations, as specified in the resolution for the issuance of the bonds or notes, and shall never

be a debt of the State under Section 3 of Article 9 of the Constitution of the State of Nevada.

The language in section 44, which primarily addresses bonds, is reiterated in different ways throughout that section.

MR. SNOW:

There is not any explicit authority in this bill that says what procedures RTC would put in place as part of any revenue bond issuance. I believe there is general authority for us to negotiate, in good faith, with the private party. We would do so as part of the authority that is explicit in this bill to set up appropriate protections of, not just RTC, but also the public and the State.

CHAIR HORSFORD:

That will not suffice. Please prepare language that more specifically states that. I am not comfortable with a hope and promise of a procedure that RTC may follow. It needs to be stated in the statute.

MR. SNOW:

I do not disagree with that assertion. We will work on more specific language.

SENATOR HARDY:

Section 37 deals with this as well. On page 28, subsection 2, it discusses the public-private partnership. To be eligible as a private partner in connection with a public-private partnership a private partner must:

- § Obtain a performance bond, payment bond, letter of credit, parent guarantee or other security acceptable to RTC, or any combination thereof, as RTC may require.
- § Obtain insurance covering general liability and liability for errors and omissions, in amounts determined by RTC.
- § Not have been found liable for a breached contract with respect to a previous project with RTC, other than a breach with legitimate cause during the five years immediately preceding the commencement of the solicitation of the public-private partnership.

CHAIR HORSFORD:

That language needs to be enhanced to ensure the performance bond. I understand it says acceptable to RTC, but that may not be enough to protect the public in all respects.

SENATOR HARDY:

I concur with you.

SENATOR LESLIE:

Please walk through what are we paying for and who is paying for it. I understand there is some leveraging of funding, but I am not clear as to what that is. In regard to the conversation that just took place, if things go awry in the middle, will we end up with an unfinished road? How do we ensure that does not happen if the funding does not come through?

SENATOR HARDY:

That is the thing everyone is concerned with. The performance bond provides that. If somebody decides they are not going to finish the project, the performance bond will allow you to get someone who will. This has become the new bottleneck for the traffic that comes from Phoenix to Las Vegas and vice versa. These are two large U.S. cities that do not have a connecting freeway. The deep water port in Mexico is coming online in a few years, so there will be increasing traffic with commerce and that is another reason we need this. The private people are interested in participating in this because they see the future need of the road as a good long-term investment.

SENATOR LESLIE:

Are they paying for it?

SENATOR HARDY:

Yes. I have been approached by people who have said they would like to pay for the whole thing.

SENATOR LESLIE:

What is the State's obligation in this bill?

SENATOR HARDY:

The State's obligation is to allow us to have the public-private partnership to happen, to use a toll road, or tolling facility, and manage care lanes, but that is

currently illegal. This will make it make it legal and allow RTC to accept unsolicited proposals, having received or sought requests for proposals. The RTC is not obligated to accept proposals as much as they are to ensure the citizens of Nevada are well protected when travelling.

SENATOR LESLIE:

Are there any county, State or federal tax dollars involved in this at all?

SENATOR HARDY:

It allows us to accept anything: gifts, grants, donations, federal monies, etc., but there is nothing in the bill that mandates the State to do anything.

SENATOR LESLIE:

There might be some federal funds that come in and this will allow you to accept them, but you are not depending on them to get the job done, correct?

SENATOR HARDY:

Correct. The Highway Fund still has its major problems. In a conversation with U.S. Senator Harry Reid, he said "where are they going to get the money, because the only money that exists is in the private sector?"

CHAIR HORSFORD:

Is there anything in the bill that prioritizes this project for funding over others?

MR. SNOW:

No, there is not. I will point out, in Section 43, page 35, it states that any excess money that is received by RTC pursuant to this act would be deposited into the State's Highway Fund.

SENATOR HARDY:

The cost estimates have been about \$350 million to \$400 million to build the road. This \$400 million project that will take place in the State of Nevada will add approximately 14,000 jobs. These are real jobs and real people who are in Nevada now. It will raise our economy in the way we need it in this State. This is what we would call a positive fiscal note for the State.

CHAIR HORSFORD:

Is that what creates the need for the two-thirds vote?

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SENATOR HARDY:

It has a revenue source because of the tolling, so the answer is yes.

CHAIR HORSFORD:

How was the 50 percent requirement of people having licenses with DMV set?

SENATOR HARDY:

People have tried to identify local workers and make sure there is a bidding preference and I think that is reasonable.

CHAIR HORSFORD:

But why 50 percent? Why not 60 percent, 70 percent, 80 percent or 100 percent?

SENATOR HARDY:

I am flexible on that number.

CHAIR HORSFORD:

After RTC accepts a proposal for the development of this public-private partnership, what are the bid requirements for the project?

MR. SNOW:

My understanding and interpretation is that we would eventually select a private partner. That private partnership is responsible for putting the workforce together, negotiating the cost and maximum of this particular project. It is determined beforehand in the selection process for who the successful applicant would be.

CHAIR HORSFORD:

What about the competitive bid process and contracting out?

MR. SNOW:

I do not think this bill speaks directly to a competitive bid process.

SENATOR HARDY:

They look at what they call the "best value." The whole process can be designed however we want it to be designed. The private partner can submit a proposal that says this is the way I want to do it and we can tailor that to how

we want it done. The private partner can say, my way of doing that is better than someone else which is where the best value part comes into play.

CHAIR HORSFORD:

Can you include provisions to RTC and the acceptance of proposals that the master developer or contractor must competitively bid to subcontractors for the work?

SENATOR HARDY:

Yes. You have the flexibility under this framework to do those types of things.

CHAIR HORSFORD:

Those provisions are not currently in the bill and that would be something we would need, because it would enable our local businesses to participate. If they cannot bid, they would not be able to participate unless they are handpicked.

SENATOR HARDY:

Section 47, line 16 addresses prevailing wage. Section 52 states that RTC shall report to the Legislative Commission and the Interim Finance Committee (IFC) as to the status, fees being collected, amounts, etc. This will give the legislative process oversight as well.

SENATOR KIECKHEFER:

Why is this an RTC project and not an NDOT project?

SENATOR HARDY:

I am not sure. It could be done either way. Assemblywoman Kirkpatrick is the Chair of the Assembly Committee on Government Affairs and has much experience with this and worked through it with help from the administration. There are probably preferences. Either way, I need the road to happen because I need the jobs. This is a jobs issue.

SENATOR DENIS:

Is there any issue with respect to advertising and where revenues would be generated in this public-private partnership?

SENATOR HARDY:

I do not see anything in the bill. Some of this will be on park land, the bulk of it will go through Boulder City. If billboards were to go up, they would have to

meet the standards of the jurisdictions that they are in. I do not see the climate for that happening right away. The RTC can put things in if they want, but that is something that would have to be vetted through the "neighbors."

SENATOR PARKS:
What is the length of the road?

SENATOR HARDY:
Going through Boulder City is about 10.5 miles and going around it would be about 14.5 miles.

ASSEMBLYWOMAN DEBBIE SMITH (Assembly District No. 30):
Section 1, subsection 5 addresses debt reserve with school bond debt. Assembly Bill 183 allows school districts to lower the required amount of bond reserve that they have to keep to pay their debt. That bill did not make it through the process. It was part of the budget as recommended by the Governor. That issue has been resolved and we have an agreement that we would like to see this language move forward and all the school districts be able to lower that debt reserve and access that money for school construction. In today's environment that means older school improvement.

ASSEMBLY BILL 183: Revises provisions regarding the establishment and maintenance of a reserve account for payment of the outstanding bonds of a school district. (BDR 30-114)

This is enabling legislation. It will only be used by the school districts that can access and utilize it. For example, we have heard testimony from the Clark County School District that it is not in a position to be able to utilize this provision because they have debt they need to pay. Washoe County School District can access this money right away and can perform badly needed school renovations and possible construction on schools that need to be torn down and rebuilt. This provision of the bill is very meaningful to Washoe County and some of the small counties as well because this is the only method that they have to access money for school construction. They do not have any other provisions that have been given to them. I hope this provision can be considered and moved forward.

CHAIR HORSFORD:

In your analysis, were you able to identify how many jobs could be created by the use of these funds now, rather than being held in those accounts?

ASSEMBLYWOMAN SMITH:

It was several hundred. Washoe County School District testified that they could raise as much as \$145 million worth of work. It is a significant amount of work. It cuts across all the trades and it will impact a lot of the trades. It is a win-win situation as it will put people back to work and provide safe school buildings that the children deserve.

CHAIR HORSFORD:

Mr. Dale Erquiaga, would you like to add anything?

DALE ERQUIAGA (Senior Advisor, Office of the Governor, Governor):

I am here on behalf of the Governor to support the provisions that Assemblywoman Smith has spoken to. Although her bill did not make it through the process, circumstances have changed and the Governor is happy to release these monies on behalf of school construction and jobs in our State.

With respect to Senator Hardy's provisions of the bill, the Governor is also supportive of that concept.

PAUL J. ENOS (Chief Executive Officer, Nevada Motor Transport Association):

The Nevada Motor Transport Association is in favor of S.B. 506 and the accompanying amendment. Normally when we talk about toll roads, people get nervous. We have put some caveats on when we accept toll roads and that is when we are not taxing, or tolling, an existing road or facility. Since this is a new road we would not be doing that. Because U.S. Highways 93 and 95 can accommodate all vehicle classes and is a free alternative route, that allays our concern. The amendment also allays our other concern of being forced onto a new toll road. It has happened before in a public-private partnership, where they will force certain classes of vehicles onto a toll road or they will stop maintaining those free routes.

I do appreciate the questions from the Committee. They have been insightful and realize many of the problems that have occurred in the past with public-private partnerships. I think having the language regarding the performance bond is very helpful in protecting the State of Nevada and ensuring

we do have a usable asset if the public-private partnership decides to abandon this project. We should look at strengthening that language if we can. As we have seen partnerships in other States that have gone on for 99 or 100 years, we think the limit of 40 years is a realistic timeline.

It has been a long time since the State has had toll roads and we think it is correct to do it in a demonstration project. That will allow us to see if there are any pitfalls that occur before we decide to possibly expand this to other roads and facilities.

We will continue to work with stakeholders in this area and ensure the State of Nevada and its highway users are protected.

SENATOR CEGAVSKE:

Is there a special lane for trucks? Is that something that could potentially delay traffic?

MR. ENOS:

It depends. On toll roads I have been on, some do have a special truck lane, while others do not. Some have a special booth with a pre-pass system or a system so they can roll through without stopping at the toll booth. This bill allows for electronic tolling which is something that we support. That prevents much of the backups from happening which is one of our greatest concerns when dealing with toll roads. I think it is good to have the oversight of RTC or another public body to ensure this facility is adequately managed and maintained.

SENATOR CEGAVSKE:

Is that a yes?

MR. ENOS:

It depends, sometimes they do and sometimes they do not. It depends on how they design it. It will be up to the public-private partnership or RTC.

CRAIG HULSE (Washoe County School District):

The Washoe County School District is in full support of the amendment that affects school reserves. It has the potential to more than double our bonding capacity from \$70 million to \$145 million depending on property taxes and forecasts. The testimony earlier in Session was that it could create between

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500 and 800 jobs in Washoe County. It is something our economy needs, just as the schools need the work and our children need the buildings.

GARY MILLIKEN (Las Vegas Chapter, Association of General Contractors):
The Association of General Contractors is in favor of S.B. 506. I am in agreement with Chair Horsford that we need strong language regarding the competitive bidding process.

CHAIR HORSFORD:
I will be looking for your suggestions during the interim before we come back.

JENNIFER LAZOVICH (Pardee Homes of Nevada, Focus Property Group):
On behalf of Pardee Homes of Nevada and the Focus Property Group we are in support of sections 3 through 15 which deal with provisions of how to amend local improvement districts. That language is helpful to the development community and we ask that you support that.

CHAIR HORSFORD:
That was contained in which bill?

MS. LAZOVICH:
It was originally in S.B. 100.

CHRIS FERRARI (Nevada Contractors Association):
We have the largest signatory contractors association in the State, meaning union contractors. This bill means jobs. We appreciate all the work Senator Hardy and others put into the bill and are in support of it.

JOYCE HALDEMAN (Clark County School District):
As Assemblywoman Smith mentioned, we would probably not take advantage of this in the short run, but in the long run we think it would be beneficial and we are in support of it as well.

MARY PIERCZYNSKI (Nevada Association of School Superintendents):
Section 1, subsection 5 is important to our rural school districts and we appreciate Assemblywoman Smith bringing it forward.

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TERRY GRAVES (Henderson Chamber of Commerce):

The Henderson Chamber of Commerce is also in support of the toll road demonstration project.

RUSSELL ROWE (American Counsel Engineering Company of Nevada):

The engineers are in strong support of this bill and would like to get back to work.

ROGER TOBLER (Mayor, City Boulder City):

I am in favor of S.B. 506. It is a win-win proposition for this State, we need the jobs. More importantly, for my town and this region, this will take care of a regional transportation issue that will benefit southern Nevada.

MR. SNOW:

We are supportive of this bill.

CHAIR HORSFORD:

Senator Hardy, we will need to work off line on those amendments. Please have someone in the Legislative Counsel Bureau (LCB) Legal Division draft those amendments in the direction I have provided to Mr. Krmpotic and have it ready later this evening. We will close the hearing on S.B. 506.

We need to take up the Attorney General's bill, S.B. 72. We would like it on the record that the fiscal note has been addressed.

We will then do an overview of A.B. 579 and A.B. 580.

SENATE BILL 72 (1st Reprint): Revises provisions governing the assignment of certain criminal offenders to residential confinement. (BDR 16-120)

BRETT KANDT (Executive Director, Advisory Council for Prosecuting Attorneys):

There was a fiscal note placed on the bill by the Department of Corrections (DOC) in the amount of approximately \$62,000. In our discussions with the Governor's Office and the State budget director, it was felt that it was negligible given the size of DOC's budget for the biennium which is approximately \$580 million. The bill could proceed and any fiscal issue could be addressed in a future budget revision.

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CHAIR HORSFORD:
I will entertain a motion.

SENATOR LESLIE MOVED TO DO PASS AS AMENDED S.B. 72.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

CHAIR HORSFORD:
We will open the hearing on A.B. 580.

MARK KRMPOTIC (Senate Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

Assembly Bill 580 is the General Appropriations Act which is the key bill for funding State government. It is the culmination of months of budget hearings that the Senate Committee on Finance and the Assembly Committee on Ways and Means, also known as the money committees, have conducted since the beginning of Session.

MICHAEL J. CHAPMAN (Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

Assembly Bill 580 is the General Appropriations Act for the 2011-2013 biennium. Sections 2 through 29 are the appropriations for each budget account that were approved by the money committees in closing the budget.

Section 31 authorizes the expenditures of these appropriations and allows for work program changes to be made pursuant to the State Budget Act. Section 32 allows for transfers of appropriations between fiscal years with IFC approval for the accounts listed.

Section 33 is the appropriations for specific programs within a budget account that can be transferred from one year to the next, but would be subject to IFC approval. Subsection 1 allows for appropriations for the Department of Education's proficiency testing to be transferred in the amounts listed in paragraphs (a) and (b). Subsection 2 allows sums to be appropriated between

fiscal years for the Division of Child and Family Services (DCFS) in support of the cost of mental health placements. Subsection 3 allows transfers of appropriations within the Health Division of the Department of Health and Human Services (DHHS) between years in support of medication costs within the AIDS Drug Assistance Program.

Section 34 states that the sums appropriated to Medicaid and Health Care Financing and Policy Administration may be transferred between each account for the purpose of implementing a care management program. That would occur upon the recommendation of the Governor and subject to approval by IFC.

Section 35 allocates money for administration costs for the purpose of a plan that would be subject to approval by the Centers for Medicare and Medicaid Services (CMS) and authorized by the State plan for Medicaid. This will provide for expansion of the upper payment limit program to include payments to hospitals not owned by local governments.

Section 36 allows for appropriations for deferred maintenance within agency accounts to be transferred between fiscal years and would be based on the recommendation of the Governor and subject to IFC approval.

Section 37 directs that sums appropriated to the Secretary of State's federal Help America Vote Act of 2002, also known as HAVA, election reform account do not lapse to the State General Fund at the end of any fiscal year.

Section 38 provides for appropriations from the General Fund in the amount of approximately \$3.9 million in fiscal year (FY) 2011-2012 and \$5.4 million in FY 2012-2013 to IFC for allocation to the Commission on Economic Development. This is intended to encourage the expansion of businesses in Nevada and the relocation of businesses to Nevada. Money appropriated pursuant to this section shall be allocated by IFC upon submittal by the Commission on Economic Development, or its successor organization, of a plan for those purposes. Subsection 2 is reversion language for any unused portion of those funds.

Section 39 appropriates \$3.5 million to the Legislative Fund for the cost of the 76th Legislative Session. Section 40 provides that appropriations to the Legislative Fund may be transferred between fiscal years and divisions within

the LCB. Those would have to be approved by the Legislative Commission upon a recommendation by the director of LCB.

Section 41 provides for the relocation of the Nevada Equal Rights Commission. They currently occupy space on the fourth floor in the Grant Sawyer State Office Building. Once they move, LCB will take over that space.

Section 42 indicates that the total amounts appropriated in section 18 for the accounts of the Division of Health Care Financing and Policy and the Division of Welfare and Supportive Services in DHHS are limits within these divisions. There are exceptions for the Health Care Financing and Policy Administration account, the Assistance to the Aged and Blind Program, the Welfare Administration account and the Welfare Field Services account. The appropriations in the other programs are limits except for items noted in subsections 1 through 4. Subsection 1 allows for an increased cost, should there be a decrease in the Federal Medical Assistance Percentage rate. Subsection 2 would allow them to come back, should costs for additional services mandated by the federal government after October 1, 2011, and not funded in the Medicaid account increase. Subsection 3 states that should there be a cost increase in the cost-per-eligible for the Temporary Assistance for Needy Families (TANF) population that is higher than the cost-per-eligible used to project Medicaid expenditures for this population this would be an exception as well. Subsection 4 states should there be increased costs associated with the annual allocation of federal funds for the TANF block grant that is lower than the amounts approved by the Legislature for either fiscal year this would also be an exception.

Section 43 authorizes appropriations to DCFS associated with the Washoe and Clark County Integration block grant programs that were approved this Session. These are limits, and DCFS is not permitted to come back for additional sums for those programs.

Section 44 and 45 allow for transfers of funds between various budgets in section 44. The Welfare and Supportive Services Division may transfer funds among various budgets within the Division. Section 45 allows that sums appropriated to Medicaid and the Nevada Check Up program may also be transferred between each budget account. All those provisions would be subject to the recommendation of the Governor and IFC approval.

Section 46 provides that DHHS may implement a pilot project to provide therapeutic foster care for youth with serious emotional disturbances through nonprofit providers. The sums appropriated to the Division of Child and Family Services and the Division of Health Care Financing and Policy may be transferred between the various budget accounts for each division for the purposes of implementing this pilot project.

Section 47, subsection 1 provides that:

The Department of Health and Human Services may, with the approval of the Interim Finance Committee upon the recommendation of the Governor, transfer from the various divisions of the Department to an account which is hereby created within the State General Fund any excess money available to the divisions as a result of savings from not providing health and related services, including, without limitation, savings recognized by using a different source of funding to pay the providers of services if the persons previously served by a division no longer require the provision of services from the division of the Department.

Subsection 2 allows that money to be transferred within subsection 1, to the extent it is approved by CMS and authorized by the State Plan for Medicaid, must do two things. Paragraph (a) states that they be used to pay administrative and related costs associated with the State's share of the cost of expanding the upper payment limit program. Paragraph (b) states they must be used to satisfy the requirements of paragraph (a) should there be additional amounts identified in subsections 1 and 2 each fiscal year. In FY 2011-2012, \$2.5 million of any excess money transferred to this new account would revert to the General Fund. In FY 2012-2013, \$7.5 million of any excess money would be reverted to the General Fund. After those provisions have been met, the sums can be used to restore funding for rates paid to providers of Medicaid services. Or, the sums can restore funding for residential support services for persons suffering from mental illness who are on a waiting list for such services.

Section 48 allows for appropriations within DOC be transferred between accounts subject to the State Budget Act. Section 49 is standard language from Session to Session that allows for sums to be transferred between divisions within the same department for salary and payroll cost adjustments.

Section 50 provides that sums appropriated to the Nevada System of Higher Education (NSHE) may also be transferred among the various budget accounts of the System, subject to approval by IFC. Section 51 allows for the transfer of appropriations from NSHE to the Office of Military upon notification by Congress for approval to relocate the Armory Readiness Center from Elko to the Fire Science Academy in Carlin. This would be based upon the recommendation of the Governor and subject to IFC approval.

Section 52 would require the Board of Regents of the University of Nevada to comply with the Governor's request to set aside money from appropriations made by this Act in any specific amount. This is language that carries forward from one Session to the next.

Section 53 identifies amounts appropriated that are used as a match for documented research grants may be carried forward for a maximum of two years. If they are not used by that time, any expended amounts would be reverted to the General Fund. Section 54 provides that amounts appropriated to NSHE for the last payroll period of fiscal year ending June 30, 2012, may:

- § Pay the salaries of professional employees on the first day of business of the month immediately following that month.
- § Pay the salaries of the professional and classified employees of the system from money appropriated or otherwise available to the system for the fiscal year in which such payments were made.

Section 55 appropriates \$364,186 to the Public Employees' Retirement Board for administration of the Legislators' retirement system for the upcoming biennium. Section 56 is standard language that provides for reversions of unspent General Fund money and the deadlines to make those reversions, except for the ones noted throughout the Act, where amounts can be carried forward from one year to the next.

Sections 57, 58 and 59 authorize the State Controller to pay the claims that are against the General Fund for services and expenditures of the State supported by the General Fund appropriations. It also authorizes the Controller to make transfers of funds as required. Section 59 authorizes the Controller to pay the salaries of judges and elected officials in biweekly installments.

Section 60 is standard language from one Session to the next that allows for the Department of Conservation and Natural Resources to obtain a General Fund

advance should there be delays in reimbursements for fire suppression costs from federal, State or local agencies.

Section 61 provides for General Fund advances if it is necessary, should the Governor call the Nevada National Guard into active duty. The General Fund advance is limited to \$25,000 for each activation. Section 62 deals with the fund balance. Should the fund balance fall below the amounts estimated by the 2011 Legislature, the director of the Department of Administration is required to notify the State Board of Examiners (BOE). Subsection 2 indicates that if the fund balance falls below \$80 million, the Governor, through the director, shall require the Controller to set aside reserves of up to 15 percent. If this reserve is established, the Governor is required, on behalf of the BOE, to notify the Legislature if it is in Session, or IFC if it is the interim, who will then approve the set aside of that reserve.

Section 63 deals with the arbitrage regulations found in the Cash Management Improvement Act of 1990. Section 64 appropriates \$138,000 in FY 2011-2012 and \$6.8 million in FY 2012-2013 to pay the principal and interest on the line of credit that is established in section 66. Section 65 changes the account from which the salaries of district judges are paid. Currently, that salary is paid from the District Judges Salary account, but will change to the State Judicial Elected Officials account.

Section 66 contains provisions for the line of credit that is part of the funding solution for implementing the budget in the 2011-2013 biennium. It establishes a line of credit to not exceed \$160 million. The amount that is drawn against the line of credit should not exceed 25 percent of the book value of total investments in the local government pooled investment fund, or \$160 million whichever amount is less. Subsection 3 provides for the rate of interest to be paid on that line of credit should it be drawn upon and for payments of that interest on a monthly basis. Subsection 4 spells out the repayment provisions of the principal over a four-year payment for each draw on the line of credit.

Section 67 provides for the inclusion of the debt service on the line of credit to be included in the *Executive Budget*. Section 68 amends *Nevada Revised Statute* (NRS) 355.167 that allows the State Treasurer to make the investment in the line of credit notes. Section 69 repeals the extension of the line of credit that was originally approved by the Twenty-fifth Special Session of the Legislature. Section 70 extends the reversion date of appropriations to the

Secretary of State to design and implement the State Business Portal from June 30, 2011 to June 30, 2012.

Section 71 repeals the provisions for the current line of credit that was approved by the Twenty-fifth Special Session. Section 72 spells out the various effective dates of the Appropriations Act.

CHAIR HORSFORD:

We will close the hearing on A.B. 580 and open the hearing A.B. 579.

JULIE WALLER (Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

I will highlight the changes in A.B. 579 compared to the prior kindergarten through Grade 12 education funding bill which was A.B. 568. Section 1 establishes a \$5,263 per pupil funded for FY 2011-2012. Section 2 establishes \$5,374 per pupil in FY 2012-2013. This represents a \$279 per pupil reduction in FY 2011-2012 and a \$281 per pupil reduction in FY 2012-2013 compared to the funding approved in A.B. 568.

ASSEMBLY BILL 568: Ensures sufficient funding for K-12 public education for the 2011-2013 biennium. (BDR S-1292)

Section 3 continues the \$39,768 per special education program unit for a total funding level of \$121.2 million of each year of the upcoming biennium. Subsection 4 contains a slight change to the gifted and talented unit funding representing the 2.5 percent reduction of salaries which was a reduction of approximately \$8,000 over the biennium.

Section 4 is the General Fund appropriation of approximately \$1.088 billion in FY 2011-2012 and \$1.111 billion in FY 2012-2013. This would represent approximately \$570 million less than the General Fund approved in A.B. 568. Sections 5 and 6 establish the non-General Fund revenues that are authorized to support the Distributive School Account (DSA). This represents approximately \$26.6 million higher than the non-General Fund revenues approved in A.B. 568. The non-General Fund revenues would include the 2.6 percent Local School Support Tax (LSST) increase for the out-of-state LSST. In addition, there was a revised forecast for Initiative Petition No. 1 of the 75th Legislative Session which increased in FY 2012-2013 by \$1.1 million.

Section 7 provides the funding for the adult high school education program. There is approximately \$891,000 less over the biennium for this program. That is a result of the 2.5 percent salary reduction.

There is no change in section 10, the early childhood education funding of \$3.3 million each year. Section 15, subsection 3, provides flexibility in language for the class-size reduction program. This allows school districts to have the flexibility of adding up to two students per class in Grades 1, 2 and 3, providing savings are achieved by these increased class sizes, with the savings being used to minimize the impact of budget reductions in Grades 4 through 12. This is similar to language provided in A.B. No. 4 of the Twenty-sixth Special Session to help the school districts cope with the fiscal crisis.

Sections 16 and 17 provide the funding for the class-size reduction program. That provides up to 2,127 teachers in FY 2011-2012 and 2,144 teachers in FY 2012-2013. This funding level is approximately \$6.5 million less than the funding approved in A.B. 568 and is also a result of the 2.5 percent salary reduction.

Section 20 contains the funding for the other State education programs and there was no change to that funding level. Section 21 is the General Fund appropriation to the remediation trust fund. This funding provides for the full-day kindergarten program, as well as the funding included for the regional professional development programs that was approved for transfer from DSA into this budget account. The full-day kindergarten funding is approximately \$24.2 million in FY 2011-2012 and \$24.6 million in FY 2012-2013 which is a reduction of about \$1.2 million from the funding approved in A.B. 568 and is also a result of the 2.5 percent salary reduction.

The funding for the Regional Professional Development Programs decreased approximately \$281,000 over the biennium as a result of the 2.5 percent salary reduction. Section 24 continues the appropriation of the \$100,000 each year for additional administrator training.

Section 26 continues the same level of funding for the Grant Fund for Incentives for Licensed Educational Personnel. Section 29 establishes expenditure authority for the Department of Education for the funding received by the State Supplemental School Support Fund. That funding level increased in

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FY 2012-2013 by approximately \$1.1 million from the level approved in A.B. 568.

Section 30 is a new section and authorizes \$20 million in each year of the upcoming biennium for funding the school districts' capital construction project fund to be used as local funding available for operating purposes for this biennium only.

SENATOR KIECKHEFER:

Do you have comparisons of the per pupil funding for current spending levels and the Governor's recommendation?

MS. WALLER:

The approved per-pupil funding for FY 2010-2011, as revised during the Twenty-sixth Special Session, is \$5,129. The change from FY 2010-2011 to FY 2011-2012 would be a \$71 per-pupil increase and to FY 2012-2013 it is an increase of \$82 per pupil. The Governor's recommended budget called for \$4,877 per pupil in FY 2011-2012 and \$4,878 per pupil in FY 2012-2013. Those were the Governor's recommended levels prior to the Economic Forum.

SENATOR KIECKHEFER:

We are increasing spending, on a per-pupil basis, from FY 2010-2011 to FY 2011-2012 by \$71, correct?

MS. WALLER:

Correct.

CHAIR HORSFORD:

Is that a comparison to the Twenty-sixth Special Session level?

MS. WALLER:

Yes.

CHAIR HORSFORD:

The Governor's recommendation was \$4,877 per pupil in FY 2011-2012 and \$4,878 in FY 2012-2013, correct?

MS. WALLER:

Correct, but the Governor's original recommended budget was \$4,918 per pupil. Once they revised the budget for the debt service recommendation and the net proceeds of minerals it was changed to \$4,877 in FY 2011-2012 and \$4,878 in FY 2012-2013.

CHAIR HORSFORD:

We will close the hearing on A.B. 579 and open the hearing on S.B. 438.

SENATE BILL 438: Requires the issuance of bonds for environmental improvement projects in the Lake Tahoe Basin. (BDR S-97)

MR. KRMPOTIC:

Senate Bill 438 provides authority for the issuance of bonds for the Lake Tahoe, Environmental Improvement Project (EIP). I emphasize the words "provides authority." The State's status, with respect to the issuance of debt, is significantly restricted from what has been enjoyed in the past and it will be restricted over the next nine to ten years as far as the Treasurer's Office can see. This would provide authority to issue bonds if the State's fiscal situation changed and property values experience a spike in the future. If that happens the bonds could be issued to fund the Lake Tahoe EIP projects, as provided for in this bill. I do not have the amount that was authorized in the bill, but it was in the millions of dollars. There are no monies, or general obligation bonds, recommended for issuance to fund the EIP program in the upcoming biennium.

CHAIR HORSFORD:

Would this only go into effect if there were additional bond capacity from revenue sources?

MR. KRMPOTIC:

Yes. The issuance of bonds is authorized in the Capital Improvement Projects bill. From what I can see, bonds would not be issued in the upcoming biennium. The next opportunity to revisit the issuance of bonds to be authorized for this purpose would be in the 2013 Legislative Session.

CHAIR HORSFORD:

Was this included in a budget implementation bill from the Governor?

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MR. KRMPOTIC:

It is not a budget implementation bill. The bill was requested on behalf of the Legislative Committee for Review and Oversight of Lake Tahoe, Tahoe Regional Planning and the Marlette Water System.

SENATOR LESLIE MOVED TO DO PASS S.B. 438.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

CHAIR HORSFORD:

We will recess at 4:34 p.m.

We are reconvened at 12:17 a.m. on June 6, 2011. We will open the hearing on A.B. 351.

ASSEMBLY BILL 351 (2nd Reprint): Revises provisions governing certain motor carriers. (BDR 58-1049)

ASSEMBLYWOMAN MAGGIE CARLTON (Assembly District No. 14):

Assembly Bill 351 allows a credit card company to apply a surcharge to a person who uses a credit card within a regulated entity. If we do not allow that, everyone who uses a cab will have to share in the burden of that charge. I asked myself why would I expect others to pay for the convenience of me using a credit card? If I choose to use this, it is clearly noted in the cab and when I fill out the credit card receipt I know what I am paying for.

RICHARD PERKINS (Frias Transportation):

I am here to support A.B. 351. We request that you go back to the version that came from the Assembly. The reason this bill was given an exemption and is in this Committee is because of a fee in the first reprint which can be found in section 12. After reviewing that section, the LCB Legal Division decided there was a two-thirds requirement which caused a concern with regard to the passage of the bill. As well as the mandate that the regulations occur by a certain period of time, it also conflicted with the Governor's current moratorium on regulations. The removal of those provisions and the additional regulatory

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mandate in section 3 were added in the Senate Committee on Transportation. It is our request to go back to the version that was approved in the Assembly.

SENATOR CEGAVSKE MOVED TO AMEND AND DO PASS A.B. 351 AS WRITTEN IN THE FIRST REPRINT ADOPTED ON APRIL 25, 2011.

SENATOR RHOADS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

CHAIR HORSFORD:

The next bill is S.B. 349. This is my bill so I will relinquish the gavel to Senator Leslie.

SENATE BILL 349: Provides for the establishment of a community court pilot project to provide an alternative to sentencing for misdemeanor offenders. (BDR S-387)

VICE CHAIR LESLIE:

We will open the hearing on S.B. 349. We will consider Proposed Amendment 965. Section 4 is amended to reduce the sum of \$1 million to \$250,000.

SENATOR HORSFORD:

That amount is reduced because it is based on savings that were realized in other one-shot appropriations that were included in the *Executive Budget*, but we did not fully fund. The money is available.

SENATOR RHOADS MOVED TO AMEND AND DO PASS S.B. 349.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR CEGAVSKE VOTED NO.)

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VICE CHAIR LESLIE:
I will relinquish the gavel to Senator Horsford.

CHAIR HORSFORD:
We will open the hearing on S.B. 506.

MR. KRMPOTIC:
There are two amendments associated with S.B. 506. One was presented earlier in the meeting and the other is an additional proposed amendment ([Exhibit D](#)).

SENATOR HARDY:
The first amendment defines the Boulder City bypass, where it describes the mile markers, starting on U.S. Highways 93 and 95 at mile post 58 to the area in the vicinity of U.S. Highway 93 mile post 2. The second part of that amendment classifies all vehicle classes still able to take the free route on U.S. Highways 93 and 95. The third portion deals with not prohibiting any class of vehicle from going on the free highways that are currently in existence. The fourth point is the exemption from the user fees: State vehicles, local government vehicles, and vehicles used in maintenance of the project. The fifth point allows RTC to incorporate the cost of relocating the utilities. The sixth point changes some of the sections for clean up.

The additional amendment, [Exhibit D](#), came from the testimony that we had before the recess. We changed the percentage of local workers that we would like to hire from 50 percent to 65 percent in section 35, subsection 5. The second point of the amendment tightens up the language to protect the interests of the State and its political subdivisions. The amendment clarifies the competitive bid process in section 47, making it necessary to follow NRS 338.013 and the local government bidding process that allows for the lowest bid in the competitive bid process. It would apply NRS 338 to the private partner in the public-private partnership. The fourth change in the amendment would be the language taken out of the arena advertisement bill, so that an appropriately wide enough net would be cast. It would include Clark County, the City of Las Vegas and the City of Boulder City. That would reach all the appropriate newspapers that need to be notified.

SENATOR KIECKHEFER MOVED TO AMEND AND DO PASS S.B. 506.

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SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR CEGAVSKE VOTED NO.)

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CHAIR HORSFORD:
We will adjourn at 12:30 a.m. on June 6, 2011.

RESPECTFULLY SUBMITTED:

Madison Piazza,
Committee Secretary

APPROVED BY:

Senator Steven A. Horsford, Chair

DATE: _____

<u>EXHIBITS</u>			
Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
S.B. 506	C	Senator Joe Hardy	Proposed Amendment to S.B. 506
S.B. 506	D	Senator Joe Hardy	Additional Proposed Amendment to S.B. 506