

**MINUTES OF THE
SENATE COMMITTEE ON GOVERNMENT AFFAIRS**

**Seventy-Eighth Session
May 15, 2015**

The Senate Committee on Government Affairs was called to order by Chair Pete Goicoechea at 3:21 p.m. on Friday, May 15, 2015, in Room 2135 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 Pete Goicoechea, Chair
Senator Joe P. Hardy, Vice Chair
Senator Mark A. Lipparelli
Senator David R. Parks
Senator Kelvin Atkinson

STAFF MEMBERS PRESENT:

Jennifer Ruedy, Policy Analyst
Heidi Chlarson, Counsel
Nate Hauger, Committee Secretary

OTHERS PRESENT:

Andy Bellanger, Southern Nevada Water Authority
Yolanda King, Clark County
Stewart Bybee, Associated Builders and Contractors

Chair Goicoechea:

We will hear Assembly Bill (A.B.) 159.

ASSEMBLY BILL 159: Makes various changes to provisions governing public works. (BDR 28-936)

There is a proposed amendment to the bill ([Exhibit C](#)). I do not care where the threshold is. What do you do when you bid a project and it comes in under the

threshold? Is that challengeable? You never know if it is marginal. My other concern is that a threshold may cause people to shape bids to fit the threshold, and that could lead to challenges.

Andy Bellanger (Southern Nevada Water Authority):

We prefer having a threshold. This amendment language makes it clear that critical regional water infrastructure projects would be exempt from the provisions in section 3, subsection 1 of the bill. That satisfies our concern. On the record, "we view the word 'regional' to be not just in the Las Vegas Basin, but projects that are regional in scope. We have projects that ... "

Chair Goicoechea:

You are coming to eastern Nevada?

Mr. Bellanger:

"I am not saying where, just want to make sure that it is clear that that exemption does apply to those kinds of projects."

Yolanda King (Clark County):

I agree with the Water Authority. The threshold would work better for everybody. I like the language we have come to because it addresses my concerns regarding airport projects.

Chair Goicoechea:

You put regional transportation in the bill too.

Ms. King:

That is correct. Transportation security would address any of the Federal Aviation Administration (FAA) or Transportation Security Administration projects we have.

Mr. Bellanger:

The language creates a process for securing an exemption. The board still has to issue a finding of special circumstance that the project is critical.

Chair Goicoechea:

It still requires the notice in a hearing.

Stewart Bybee (Associated Builders and Contractors):

This proposed amendment ([Exhibit C](#)) was attained with difficulty. Our view is that merit shop contractors should be excluded. This is in addition to the federal preemption language. We would be adding a new subsection 5 under section 3, as seen in the proposed amendment, [Exhibit C](#). This would accommodate the exemption process for the Clark County Department of Aviation and Southern Nevada Water Authority.

Chair Goicoechea:

Ms. Chlarson, are you comfortable with the language?

Heidi Chlarson (Counsel):

I understand the intent of the language. In drafting the amendment, we will make sure we do not change the intent of the parties. Mr. Bybee, I will coordinate with you to make sure the amendment works.

Mr. Bybee:

You can coordinate with either Warren Hardy II or me.

Ms. King:

We would also like to be included.

Senator Lipparelli:

Ms. King, can you explain the meaning of "critical regional transportation security or airfield infrastructure"? Is critical included on airfield infrastructure, or does airfield infrastructure stand alone?

Ms. King:

We intend it to include either airfield infrastructure or transportation security.

Senator Lipparelli:

I do not know what airfield infrastructure is.

Ms. King:

Our intent was to include the runways or the taxiways in the types of projects I have mentioned. The transportation security part of it may include things like the FAA tower that is funded through federal dollars.

Senator Lipparelli:

You would not include a warehouse on the outskirts of the airport that happens to cost \$25 million as infrastructure?

Ms. King:

That is correct.

Senator Atkinson:

It appears the parties are at the table reluctantly because I do not see it in here. It was said the thresholds have been removed. I thought there was an agreement on the \$30 million threshold and that alleviates my concerns. Mr. Chair, will you entertain that in this amendment or on its own?

Chair Goicoechea:

I would prefer we exclude the thresholds. What do you do if you exempt it, you think you are at the threshold, you bid the job and it comes in under the threshold? Is that challengeable? That is one reason I do not like challenges. The other reason is people may start shaping jobs to fit thresholds.

Senator Atkinson:

I think you would have a challenge even if you did not have a threshold.

Chair Goicoechea:

I was hopeful this language would be satisfactory.

Senator Atkinson:

You can vote it down.

Chair Goicoechea:

This is not part of the bill; this is a concur or not concur.

Senator Parks:

I supported a threshold until we had our last discussion. Do all the parties agree on this language? Do we know whether the Assembly will support it?

Chair Goicoechea:

Yes, it will be accepted; I talked to the chair in the Assembly.

Mr. Bybee:

The sponsor of the bill brought us together to talk. Regarding the threshold, there was never an agreement on the threshold. We disagree with the idea that at \$30 million or higher, it can be a union project labor agreement (PLA) with everything below that reserved for merit shop contractors.

Ms. King:

The threshold would have applied to any project whether it falls under a PLA or not. The intent of this language is to exempt airfield and transportation security from PLA. The threshold would have addressed any other projects without specifically noting or listing the Water Authority or the airport. My concerns have been addressed. On the record, "the threshold was broader, or it was broader than, what this language includes."

Senator Hardy:

This proposed amendment does not change the fact that if for "public health or safety" reasons—do we still have that in the bill?

Mr. Bybee:

That provision is specifically in there for federal preemption reasons. For it to stand in court, we need that federal preemption. We agreed on an additional subsection to allow for an exemption process for the outlined entities.

Jennifer Ruedy (Policy Analyst):

Details for this bill can be found in the work session document ([Exhibit D](#)).

SENATOR HARDY MOVED TO AMEND AND DO PASS AS AMENDED
A.B. 159.

SENATOR LIPPARELLI SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS ATKINSON AND PARKS VOTED
NO).

* * * * *

Chair Goicoechea:

I would like to concur with S.B. 312. Senator Ben Kieckhefer is the sponsor of the bill. I want to ensure the Committee is fine with an endorsement.

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SENATE BILL 312 (2nd Reprint): Revises provisions relating to certain taxes.
(BDR 21-834)

Senator Hardy:
I concur.

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Chair Goicoechea:

This meeting is adjourned at 3:36 p.m.

RESPECTFULLY SUBMITTED:

Nate Hauger,
Committee Secretary

APPROVED BY:

Senator Pete Goicoechea, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit / # of pages		Witness / Entity	Description
	A	1		Agenda
	B	1		Attendance Roster
A.B. 159	C	1	Stewart Bybee	Proposed Amendment
A.B. 159	D	1	Jennifer Ruedy	Work Session Document