

**EXECUTIVE AGENCY
FISCAL NOTE**

AGENCY'S ESTIMATES

Date Prepared: March 26, 2015

Agency Submitting: Nevada System of Higher Education

Items of Revenue or Expense, or Both	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17	Effect on Future Biennia
Total	0	0	0	0

Explanation

(Use Additional Sheets of Attachments, if required)

The proposed legislation would eliminate the option of utilizing Purchasing Agent Agreements (PAA) for publicly financed construction projects. These agreements allow eligible entities to designate contractors as purchasing agents, who are then permitted make tax exempt purchases of construction goods and materials for the designated project. The proposed legislation would also remove the existing NSHE exemption for buildings of which 25 percent or less were paid from public funds from the definition of a "public work".

At this time, it is difficult to calculate the fiscal impact of the proposed legislation on the NSHE and its institutions. Future costs cannot be determined until such time as construction, repair, or reconstruction projects are identified and cost estimates are developed. Additionally, it is unclear if the proposed legislation, which would become effective on July 1, 2015, would have an impact on projects that are currently underway or currently in the bidding process. If these existing projects are subject to the provisions of this legislation, NSHE and its institutions would incur the penalties prescribed in the legislation, as well as increased construction costs to complete existing projects resulting from the discontinuance of the PAA.

Name Heidi Sakelarios

Title Budget Officer

DEPARTMENT OF ADMINISTRATION'S COMMENTS

The agency's response appears reasonable.

Date Monday, March 23, 2015

Name James R. Wells, CPA

Title Interim Director