

**MINUTES OF THE  
SENATE COMMITTEE ON FINANCE**

**Seventy-Eighth Session  
May 29, 2015**

The Senate Committee on Finance was called to order by Senator Michael Roberson at 9:03 a.m. on Friday, May 29, 2015, in Room 2134 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412 of the Grant Sawyer State Office Building, 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 Michael Roberson, Vice Chair  
Senator Joseph (Joe) P. Hardy, M.D.  
Senator Pete Goicoechea  
Senator Mark A. Lipparelli  
Senator David R. Parks  
Senator Joyce Woodhouse

**COMMITTEE MEMBERS ABSENT:**

Senator Ben Kieckhefer, Chair (Excused)  
Senator Debbie Smith (Excused)

**GUEST LEGISLATORS PRESENT:**

Senator Aaron D. Ford, Senatorial District No. 11

**STAFF MEMBERS PRESENT:**

Mark Krmpotic, Senate Fiscal Analyst  
Alex Haartz, Principal Deputy Fiscal Analyst  
Sarah Coffman, Senior Program Analyst  
Joi Davis, Senior Program Analyst  
Karen Hoppe, Senior Program Analyst  
Adam Drost, Program Analyst  
Brody Leiser, Program Analyst  
Lona Domenici, Committee Manager

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Emily Cervi, Committee Assistant  
Cynthia Clampitt, Committee Secretary

**OTHERS PRESENT:**

Judy Stokey, NV Energy  
Donald J. Lomoljo, Utilities Hearings Officer, Public Utilities Commission of Nevada

**Senator Roberson:**

Per Standing Rule No. 41, as of May 29, I have appointed Senator Joseph (Joe) P. Hardy, M.D., to serve as an alternate for Senator Ben Kieckhefer on the Senate Committee on Finance. We will begin this hearing in work session with Senate Bill (S.B.) 213.

**SENATE BILL 213 (1st Reprint)**: Revises provisions relating to federal assistance received by agencies of the Executive Department of State Government. (BDR 31-838)

**Alex Haartz (Principal Deputy Fiscal Analyst):**

Senate Bill 213 was heard by the Committee on May 26. The bill, as amended, continues the requirement that every department, institution and agency of the Executive Branch of government, must when submitting budget requests to the federal government for federal assistance, also file a copy of the grant application or budget request with the Chief of the Budget Division of the Department of Administration and with the Fiscal Analysis Division of the Legislative Counsel Bureau (LCB). The State agency is also required to provide information concerning the award of such federal assistance to the same State entities.

The bill adds the requirement for the Chief of the Budget Division to maintain a database of each grant or other funding received. The Department of Administration is then required to prepare a report on or before October 1, each fiscal year, for the immediately preceding fiscal year identifying the total amount of federal grant assistance received by each agency of the Executive Branch including the amount requested and received; the amount expended; and to the extent practicable, any actions required to apply for additional federal assistance programs. Senate Bill 213 includes a provision allowing the LCB to prepare a

report advising whether to increase or decrease the use of federal funds for future budget preparations.

Testimony was provided by a variety of State agencies and the Guinn Center for Policy Priorities. Jim Wells, Director of the Department of Administration, testified regarding the fiscal note on the measure. At the Committee's request, Mr. Wells subsequently provided a revised fiscal note combining S.B. 213 and S.B. 214. The fiscal note indicates a cost of approximately \$73,000 in fiscal year (FY) 2016 and approximately \$71,000 in FY 2017. It includes one full-time equivalent (FTE) program officer position responsible for compiling and maintaining the information and providing staff assistance as authorized in S.B. 214.

There was no testimony in opposition and S.B. 213, as amended, and it would become effective July 1.

SENATOR GOICOECHEA MOVED TO DO PASS S.B. 213 AS AMENDED.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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**SENATE BILL 214 (1st Reprint)**: Creates the Nevada Advisory Council on Federal Assistance. (BDR 31-837)

**Mr. Haartz:**

Senate Bill 214 is related to S.B. 213. Senate Bill 214 was also heard on May 26. This bill, as amended, creates the Nevada Advisory Council on Federal Assistance. The Council would have seven members to advise State and local agencies with respect to obtaining and maximizing federal assistance. The Council is to define and address methods and models for identifying, procuring, utilizing and maintaining federal assistance.

It is to include, without limitation, streamlining the regulatory and structural processes and other barriers to the acquisition of federal assistance. It is also intended to develop and expand opportunities for obtaining matching funds for federal assistance, assuring sufficient personnel and technical expertise in State

and local governments and nonprofit organizations and developing and expanding opportunities to work with nonprofit organizations to achieve common goals. The Council would also be responsible for developing Legislative and Executive Branch recommendations on these issues.

Under S.B. 214, the Department of Administration would be required to provide administrative support to the Council. Testimony was provided by the same individuals who spoke on S.B. 213. Mr. Wells testified to the same fiscal note of \$73,227 in FY 2016 and \$71,000 in FY 2017 to fund one FTE position and associated operating costs. The funding request in S.B. 214 includes slightly more than \$10,000 in each fiscal year for per diem and travel costs for Council members to attend meetings. The bill is effective July 1.

SENATOR GOICOECHEA MOVED TO DO PASS S.B. 214 AS AMENDED.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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**Senator Roberson:**

We have a Committee Bill Draft Request (BDR) 9-1287 abolishing the Foreclosure Mediation Program.

**BILL DRAFT REQUEST 9-1287:** Revises provisions relating to the Foreclosure Mediation Program. (Later introduced as [Senate Bill 512.](#))

LEGISLATIVE — JUDICIAL

JUDICIAL BRANCH

Foreclosure Mediation Program — Budget Page JUDICIAL-74 (Volume I)  
Budget Account 101-1492

**Mark Krmpotic (Senate Fiscal Analyst):**

The BDR is consistent with the actions taken by the Senate Committee on Finance and the Assembly Committee on Ways and Means, also known as the money committees, to continue the Program through the next biennium. After

that time, this BDR would effectively abolish the Program. Initially, the money committees approved abolishment of the Program at the beginning of the 2015-2017 biennium. However, based on further discussion between the two committees, it was agreed to fund the Program with existing funding through the next biennium.

The act becomes effective on June 30, 2017, as stated in section 13 of the bill draft request. Staff recommends introduction of this BDR.

SENATOR WOODHOUSE MOVED TO INTRODUCE BDR 9-1287.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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**Senator Roberson:**

I will now close the work session and open the hearing on S.B. 416.

**SENATE BILL 416:** Makes various changes regarding the use of decommissioned power plant sites. (BDR 58-236)

**Senator Joseph (Joe) P. Hardy, M.D. (Senatorial District No. 12):**

I will testify on S.B. 416, using Amendment 936 (Exhibit C). The Mohave Generating Station was the genesis of this legislation. It formerly employed 286 individuals until its closure in 2005. Since that time, it has been 4 square miles, or 2,500 acres, of blight in Laughlin. It is under shared ownership among four entities: 14 percent is owned by NV Energy; 56 percent by Southern California Edison Power Company; 10 percent by Los Angeles Water and Power; and 20 percent by the Salt River Project.

The Public Utilities Commission of Nevada (PUCN) has a challenge as the power is generated in Nevada, but transferred elsewhere. There is a coalition of ownership. I will read from a letter by Gaddi Vasquez, Senior Vice President of Government Affairs for Southern California Edison Power Company:

The co-owners will approve a schedule and budget to develop a disposition plan this summer. After the plan is developed, the

co-owners will share those plans with the community of Laughlin and other stakeholders. We will keep you updated as the co-owners work through this process and arrange a meeting with you to share.

At the March hearing, Judy Stokey, representing NV Energy, stated they would have a plan in place by June 1. Today, the owners are to meet and finalize their plan.

Senate Bill 416 requires a power company to make a plan for retirement of any surplus property that meets the qualifications of the bill. It will make public what facilities, parts and areas are eligible for the processes outlined in the bill.

By way of illustration, one of the estimates, as shown in the document entitled "MGS Taxable Values FY 15-16 Property Tax Benefits of Amended S.B. 416" ([Exhibit D](#)), indicates the current property tax value of the Mohave Generating Station that is closed; the State receives approximately \$120,000 annually. If the property is remediated and decommissioned properly, the Nevada property tax will increase to approximately \$721,000 annually. Tens of millions of dollars would be spent to remediate the site from its days as a coal-burning slurry plant. The water usage and plant site will be addressed and the property would be acceptable for sale to, and development by, private owners.

I appreciate the staff of the Office of the Governor's Office of Economic Development who have worked on this bill. NV Energy has authored the majority of the proposed amendment. They have included a provision that any new plant will be required to have a plan of remediation before it opens.

**Senator Goicoechea:**

Water is not listed as an asset in S.B. 416, but in some of these decommissioned facilities, the water is a greater asset than the land.

**Senator Parks:**

[Exhibit D](#) specifies sites with 50 or more contiguous acres. Is there significance to the specified acreage?

**Senator Hardy:**

The original bill specified 100-acre sites and it was reduced to 50 acres in the proposed amendment. Most of the power plants in Nevada are closer to

50 acres. The bill requires any power plant that has a specific lifetime expectancy to be considered.

**Senator Parks:**

It appears the other electrical generating plants in the urban valley of Clark County are approximately the 50-acre size.

**Senator Hardy:**

I will defer to NV Energy for that response.

**Judy Stokey (NV Energy):**

I am present to support S.B. 416, as amended. We have worked closely with Senator Hardy and the Laughlin constituents to not overly burden the electrical companies or the PUCN, but to also identify the original intent of the legislation, which is to remediate this property.

It is somewhat problematic because we have three other partners from other states. The crafting of S.B. 416 has helped to bring the other partners to the table for establishment of the remediation plan.

**Senator Hardy:**

I have worked with the PUCN and they will testify on their adjusted fiscal note.

**Senator Roberson:**

I show the fiscal note from the PUCN is for \$247,910.

**Donald J. Lomoljo (Utilities Hearings Officer, Public Utilities Commission of Nevada):**

We are testifying as neutral on S.B. 416. The previous fiscal note on S.B. 416 was \$247,910. One component of the fiscal note is the cost of \$35,000 for rule making. That amount would be absorbed by the PUCN. After review of the bill and the proposed amendment, we have determined the rule-making process would need to be accomplished first, and then we could determine the true cost of the bill. It is possible we can absorb all costs of the bill.

Regarding out-of-state assets and owners, the main requirement is information gathering by the PUCN. I am comfortable the Commission can implement the bill and request the required information. If a unit is co-owned by a jurisdictional utility in Nevada such as NV Energy, we have greater resources to compel

response. If State law requires submission of information, it will give us better leverage with out-of-state utilities.

**Senator Roberson:**

I will now close the hearing on S.B. 416 and recess at 9:24 a.m. until the call of the Chair.

The Committee is reconvened in work session at 6:59 p.m. The first bill for consideration is S.B. 371.

**SENATE BILL 371 (1st Reprint)**: Revises provisions governing the use of apprentices on public works. (BDR 53-671)

**Mr. Krmpotic:**

Committee members have been provided Proposed Amendment 7750 to S.B. 371 ([Exhibit E](#)). The bill was heard earlier this week. The bill relates to apprenticeships. It requires the State Apprenticeship Council to approve or deny certain legal requests submitted by a public body concerning the required use of an apprentice on a public work. It authorizes the Council to suspend the right of a contractor on a public work to participate in an apprenticeship under certain circumstances; requires a public body that awards a contract for a public work to ensure an apprentice performs a certain percentage of hours of labor on the public work; and provides for other matters relating thereto.

In [Exhibit E](#), page 3, the proposed amendment changes the contract awarded by calendar year 2016 from 10 percent of work performance by an apprentice to 3 percent and builds to work performance of 15 percent by calendar year 2020.

Section 4, subsection 4 specifies that subsections 1 and 2 do not apply to a contractor engaged on a public work who cannot retain the apprentices necessary to meet the requirements of subsection 1 or 2. The effective date of S.B. 371 was changed from July 1, 2015, to January 1, 2016.

A fiscal note was presented by the State Public Works Board. The proposed amendment decreases the number of new positions required from two to one. The Department of Administration, State Public Works Division (SPWD), is funded with fees and transfers from projects, which would be the funding source for the new position. The SPWD could come before the Interim Finance Committee (IFC) to implement the elements of this bill.



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SENATOR GOICOECHEA MOVED TO AMEND AND DO PASS S.B. 371 WITH PROPOSED AMENDMENT 7750.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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**Senator Roberson:**

We will now consider S.B. 416 which was heard earlier today with Amendment 936.

SENATOR PARKS MOVED TO AMEND AND DO PASS S.B. 416 WITH AMENDMENT NO. 936.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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**Mr. Krmpotic:**

The Unclassified Pay Bill will be presented to the Senate Committee on Finance and the Assembly Committee on Ways and Means in BDR format as BDR S-1290. Subsequently, it will be introduced in bill form by the Assembly Committee on Ways and Means.

**BILL DRAFT REQUEST S-1290:** Provides for compensation of state employees.  
(Later introduced as [Assembly Bill 489](#).)

**Sarah Coffman (Senior Program Analyst):**

I will be presenting BDR S-1290, otherwise known as the Unclassified Pay Bill. Section 1 contains individual unclassified salaries for each position in the unclassified State service. Section 2 contains the back language of the bill draft. It provides that classified employees, who are reclassified to positions in the unclassified service, may retain their classified position status and salaries while in the unclassified position. When the position is vacated, it is then filled as an unclassified position.

Section 2 also contains a mechanism to allow the IFC to correct any errors within the bill.

Section 3 provides that the unclassified salaries specified in section 1 must be increased by 1 percent in FY 2016 and 2 percent in FY 2017.

Section 4, subsection 1, provides the General Fund appropriations needed to fund the unclassified cost of living adjustment (COLA) in the amount of \$1.1 million in FY 2016 and \$3.2 million in FY 2017.

Section 4, subsection 2, provides the Highway Fund appropriations to fund the unclassified position COLAs in the amount of \$41,018 in FY 2016 and \$123,802 in FY 2017.

Section 5 provides the General Fund appropriations needed to fund the nonhigher education, classified position COLAs totaling \$3.2 million in FY 2016 and \$10 million in FY 2017.

Section 6 provides the Highway Fund appropriations needed to fund the classified position COLAs of \$850,707 in FY 2016 and \$2.6 million in FY 2017.

Section 7, subsection 1, provides General Fund appropriations to fund the Nevada System of Higher Education (NSHE) classified position COLAs in the amount of \$1.5 million FY 2016 and \$4.5 million in FY 2017.

Section 7, subsection 2, provides the General Fund appropriations to fund the NSHE professional position COLAs in the amount of \$3.3 million in FY 2016 and \$9.9 million in FY 2017.

Section 8 provides General Fund appropriations to fund the LCB position COLAs in the amount of \$195,157 in FY 2016 and \$593,759 in FY 2017.

Section 9 contains carryover language that provides on-call pay of \$60 for specific periods on weeknights and up to \$100 for specific periods on weekend days for senior psychiatrists, senior physicians or pharmacists within the Department of Health and Human Services and the Department of Corrections.

Section 10 contains carryover language from previous unclassified pay bills to provide \$5,000 annually for unclassified employees within the State Gaming Control Board (SGCB) who possess certain certificates and qualifications.

Section 11 states unspent balances shall be reverted on or before September 15, 2017.

Section 12 indicates General Fund amounts can be transferred from certain sections within the bill to certain other General Fund appropriation sections to finance the salary increases. Similar provisions are included for the Highway Fund. This section applies only to the Executive and Judicial Branches of government.

Section 13 retains certain positions within the classified service, in the Enterprise Information Technologies Division of the Department of Administration.

Section 14 establishes an effective date of July 1, 2015.

**Senator Roberson:**

We will now consider S.B. 111 with Proposed Amendment 7712 ([Exhibit F](#)).

**SENATE BILL 111 (1st Reprint)**: Provides for the use of portable event recording devices by peace officers. (BDR 23-618)

**Mr. Krmpotic:**

Proposed Amendment 7712 to S.B. 111 page 2 limits portable event recording devices, also known as body cameras, to the Department of Public Safety (DPS) Nevada Highway Patrol (NHP) Division, and excludes local law enforcement agencies and the law enforcement of NSHE.

Page 6 of the amendment includes appropriations of \$785,002 in FY 2016 and \$475,104 in FY 2017 to address the fiscal impact presented by the NHP.

**Senator Goicoechea:**

Would the appropriation cover all 435 uniformed officers?

**Mr. Krmpotic:**

Fiscal staff used a calculation of 481 uniformed officers in the NHP.

**Senator Goicoechea:**

The DPS was concerned by the fact they had already installed new dash cameras in their patrol vehicles and were looking for technology enabling the dash cameras and portable devices to interact and record simultaneously.

**Senator Aaron D. Ford (Senatorial District No. 11):**

The testimony you are recalling came from the City of Henderson, not the NHP.

**Senator Goicoechea:**

The funding appears reasonable, but the implementation date of July 1, 2015, may be a little soon to achieve. I want to ensure the best technology available is used at the time of implementation.

**Senator Lipparelli:**

My recollection of the testimony on the bill was that the DPS testified to the extent of lack of funding, they would be in the position of having to outfit officers with body cameras rather than funding vehicle cameras.

**Senator Ford:**

That is correct. The Agency implementation date is bifurcated. They can begin drafting regulations almost immediately, but the ultimate implementation date is January 1, 2017.

**Senator Goicoechea:**

That answers my question. However, while we are spending over \$1 million, we should strive for the best technology to give us the best coverage possible.

SENATOR HARDY MOVED TO AMEND AND DO PASS S.B. 111 WITH  
PROPOSED AMENDMENT 7712.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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**Senator Roberson:**

We will now consider BDR S-1291, also known as the Authorizations Act.

**BILL DRAFT REQUEST S-1291:** Authorizes expenditures by agencies of the State Government. (Later introduced as [Assembly Bill 490](#).)

**Karen Hoppe (Senior Program Analyst):**

This is one of five major budget bills. It represents authority for agencies to collect and expend monies other than General Fund and Highway Fund appropriations. Examples include federal funds, gifts, grants and fees.

These authorizations total \$11.7 million over the 2015-2017 biennium based on the closing actions of the money committees. In addition, BDR S-1291 includes authority pursuant to specific statutory language for the SGCB and the Nevada Gaming Commission for allocation from the General Fund and the Nevada Department of Transportation authorizations from the Highway Fund.

COMMERCE AND INDUSTRY

GAMING

GCB - Gaming Control Board — Budget Page GAMING CONTROL BOARD-9  
(Volume I)

Budget Account 101-4061

Section 1 lists the individual authorizations for all State agencies.

Section 2, subsection 1, paragraph (a) appropriates money from the federal Tobacco Settlement Fund. The funds are allocated first to the Attorney General Administrative Fund for compliance and regulation functions.

ELECTED OFFICIALS

AG - Administrative Fund — Budget Page ELECTED-84 (Volume I)  
Budget Account 101-1030

Section 2, subsection 1, paragraph (b) allocates tobacco funds to the Department of Taxation for the same purpose. The remainder of section 2 describes that, after these allocations are made, any remaining balance is committed at 40 percent to the Governor Guinn Millennium Scholarship Trust Fund and 60 percent committed to the Fund for a Healthy Nevada.

## FINANCE AND ADMINISTRATION

### TAXATION

Department of Taxation — Budget Page TAXATION-9 (Volume I)  
Budget Account 101-2361

Treasurer - Millennium Scholarship Administration — Budget Page ELECTED-214  
(Volume I)  
Budget Account 261-1088

### HUMAN SERVICES

### DHHS DIRECTOR'S OFFICE

HHS-DO - Healthy Nevada Fund — Budget Page DHHS-DIRECTOR-43  
(Volume II)  
Budget Account 262-3261

Section 3 is the funding authorization for the SGCB already mentioned. Section 3, subsection 3 requires unspent monies to be reverted at the end of each fiscal year. Section 3, subsection 4 allows the SGCB to expend funds authorized for their technology investment request decision units to be available for transfer between both fiscal years upon approval of the IFC.

Section 4 has similar provisions for the Nevada Gaming Commission for both fiscal years of the 2015-2017 biennium.

GCB - Gaming Commission — Budget Page GAMING CONTROL BOARD-19  
(Volume I)  
Budget Account 101-4067

Section 5 of BDR S-1291 is a carryover from the 2013-2015 biennium that states all authorizations included in section 1 through section 4 of this Act, except for the Legislative Fund and Judicial agencies, must be expended in accordance with the State Budget Act.

Section 6 is also a carryover from the last biennium, which states the Chief of the Budget Division within the Office of Finance may augment or reduce any

authorization through the work program process. Section 6, subsection 2 states the Director of LCB may augment the authorizations for the Legislative Fund.

Section 7 of BDR S-1291 states that General Fund or Highway Fund appropriations must be decreased to the extent that other revenue sources exceed their authorizations except those noted in the first sentence of section 7.

Section 8 makes authorizations for NSHE. Subsection 1 lists the fees for each institution and provides that institutions may expend those fees and tuition from resident or nonresident students in a designated amount. Subsection 2 indicates NSHE may expend amounts beyond the budgeted enrollment amount and expend any additional fees resulting from fee increases. The NSHE shall report to the IFC every 6 months about any additional fees and expenditures that were funded with the additional fees. This is a change from the 2013 Authorizations Act when NSHE had to appear before the IFC to seek expenditure approval.

Section 9 lists the allocations that must be paid to the State Public Defender for those counties that have chosen to use these services.

Section 10 provides that the tax on motor vehicle fuel for watercraft shall be allocated equally between the Department of Wildlife and the Department of Conservation and Natural Resources (DCNR), Division of State Parks. This provision is a carryover from the previous biennium.

## INFRASTRUCTURE

## CONSERVATION AND NATURAL RESOURCES

DCNR - State Parks — Budget Page DCNR-44 (Volume III)  
Budget Account 101-4162

## WILDLIFE

Wildlife - Operations — Budget Page WILDLIFE-15 (Volume III)  
Budget Account 101-4461

Section 11 is also a carryover section indicating the Wildland Fire Protection Program in the DCNR, Division of Forestry, may carry forward extraordinary costs for firefighting vehicle repair and maintenance.

DCNR - Forestry - Wildland Fire Protection Program — Budget Page DCNR-108  
(Volume III)  
Budget Account 101-4194

Section 12 is another carryover section providing the State Fire Marshal must expend monies from the Contingency Account for Hazardous Materials in B/A 101-3816 for training programs and operating costs, before State General Funds may be expended.

#### PUBLIC SAFETY

DPS - Fire Marshal — Budget Page PUBLIC SAFETY-158 (Volume III)  
Budget Account 101-3816

Section 13 is a carryover section providing that resources for the Central Reporting Unit of the Division of Forestry may be carried forward to the next fiscal year for the same purpose.

DCNR - Forestry — Budget Page DCNR-79 (Volume III)  
Budget Account 101-4195

Section 14 is a carryover providing that money from the Forest Fire Suppression Account, up to \$250,000 in each year, may be carried forward to the next fiscal year for the repair of firefighting response vehicles.

DCNR - Forest Fire Suppression — Budget Page DCNR-95 (Volume III)  
Budget Account 101-4196

Section 15 is also continued language, allowing the Western Interstate Commission for Higher Education to balance forward unspent revenues received after May 15 to the next fiscal year.

#### EDUCATION

#### WICHE



W.I.C.H.E. Administration — Budget Page WICHE-3 (Volume I)  
Budget Account 101-2995

Section 16 continues the provision that the Emergency Operations Center Account may carry forward unexpended balances to the next fiscal year.

SPECIAL PURPOSE AGENCIES

MILITARY

Military Emerg Operations Center — Budget Page MILITARY-35 (Volume III)  
Budget Account 101-3655

Section 17 continues the provision that additional funds received by the three child welfare agencies, that are not State General Fund monies, may be accepted and utilized to augment child welfare services.

Section 18 continues the provision that unexpended funds authorized for NSHE as provided in section 8, may be carried forward to the next fiscal year.

Section 19 is new language providing that the General Services Division of DPS may expend reserves in the amount of \$132,819 in FY 2016 and \$124,569 in FY 2017 for the addition of two new positions. These positions would be limited to the purpose of adding, modifying or repealing Nevada offense codes for both State and local governments. No work programs before the IFC are required to add the two positions.

DPS - General Services — Budget Page PUBLIC SAFETY-137 (Volume III)  
Budget Account 101-4702

Section 20 is new language providing that the commissions and penalties collected by the Department of Motor Vehicles (DMV) in FY 2015 have been increased for the statutory provisions for commissions from approximately \$20 million to approximately \$23 million and for the penalties from approximately \$4 million to slightly more than \$5 million.

Section 21 is new language authorizing an advance for expenditures in FY 2016 for the Nevada Athletic Commission up to \$827,190, if the fees for the

Commission are not sufficient, as the Commission becomes a self-sufficient entity.

## BUSINESS AND INDUSTRY

B&I - Athletic Commission — Budget Page B & I-190 (Volume II)  
Budget Account 101-3952

Section 22 provides that if A.B. 469 does not become effective, any reference to the Office of Finance in the Office of Governor, created by this bill, shall be deemed to refer to the Budget Division of the Department of Administration.

**ASSEMBLY BILL 469 (1st Reprint)**: Creating the Office of Finance in the Office of the Governor. (BDR 18-1180)

Section 23 provides that the provision for the DMV commissions in section 20, and this section, become effective upon passage and approval and all other sections would become effective on July 1, 2015.

**Senator Goicoechea:**

Are there only two entities, Carson City and Storey County, which utilize the State Office of the Public Defender?

**Mr. Krmpotic:**

That is correct. During the Legislative Session, a subsequent hearing was held on the Office of the Public Defender; Eureka and White Pine Counties withdrew their requests for those services.

Fiscal staff will now present BDR S-1289, the Capital Improvement Program (CIP) bill.

**BILL DRAFT REQUEST S-1289**: Authorizes and provides funding for certain projects of capital improvement. (Later introduced as Assembly Bill 491.)

**Brody Leiser (Program Analyst):**

The money committees closed the CIP budgets on May 20. The Program included 69 projects at a total cost of \$215.3 million. It included 9 construction

projects, 45 maintenance projects, 3 planning projects and 12 statewide programs projects.

The BDR implements the 2015 CIP. I will briefly explain the sections of the BDR. A number of the projects have multiple funding sources, and as such, will be listed in multiple sections of the bill.

Section 1 of BDR S-1289 makes an appropriation of \$6.4 million from the General Fund to support a portion of the funding in the 2015 CIP for the projects listed in that section.

Section 2 limits the authority for expenditure through June 30, 2019, and establishes a reversion of any remaining funds for the projects identified in section 1. Similar language is included in the BDR following each section that appropriates or authorizes funding.

Section 3 appropriates \$5.2 million from the Highway Fund to support a portion of the 2015 CIP for six DMV and DPS facility projects as identified.

Section 5 restricts the transfer of funds from the Highway Fund for projects identified in section 3, until contract payments are required.

Section 6 authorizes \$98.5 million in general obligation bonds for projects as identified.

Section 8 authorizes \$23 million in general obligation bonds for CIP project No.15-C04 to construct the new DMV service office at the East Sahara Avenue complex in Las Vegas.

#### Project No. 15-C04 — Replace DMV (East Sahara Complex)

This section also establishes the required annual debt service payment on the bonds for this project from the Highway Fund and the Motor Vehicle Pollution Control Account. The Highway Fund will be responsible for 87.5 percent and the Pollution Control Account will be responsible for 12.5 percent of the annual debt service required.

#### MOTOR VEHICLES

DMV - Motor Vehicle Pollution Control — Budget Page DMV-62 (Volume III)  
Budget Account 101-4722

Section 10 of BDR S-1289 specifies the State Board of Finance will issue general obligation bonds for the 2015 CIP when it is deemed appropriate. Subsection 2 and subsection 3 allow the State Controller to advance General Fund and Highway Fund money if bonds have not yet been sold to finance the projects approved for the 2015 CIP. If General Fund or Highway Fund monies are advanced, the amounts must be immediately repaid upon the sale of the bonds.

Section 11 reallocates \$530,842 from a 2005 CIP project to fund a portion of CIP Project No. 15-P02, to plan the Nevada National Guard Readiness Center in North Las Vegas.

Project No. 15-P02 — Advance Planning Nevada National Guard Readiness Center

Section 13 transfers \$47,132 from the 2007 CIP projects identified in subsection 1 to support the costs for the 2015 CIP projects identified in subsections 2 and 3.

Section 15 of BDR S-1289 transfers \$138,681 from the 2009 CIP projects identified in subsection 1 to support costs for the 2015 CIP projects identified in subsections 2, 3 and 4.

Section 17 reallocates \$240,000 of General Fund appropriations from CIP Project No. 09-C05, the Medical Education Learning Lab Building at the University of Nevada, Health Science System, to fund a portion of CIP Project No. 15-M42, a deferred maintenance project for NSHE.

Project No. 15-M42 — Deferred Maintenance (HECC/SHECC)

Section 19 transfers \$3.3 million from the 2011 CIP projects listed in subsection 1 to support costs for the 2015 CIP projects identified in subsections 2 through 9.

Section 21 transfers \$1.3 million from the 2013 CIP projects identified in subsection 1 to support costs for the 2015 CIP projects identified in subsections 2 and 3.

Section 23 authorizes \$71.8 million from funding sources other than the General Fund or the Highway Fund for projects identified in this section. That includes \$43.6 million in federal funds and \$24.4 million in university or donor funds to support CIP Project No. 15-C78, the Hotel College Academic Building at the University of Nevada, Las Vegas (UNLV). An allocation of \$3.8 million is also made from agency funds.

Project No. 15-C78 — Hotel College Academic Building (UNLV).

Section 23, subsection 2 requires the SPWD not to execute a contract for construction of a project approved in the 2015 CIP that includes federally authorized receipts, until the SPWD has determined that the federal funding authorized is available for expenditure.

Section 24 of BDR S-1289 requires the SPWD to use only qualified personnel to execute the 2015 CIP.

Section 25 requires State and local government entities to cooperate with the SPWD in carrying out the provisions of the CIP.

Section 26 approves \$1 million for the cultural affairs bond program.

Section 27 approves \$3 million for the Question 1, also known as the Q1 bond program.

Section 28 approves \$1.5 million for the Lake Tahoe environmental protection bond program.

Section 29 approves \$1 million for the water infrastructure bond program.

Section 30 approves ad valorem taxes for the Q1 bond program and for general obligation debt service. The general obligation debt service will receive 15.45 cents on every \$100 of assessed valuation to support bonds sold for the 2015 CIP. The Q1 program bonds will be supported by 1.55 cents for every

\$100 of assessed valuation. The overall rate of 17 cents per \$100 of assessed valuation remains the same as approved for the current biennium.

Section 31 requires that the State Treasurer will estimate sufficient funding and determine whether that amount exists in the Consolidated Bond Interest and Redemption Fund to pay the principal and interest on past CIP issuances as well as on current issuances. If sufficient funding does not exist in the Fund, the Treasurer can request the State Controller to reserve money in the General Fund to pay those debts.

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Section 32 authorizes the State Board of Finance to pay expenses related to the issuance of general obligation bonds.

Section 33 authorizes money to pay for bonds in the Consolidated Bond Interest and Redemption Fund. The amount for FY 2016 is \$145.9 million and it is \$147.1 million in FY 2017.

Section 34 authorizes the SPWD and the NSHE, with the approval of IFC, to transfer money from one project within the same agency to another.

Section 35 approves \$5 million from the Special Capital Construction Fund for Higher Education for allocation to the NSHE deferred maintenance CIP Project No. 15-M42.

Sections 37 and 38 extend the reversion dates for three prior year CIP projects. Two project extensions are from the 2009 CIP in section 37 and one project extension from the 2011 CIP in section 38.

Section 39 refers to the new Office of Finance established in A.B. 469, consistent with the language in the Authorization Act as identified earlier by Ms. Hoppe.

Sections 1 and 26 of this Act become effective on July 1 and the remaining sections of the Act become effective upon passage and approval.

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**Senator Roberson:**

Seeing no questions or further public comment before the Committee, we are adjourned at 7:45 p.m.

RESPECTFULLY SUBMITTED:

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Cynthia Clampitt,  
Committee Secretary

APPROVED BY:

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Senator Michael Roberson, Vice Chair

DATE: \_\_\_\_\_

<b>EXHIBIT SUMMARY</b>				
<b>Bill</b>	<b>Exhibit / # of pages</b>		<b>Witness / Entity</b>	<b>Description</b>
	A	2		Agenda
	B	3		Attendance Roster
S.B. 416	C	14	Senator Joseph (Joe) P. Hardy, M.D.	Amendment No. 936
S.B. 416	D	2	Senator Joseph (Joe) P. Hardy, M.D.	MGS Taxable Values FY 15-16 Property Tax Benefits of Amended S.B. 416
S.B. 371	E	8	Mark Krmpotic	Proposed Amendment 7750
S.B. 111	F	7	Mark Krmpotic	Proposed Amendment 7712