

**COMINUTES OF THE
SENATE COMMITTEE ON GROWTH AND INFRASTRUCTURE**

**Eighty-second Session
February 22, 2023**

The Senate Committee on Growth and Infrastructure was called to order by Chair Dallas Harris at 3:32 p.m. on Wednesday, February 22, 2023, in Room 2144 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412E 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 Dallas Harris, Chair
Senator Pat Spearman, Vice Chair
Senator Julie Pazina
Senator Scott Hammond
Senator Ira Hansen

STAFF MEMBERS PRESENT:

Kristin Rossiter, Policy Analyst
Jessica Dummer, Counsel
Paula Peters, Committee Secretary

OTHERS PRESENT:

Zack Conine, State Treasurer
Ben Kieckhefer, Chief of Staff, Office of the Governor
Susie Martinez, Nevada State AFL-CIO
Vince Saavedra, Southern Nevada Building Trades Unions
Rob Benner, Building and Construction Trades Council of Northern Nevada
Paul Catha, Culinary Workers Union Local 226
Greg Esposito, Nevada State Pipe Trades
Charles Zemp, International Union of Bricklayers and Allied Craftworkers
Nick Vander Poel, Northern Nevada Development Authority
Aaron Ibarra, Southern Nevada Building Trades Unions
Jimmy Schwarz, Ironworkers Local 433
Ronald Young, International Brotherhood of Electrical Workers Local 357

Bob Horton, Ironworkers Local 433

Eduardo Zavala, International Union of Bricklayers and Allied Craftworkers

Jacob Gonzalez

Alfonso Lopez, International Association of Sheet Metal, Air, Rail and
Transportation Workers Local 88

Stephen Aichroth, Administrator, Housing Division, Nevada Department of
Business and Industry

Tim Whitright, Deputy Administrator, Housing Division, Nevada Department of
Business and Industry

Mackenzie Warren Kay, Manufactured Home Community Owners Association

Susan Fisher, Nevada Housing Alliance

Christine Hess, Nevada Housing Coalition

Cadence Matijevich, Washoe County

Katie Coleman, Director of Communications and Public Affairs, Nevada Rural
Housing Authority

CHAIR HARRIS:

We will open the hearing on Senate Bill (S.B.) 10.

SENATE BILL 10: Revises provisions related to the Nevada State Infrastructure
Bank. (BDR 35-358)

ZACK CONINE (State Treasurer):

The members of this Legislature came together in 2017 to pass A.B. No. 399 of the 79th Session with bipartisan support. The bill established a framework for the Nevada State Infrastructure Bank (NSIB). At the time it was a necessary component to prepare NSIB to apply for funding from the federal infrastructure package that Washington had been discussing for years.

The NSIB focused on transportation and large-scale utility infrastructure housed in the Nevada Department of Transportation (NDOT). That federal infrastructure plan unfortunately did not happen. The Bank plan sat on a shelf, unused and unfunded.

During the last Legislative Session S.B. 430 of the 81st Session passed, in a bipartisan fashion. It would modernize the structure of the Bank to meet the growing infrastructure needs of communities across the State.

The Bank projects would not be limited to financing transportation and utility infrastructure. It financed water and wastewater projects, renewable energy, and recycling. It also financed sustainability infrastructure and social infrastructure projects, which allowed much needed K-12 and affordable housing needs to be addressed.

The Treasurer's Office was able to launch the Bank with \$75 million in General Obligation Bonds through last Session's Capital Improvement Program. The Office has been using these funds to leverage additional funding from outside sources of capital. We have worked diligently to get the Bank up and running since before we appeared before this Committee in 2021.

Through the regulatory work we performed in the Interim, the Bank has the strongest workforce and climate standards in place for infrastructure projects in the State's history.

The Bank budgeted \$20 million of its available funds to support affordable housing projects in partnership with the Nevada State AFL-CIO Housing Investment Trust. It is a mutual fund, leveraging State dollars with a nearly ten-to-one match.

The Bank budgeted \$15 million to support the construction of charter schools in disadvantaged communities. It engaged a philanthropic partner to provide a multiple of \$6 to \$1. It budgeted \$30 million to leverage funding from the federal Infrastructure Investment and Jobs Act.

As originally drafted, S.B. 10 sought to make minor administrative fixes to the Bank. It could then establish a governance structure that was more effective, while also protecting the privacy of certain financial information submitted by applicants to the Bank. Then, as the new State administration came to the Office last month, we collaborated with them to expand the focus of this bill.

We worked with the Governor's Office and Bank board members on crafting the language in our proposed conceptual amendment ([Exhibit C](#)) for S.B. 10. The bill in front of you today, with this amendment, will allow the Bank to continue with the great progress it has made over the last few years.

We need to work across the aisle to make the necessary investments in our public schools and to create solutions to increase the workforce and affordable housing throughout the State.

BEN KIECKHEFER (Chief of Staff, Office of the Governor):

The Governor's office appreciates that S.B. 10, as amended, is a vehicle to implement key policy provisions that the Governor outlined in his State of the State address. These include dedicating resources to rural school construction, using it to provide resources to rural school districts for their capital needs and providing more opportunities to work with the private sector to leverage private capital for workforce housing development.

TREASURER CONINE:

Section 2 of the amendment to S.B. 10 establishes a definition for K-12 school facilities that will allow the Bank to finance capital projects for school districts in our rural communities.

Certain financial information submitted to the bank during the application process is kept confidential, per section 3, as amended. This assures public-private partnerships that their financial information will not be disclosed after approaching the Bank for financing.

Cox Communication and others collaborated with us on crafting language for the amendment. It assures that the public still has access to that information, while not deterring private partners from coming forward.

Sections 4 through 11 are cleanup sections of the bill.

Section 12 adds K-12 school facilities for our rural schools to the list of eligible projects that can be financed by the Bank.

Section 14 adds "workforce housing" to the definition of social infrastructure projects considered by the Bank. This is important because workforce housing projects often are ineligible for some traditional financing incentives available for affordable housing projects.

Through our partnership with the AFL-CIO Housing Investment Trust, our local building trades affiliates and other partners, we can ensure that workforce projects can take advantage of low-cost financing through the Bank.

Section 15 of the bill moves the Bank out of NDOT and into the State Treasurer's Office. Functionally, my staff has been doing much of the work associated with the Bank. This includes crafting regulations, developing Bank interest-rate methodology, creating financing applications and issuing bonds to capitalize on the Bank's operations.

This simple administrative change will streamline processes and allow the Treasurer's Office to deliver its financial expertise to the Bank in a more formal setting.

Section 15 formally names the State Treasurer as the Chair of the Bank's Board of Directors going forward. I am the Chair. This section gives the Bank's Board of Directors the ability to hold a closed meeting to receive, examine or consider information that the Bank is required to keep confidential.

Sections 16 and 17 make technical changes to the Bank's existing statutes, to solely conform with the changes in this bill.

Section 18 of the bill makes changes as it relates to the rural school construction component mentioned earlier. It establishes the useful life of K-12 school facilities financed by the Bank to a period of no more than 50 years. If a school district obtains financing from the Bank and can demonstrate to the Bank's Board of Directors that its financial constraints would not allow repayment, the Bank can set a loan interest rate of zero percent.

Section 19 clarifies that if a rural school district receives funding from the Bank, and if payments are missed, funding may not be withheld by the Bank. Those are funds appropriated to the district from the State Education Fund and/or the Pupil-Centered Funding Plan for the support of operations.

Sections 20 and 21 make technical changes to incorporate the various changes in this bill.

Section 22 is in response to the shift of the Bank's administration to the Office of the State Treasurer. It states that the Office shall provide staff assistance to the Bank, including without limitations, upon a request by the Bank's Board of Directors.

Sections 23 and 24 make technical changes.

Section 25 makes a \$50 million appropriation from the State General Fund to the Nevada State Infrastructure Bank Fund. This \$50 million is included in the Governor's fiscal year (FY) 2024-2025 Executive Budget.

The Bank will provide loans and other financial assistance to qualified borrowers for K-12 school facilities in rural communities. It will also provide loans and other financial assistance for workforce housing projects in the State. These workforce housing projects should be prioritized to those who have partnerships with organizations that have committed to making financial investments in excess of \$1 billion within the State.

The changes proposed in the amendment to S.B. 10 will continue the project process we have made with the Bank. These changes will ensure that we can build new schools in our rural communities. In addition, it will ensure that we can build the workforce housing we will need as companies relocate or expand their businesses here in Nevada.

SENATOR HANSEN:

Is the NSIB really a bank? Most people think of a bank as an institution where they deposit or borrow money. Is the Bank exclusively for government agencies in the State, with earmarked funds that can only be utilized for K-12 school district construction? Please explain the concept of the Bank.

A provision in section 25 will prioritize workforce housing projects for organizations that invest more than \$1 billion.

CHAIR HARRIS:

Treasurer Conine, before you respond, I want to remind Senator Hansen that the Bank already exists.

SENATOR HANSEN:

The name is confusing. The NSIB does not operate like a private-sector bank. Is the Bank in competition with private-sector banks, or is the Bank strictly for government agency funding?

CHAIR HARRIS:

Senator Hansen, I understand your concern but a reminder that the name of the Bank is not in question. We are briefly discussing what the Bank might do and

expanding on that. However, the appropriateness of the name is not within the scope of the bill that we are considering today.

TREASURER CONINE:

It would be most effective to not think about the Bank as a traditional depository bank. We do not accept deposits from anyone.

The work of the Bank is to serve as a financing vehicle to fill in the gaps around funding that we often find in Nevada. In the past, we have not taken advantage of all available funding because we were limited by having legislative biannual sessions or the structure was not there.

When we recreated the Bank in 2021, the conversation was around what are best practices in other states. This includes effectively serving as a convenient function so that local governments, other State agencies, nonprofits and tribal communities can come to the Bank for more low-cost financing options than are available from other sources.

Within the statutes and regulations, the Bank provides funding with interest rates as low as zero. This encourages projects to be undertaken that would have been unaffordable without the Bank.

This funding will encourage building housing in places where, financially, the private sector would not build. It will encourage building a water treatment plant, if it falls within the donut hole that we often see when it comes to expanding water capacity versus reforming existing capacity.

Nomenclature aside, the purpose of the Bank is to fix problems. During the last Legislative Session, we identified charter school capital improvement as an area where the State was not able to provide a solution. We found one in the philanthropic sector.

We identified housing as both an affordability and workforce issue around the State. We made strides towards the affordable piece last time. We are making strides towards the workforce piece now.

That last bucket exists to take advantage of the federal Infrastructure Investment and Jobs Act and other federal programs. With those programs, if the State shows up with \$1, the federal government will show up with \$10.

Regardless of administration, we have been historically absent from participating in those programs for decades. The hope is that the Bank can fix that problem.

SENATOR HANSEN:

That problem goes back to the Spending and Government Efficiency Commission with the goal to maximize the grant programs that were available that Nevada was missing.

I represent the Owyhee Combined School of the Elko County School District. They have huge financial problems. Is this limited to charter schools, or do you have measures in this bill to use in an underprivileged, very remote community that potentially has a \$50 million problem?

MR. KIECKHEFER:

The proposed \$50 million appropriation in section 25 is not limited to charter schools.

A piece of funding from the original \$75 million dedicated specifically to leverage charter schools with private investment is already in the Bank. This is separate from that individual piece dedicated to charter schools.

The Owyhee Combined School would be eligible theoretically under the general terms discussed during this hearing. However, the \$50 million may not be sufficient for the needs of that project. Rural school districts are often so constrained in their ability to finance capital infrastructure for their educational plan that everything lags behind. This bill is an effort to address those needs in rural communities throughout our State.

SENATOR HANSEN:

Mr. Kieckhefer and I have discussed funding at length with the goal to develop a solution. This is a little piece of that pie. The lack of funding is developing into a large disaster for very remote rural areas.

SENATOR HAMMOND:

The Legislative Commission did work on this over the Interim. We placed items in the Bank, including project labor agreements (PLA). Could you remind the Committee where the PLAs and their terms exist in the structure?

TREASURER CONINE:

Within the regulatory scheme are four buckets of funding. The first bucket of funding is the \$15 million for charter school capital improvement projects with no PLA requirements. There are requirements for paying the prevailing wage, as is the nature of State projects.

The second bucket, the \$20 million for affordable housing designed in partnership with the AFL-CIO Housing Investment Trust, has a PLA requirement. They are bringing in about \$10 for every \$1 the State brings. We thought that was a fair trade.

The third bucket, the broader infrastructure bucket, has a PLA requirement on it.

If any of the PLA requirements in a project are either impossible or too expensive, we have an off ramp.

In the fourth bucket are the buckets we are talking about today. They are the workforce housing construction and the rural school buckets. There are no PLA components on the table for either of these buckets, nor in the legislation. We are developing a way to ensure that the Bank gets the funding. This will keep our commitment to Nevadans to create good paying jobs that will benefit our community.

SENATOR HAMMOND:

Can you explain what your off ramp is? That way, we are all working under the same definition.

TREASURER CONINE:

The off ramp is described in the regulation. I am inclined to follow up with you afterwards to make sure we have used the correct language.

If a project would be impossible with the PLA, for instance, if a labor force is not available, you can avoid that PLA and go direct. But for those projects, if a PLA is possible and does not make the project impossible or more expensive, then the PLA will apply.

SENATOR PAZINA:

Looking through the amendment, it discusses workforce housing projects. Those being prioritized are projects, partnerships with organizations that have

committed to making financial investments in excess of \$1 billion. Do you have anything specific in mind of where the money could be used?

MR. KIECKHEFER:

We tagged that threshold because it is tied specifically to the two largest economic development abatement thresholds that exist in statute. We passed the \$1 billion threshold and the \$3.5 billion threshold as abatement packages in previous special sessions of the Legislature.

Oftentimes, discussion occurs regarding the workforce needs of those projects. Senator Hansen referenced a specific school that is not specifically tagged to this dollar figure. It is applying at a higher threshold. I am open to discussing a more appropriate threshold, or if we should have a threshold. The threshold addresses ongoing concerns about workforce housing issues related to projects of that significance and size.

CHAIR HARRIS:

Is my understanding that this appropriation would be a bucket where it is either K-12 funding or workforce housing that would apply. The two categories might be competing for the same \$50 million.

MR. KIECKHEFER:

It is a \$50 million lump sum, and applications will be vetted based on the application period. Treasurer Conine could talk more specifically about the application process.

TREASURER CONINE:

When we are evaluating projects, we are looking at the problem requiring funding and the return on investment. This includes a combination of the interest that might be paid by a potential borrower, or the type of multiple that we can obtain. The State's interest income can be a small piece of solving a problem using the larger multiple that we gain through leveraging philanthropic dollars.

The buckets have a level of flexibility between them. We set that up within the regulatory structure, and in the original \$75 million, when we issued the bonds. The buckets were set up with enough flexibility that if the opportunities presented themselves, the Bank would have the flexibility to pursue.

The buckets allow the Bank to work in partnership with other philanthropic or private groups to leverage their capital. We can approach these businesses and ask them to make an investment, while approaching school districts or communities that can pay for a portion of the project, but not all. We can leverage additional federal dollars if needed. The goal of the Bank is to fill in the gaps to allow for projects that would not exist, but for the funding extended by the Bank. We try to be as flexible as possible.

MR. KIECKHEFER:

The appropriation specific to section 25 of the proposed conceptual amendment that we have included in the Governor's FY 2024-2025 Executive Budget, would be in addition to any potential additional workforce housing projects in section 14. That section expands workforce housing into the definition of social infrastructure.

CHAIR HARRIS:

The workforce housing can come out of either the \$75 million bucket or the \$50 million bucket, but K-12 rural school construction can only come out of the \$50 million bucket?

MR. KIECKHEFER:

That is correct.

CHAIR HARRIS:

Why only "rural" schools?

MR. KIECKHEFER:

There are various funding mechanisms for capital infrastructure for K-12 school districts throughout the State. The Clark County and Washoe County School Districts can generate capital in ways that rural school districts do not have, either through the property tax base or other vehicles.

I do not have my matrix with me, which lists the different mechanisms that the various school districts use to fund construction projects within their districts. The inability of the rural school districts to generate the resources they need to rehabilitate its old schools, much less build new ones, has become an acute problem. This amended bill is an effort to address that in a limited way.

TREASURER CONINE:

Needs exist everywhere, but a mechanical constraint exists specifically in rural school districts and smaller counties. The amended bill will address this issue.

CHAIR HARRIS:

All schools could be eligible and their needs could be factoring into the application process along with the State's consideration of return on investment.

What staffing is needed to support the Bank? Will additional staff be hired?

TREASURER CONINE:

The existing budget for the Bank includes numerous positions. Some positions have been filled, and other positions are to be filled as the Bank grows. The Treasury staff is deeply committed to this work and assisting the Bank.

CHAIR HARRIS:

How is the Bank marketed to address workforce housing? Is manufactured housing an area in which the Bank might invest?

TREASURER CONINE:

We talk about the Bank to municipal partners, school districts and others. The word travels and ideas come to us.

During listening tours and meeting communities, we learn where they are, where they live, and we ask them how we can help. Prompting that question is useful as they will discuss funding issues with us. We can often identify an existing funding stream available to them that they are not aware of. The State then uses the Bank to connect them to potential sources of funding.

What was your second question?

CHAIR HARRIS:

We will be discussing a bill about manufactured housing later. I was curious if manufactured housing is something the Bank would invest in.

TREASURER CONINE:

Any tool we can use to expand the amount of housing in the State is an effective use of the Bank.

SENATOR SPEARMAN:

When we discuss housing issues, we often talk about sustainable development. Are we sure that whatever we do with sustainable development is diversified?

Last Session, when the Nevada State Infrastructure Bank (NSIB) was created, it included the sustainable development component. Everybody is talking about electrification. I want to make sure we are talking diversification.

TREASURER CONINE:

The importance of the Bank is to ensure that we are solving long-term problems in our community. Long-term problems in this State have been created by generational slowdown of growth in certain communities.

Traditional financing methods often miss those communities because the qualities and qualifications that they are looking for are not in those communities. Our Office is reaching out to potential lenders. One example is that our Office is working with the Federal Home Loan Bank of San Francisco to ensure that rental payments can be used to support mortgages in the future.

Within the requirements of the Bank are certain workforce requirements. On the local front are requirements to ensure that we are supporting apprentices. Community growth requirements ensure that we are hiring from the places where we are investing those dollars.

There is priority on funding for qualified census tracts and communities that have been historically devoid of investment. It is incredibly important for us, and helpful for this body, that we discuss these things as we go through the regulatory process. It is front of mind for us, but it is helpful when they are brought up.

SENATOR HAMMOND:

Nevada's infrastructure was discussed at the Southern Nevada Forum awhile back. We were looking at the Apex Generating Station and other projects across the State. We knew other states had created state infrastructure banks and we decided that creating one in Nevada would benefit our infrastructure.

Your proposed conceptual amendment has changes. Can you help me understand why we are shifting the Bank to the Office of the State Treasurer, and how the various changes will help the community.

TREASURER CONINE:

Iterative is the best way that I can describe our efforts with the Bank. When originally created, we thought that the focus would be on transportation projects. However, NDOT has an amazing team that funds transportation projects through many other funding mechanisms available to them.

The Bank was essential to take advantage of federal funding that never materialized. It then languished as a great idea without a purpose.

What we are looking to do through this amendment is to continue that iteration. For example, if the Treasurer creates a budget for the Bank, we send it to NDOT, who sends it to the Governor's Finance Office (GFO). If the GFO has any questions, they send the budget back to NDOT, who sends the budget back to us at the State Office of the Treasurer. We answer those questions and send the answers to NDOT, who sends to the GFO. If the GFO has a classification, they send it to NDOT, who sends it back to us.

When we can, we avoid layers of bureaucracy that do not add value.

SENATOR HAMMOND:

That clarifies the direction we are going with the Bank. When we were researching infrastructure banks in other states, we saw some that were not funded correctly. This did not harm the state, but their infrastructure banks were not successful. What are we doing differently that will make our Bank successful?

TREASURER CONINE:

This presentation includes parts of what we will be doing differently.

The Bank from its inception has been a bipartisan tool, and it will continue to be one. It will work closely with private industry, labor, our communities and our tribal partners, regardless of party affiliation, to ensure that it is as effective as possible.

We have learned from other states' infrastructure banks. New Jersey, California and others have been in place for a long time. They have done things right, and they have done things wrong. We were able to take a best-of-breed approach as we structured our Bank. One of those big pieces was to ensure that the Bank is positioned to take outside capital and leverage it right away.

The dollars that we are looking at are not simply the \$50 million in this appropriation, and the \$75 million in the bonding from last time. The Bank is looking at the dollars it can bring in. The belief at the Southern Nevada Forum was that if we built it, someone would come. We built it, and someone came.

SENATOR HANSEN:

We are talking about outside partners, tribal partners, diversification, underserved, underprivileged and historically disadvantaged communities, matching dollars and the \$50 million fund. In view of this, I want to discuss the school in my district because everything you talked about drives right down to the Duck Valley Indian Reservation and Owyhee Combined School situation.

You mentioned a ten-to-one match on the \$50 million fund. Are those matching funds? Is there leverage you can bring to bear on that? I am desperately seeking funding for the school.

You mentioned existing funding schemes that we were not aware of.

TREASURER CONINE:

Your last point is correct. When former Senator Kieckhefer and I developed the concept for that \$15 million charter school, we did not know if the funds were available, but we thought that they should be. We took a leap of faith, and now we have partners who are deeply committed to this work and what the Bank enables us to do.

The Bank gives us the vehicle to have these conversations. It ensures that we can access any funding that is on the table. The Bank just missed applying for \$500 million a year from federal funds. That funding would have gotten us to the per-capita median of federal funds. Nevada needs more than that. Some of our communities have more need than those of the average Nevadan community.

Our work with the Bank is to find those funds. I commit to you that we will leave no stone unturned to make sure that we have all the funding we can get for every Nevadan, in every corner of the State.

SENATOR HANSEN:

That is what I am looking for. When this meeting is adjourned, I will request to have an interview with you.

TREASURER CONINE:

Call me and we can arrange to meet.

CHAIR HARRIS:

Treasurer Conine, you are an attorney. What is the limiting principle here? We start off with infrastructure, we expand to water, which is still technically infrastructure, and now we are talking about affordable workforce housing and rural schools. Will there be a limiting principle on what the Bank funds?

TREASURER CONINE:

We define infrastructure broadly. We view infrastructure as long-term investments that can create benefits for Nevadans that are living here, that could move here in the future and that could be born here in the future. The Bank, by its definition, exists within a relatively large timeframe and timeline.

Our goal is to ensure that the State has the necessary tools so that when a feasible idea presents itself, it can be funded when the Legislature is not in session.

The idea is to return to sources where the Bank has already found an existing financing vehicle. It is not looking to be duplicative. We are looking to fill in the gaps and ensure that projects funded through the Bank continue to be completed on time.

We do not necessarily believe in a limiting principle. However, a couple do exist, including time. The Bank does not fund operations with bonds if we are paying for the bonds. As the Governor mentioned, "If the State is paying for the bond longer than the work is being done or the asset is useful, that is not a great idea."

SUSIE MARTINEZ (Nevada State AFL-CIO):

On behalf of over 150,000 members and 120 unions, the Nevada State AFL-CIO is in full support of S.B. 10 and Treasurer Conine's proposed amendment [Exhibit C](#).

This amendment will benefit workers across our State. Affordable housing has always been a huge issue for members. Every Nevadan deserves to live in dignity and stability under their own roof.

Expanding the State General Fund to support housing projects will increase the amount of affordable housing availability Statewide and create good paying union jobs. Moving the Bank slowly into the Treasurer's Office, will ensure that projects move more efficiently, and that the funding gets to where it needs to go.

This amendment will ensure future investment in Nevada's workforce. This will benefit Nevada's workers and Nevada in the long term. I urge the Committee to support S.B. 10 as amended.

VINCE SAAVEDRA (Southern Nevada Building Trades Unions):

The NSIB is essential in addressing Nevada's most pressing issues, including housing, education and road infrastructure. These projects will help Nevada post-construction and provide jobs to thousands of Nevada's highly skilled and trained workforce.

The initial \$75 million allocated was a great investment. However, to capitalize on the moment and address the needs of our State, we must ensure that the NSIB has continued funding.

This will allow our apprenticeship program to expand, which will provide more opportunities for Nevadans to learn a skilled trade and earn a fair livable wage. Moving the NSIB to the Office of the State Treasurer, will provide stability and ensure that these projects will be done efficiently, and with Nevada's workers in mind. Please vote yes on S.B. 10 as amended.

ROB BENNER (Building and Construction Trades Council of Northern Nevada):

The Building and Construction Trades Council of Northern Nevada is a longtime supporter of the Bank. We worked closely with Treasurer Conine on the affordable housing requirements. We helped bring the AFL-CIO to Nevada. It is funding the Desert Pines Golf Course, a large project in Southern Nevada. That project was not funded by the Bank, but it was the interest generated by the Bank that brought the outside pension capital investment.

The changes that that are being made are right. The Bank was governed under NDOT, but since it is not being used for road projects, it makes sense to move it to the Treasurer's Office. We look forward to working with this Committee and the Treasurer in the future.

PAUL CATHA (Culinary Workers Union Local 226):

The Culinary Workers Union Local 226 supports S.B. 10 with the proposed amendment. The Treasurer has proven that the NSIB is a tremendous asset for Nevada and that the State will benefit by its expansion. The changes in the amended bill are appropriate.

Nevada has a desperate need for workforce housing. The Treasurer's commitment to support construction projects in Nevada will benefit our members, creating good jobs for our brothers and sisters in the labor movement.

The Union recognizes the strong partnership between the NSIB and the AFL-CIO Housing Investment Trust. This could bring hundreds of millions of dollars to Nevada. It will create strong middle-class jobs, while helping Nevada address its ongoing housing crisis.

The Culinary Workers Union Local 226 urges the Committee to support and pass S.B. 10 as amended.

GREG ESPOSITO (Nevada State Pipe Trades):

The Nevada State Pipe Trades supports this bill. When the Treasurer took office, Nevada had a little over \$2 billion in the Bank. The Bank now has over \$8 billion. If he is suggesting these amendments, then we support them as he knows what he is doing with money.

CHARLES ZEMP (International Union of Bricklayers and Allied Craftworkers):

The International Union of Bricklayers and Allied Craftworkers asks for your support in passing the amendment to S.B. 10. The proposed amendment will clear obstacles and ensure that our State infrastructure projects run smoothly, efficiently and finish on time.

NICK VANDER POEL (Northern Nevada Development Authority):

The Northern Nevada Development Authority is comprised of five counties in the Sierra Region: Carson, Douglas, Lyon, Mineral and Storey Counties. We are here to support S.B. 10. We applaud Treasurer Conine, in conjunction with the Governor's Office, for continuing to think outside the box with our public dollars.

Senate Bill 10 will get the administrative aspects of the Bank in order, so we can help Nevadans and continue meaningful projects where they are needed.

This includes the region that the Northern Nevada Development Authority represents. We urge your support on S.B. 10 as amended.

AARON IBARRA (Southern Nevada Building Trades Unions):

The Southern Nevada Building Trades Union supports S.B. 10 as amended. The extra \$15 million will ensure that the NSIB is a long-term investment. Moving the Bank to the Treasurer's Office will ensure that the Bank operates more efficiently, and with its workers in mind while creating projects. I urge the Committee to support S.B. 10 as amended.

JIMMY SCHWARZ (Ironworkers Local 433):

I am a member of the Ironworkers Local 433. I support the amendment for S.B. 10 which will ensure infrastructure projects are built by the skilled and trained workforce in Nevada.

RONALD YOUNG (International Brotherhood of Electrical Workers Local 357):

The International Brotherhood of Electrical Workers (IBEW) Local 357 in Las Vegas supports this bill as amended. It will be monumental in creating jobs for Nevadans. It will create multigenerational opportunities for increased apprenticeships and a trained workforce. The IBEW Local 433 urges the Committee to support S.B. 10 as amended.

BOB HORTON (Ironworkers Local 433):

I support this amendment to S.B. 10. It will ensure trained and skilled labor are used on these jobs. Our training facilities in this State are second to none in the Country. We have fine craftsmen. I urge your support of this bill.

EDUARDO ZAVALA (International Union of Bricklayers and Allied Craftworkers):

The International Union of Bricklayers support S.B. 10. It will ensure infrastructure projects are built by our skilled and trained workforce in Nevada.

JACOB GONZALEZ:

I am a member of the International Union of Bricklayers and Allied Craftworkers. I am in support of S.B. 10. It will ensure infrastructure projects are being built by the skilled and trained workforce in Nevada.

ALFONSO LOPEZ (International Association of Sheet Metal, Air, Rail and Transportation Workers Local 88):

The Sheet Metal, Air, Rail and Transportation Workers are in full support of the proposed amendment for S.B. 10. We urge the Committee to support this bill as amended.

CHAIR HARRIS:

We will close the hearing on S.B. 10 and return to the first item on our agenda. Ms. Rossiter, our Policy Analyst, will explain a Committee rule that needs updating.

KRISTIN ROSSITER (Policy Analyst):

When the Committee adopted its Committee Rules ([Exhibit D](#)), there was a correction that needs to be made today. It is related to the quorum. It previously stated that a quorum was five members, and we are correcting that to three members.

Are there any questions?

CHAIR HARRIS:

There are no questions.

SENATOR PAZINA MOVED TO ADOPT THE CORRECTED QUORUM RULE.

SENATOR SPEARMAN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

CHAIR HARRIS:

We will open the hearing on S.B. 40.

SENATE BILL 40: Revises provisions related to manufactured housing.
(BDR 43-270)

CHAIR HARRIS:

The Committee has received three proposed amendments to S.B. 40. I will go through them briefly to learn which ones have been reviewed by the Nevada Housing Division and which ones are friendly amendments.

First, we have an amendment ([Exhibit E](#)) from Ms. Fisher on behalf the Nevada Housing Alliance that relates to the size of manufactured homes. Is this something that the Division is aware of and willing to accept as a friendly amendment?

STEPHEN AICHROTH (Administrator, Housing Division, Nevada Department of Business and Industry):
Yes, it is friendly.

CHAIR HARRIS:

We have a second amendment ([Exhibit F](#)) from the Manufactured Home Community Owners Association. Is this also considered a friendly amendment by the Division?

MR. AICHROTH:

Yes, it is friendly.

CHAIR HARRIS:

The third and final amendment ([Exhibit G](#)) is from the Nevada Housing Coalition. Is the Division aware of this amendment?

MR. AICHROTH:

Yes, it is, and we consider it a friendly amendment.

CHAIR HARRIS:

I will allow you to present S.B. 40, and then I will invite each party up to discuss its amendment.

MR. AICHROTH:

Senate Bill 40 will accomplish two items in addition to what you have previously mentioned. It will streamline Division operations and expand the eligibility for the Lot Rent Subsidy Application program.

The Division, and specifically Mr. Whitwright, has worked diligently on creating this bill. Mr. Whitwright actively engaged the manufactured housing ecosystem to get to the place where we are.

TIM WHITRIGHT (Deputy Administrator, Housing Division, Nevada Department of Business and Industry):

I will outline the key points and benefits of S.B. 40 in my presentation ([Exhibit H](#)) and ([Exhibit I](#) contains copyrighted material. Original is available upon request of the Research Library.).

However, first I will briefly review the breakdown of the 26 amended sections in the bill. That sounded ominous but the reason is that 16 of those sections deal with one specific term. The Statute refers to a title as both "certificate of ownership" and "certificate of title." Sixteen of those sections deal only with making a consistent reference to "certificate of title."

In [Exhibit H](#), Slide 2 is an overview. I refer to Slide 3 as improved services. This will address sections 2, 5 and 26 in S.B. 40.

In [Exhibit H](#), Slide 4, we are speaking to supporting partnerships. This will address sections 5 through 8 in S.B. 40. These amendments allow for electronic submittal of forms and reports, such as the dealer report of sale. It expands the methods for providing endorsements by our county assessors. Section 18 of the bill will stop basing income eligibility on one single income level for the entire Country.

Slide 5 is about customer service. Senate Bill 40 is a step on the path toward our next level of customer service. Technology is a major player in our customer service vision.

Slides 6 and 7 of [Exhibit H](#) address section 26 within S.B. 40. This is a repeal of *Nevada Revised Statutes* (NRS) 489.551.

The county assessor endorsement process on Slides 8 and 9 is one example of many where technology improves customer service. Technology transactions can be tracked easily and, in many cases, delivery and read receipts will be emailed.

Slide 10 addresses housing benefits offered to constituents. Senate Bill 40 will reduce or eliminate the hardships to applicants, including those living in our rural communities and those with physical disabilities.

Hardship examples include applicants having to take unpaid time off work and travel hundreds of miles from our rural communities to complete these processes. Some applicants are physically incapable of traveling. Other applicants depend upon public transportation and are subject to limited transportation schedules.

Some individuals pay additional money for express mail service for fear of losing documents in the mail. Others experience the mail being lost and losing their original documents.

Our professionals, our dealers, our title companies and our lenders have indicated that due to delays, there have been losses of interest rate locks on the purchase of new homes and failures to close sales escrows.

I want to discuss the Lot Rent Subsidy program. Section 18 addresses the income criteria. The Housing Division offers affordable housing assistance to persons with low income to reduce the cost burden of space rent within manufactured home parks.

Senate Bill 40 will expand eligibility, while still focusing on our most underserved populations.

Slide 11 of [Exhibit H](#) is technology in action. We want to offer a glimpse of what is possible in our endeavor to provide more efficient customer service. Videos will be accessible online 24/7, wherever Internet access is available. The videos can be played and paused by the viewer as they complete a form, section by section, while provided step-by-step instructions along the way. We can provide a sample title transfer instruction video for your view.

As noted earlier, the Division has no opposition to the proposed amendments.

MACKENZIE WARREN KAY (Manufactured Home Community Owners Association):
The Manufactured Home Community Owners Association's proposed amendment in [Exhibit F](#) strikes the language in section 17 of S.B. 40. That is the phrase "without limitation." We appreciate the Division working with us on

our concerns due to broadness. We are committed to providing the economic and demographic information required under NRS. The only item impacted by this proposed amendment is striking language in section 17.

SUSAN FISHER (Nevada Housing Alliance):

The Nevada Housing Alliance is a Statewide association of manufactured home dealers. Our amendment in [Exhibit E](#) includes an explanation of why we are proposing our changes. I will amend our amendment, which I will provide to the Committee.

Section 19 of the amendment deals with NRS 278.02095, subsection 2, paragraph (a), subparagraph (3). We were striking the requirement to have exterior siding and roofing which is similar in color, material, appearance, etc. Washoe County had a concern with this. Our intent was not to remove the local authority, and to accommodate their request, we will not strike that.

Also, NRS 278.2095, subsection 2, paragraph (a), subparagraph (4) states "Consist of more than one section" and we are changing it to "One or more sections." The reason for that is if it is more than one section it will result in a larger home.

The next section, NRS 278.2095, subsection 2, paragraph (a), subparagraph (5) states "Consist of at least 1,200 square feet of living area" and we are reducing that to 500 square feet. The law is discriminatory against manufactured homes. There is no such minimum size for site-built homes or modular-built homes. It only applies to manufactured homes.

We are leaving the language that has the age restrictions in place.

CHRISTINE HESS (Nevada Housing Coalition):

The Nevada Housing Coalition's friendly amendment, [Exhibit G](#), is related to the complexities of income levels. In housing spaces, we often talk about the area's median income. On occasion, especially now depending on the agencies where the funding is coming from, you will hear federal poverty level.

To maximize this funding reaching Nevadans at extremely low-income levels, we are proposing that you do not strike out the federally designated level signifying poverty. Instead include it so the greater of the federal poverty level, or 30 percent of the area's median family income, will be used. That will allow

us to maximize the number of households that would be eligible for financial assistance. The variations come in household sizes.

I can provide you with a table, if necessary, but I do not have it here with me.

I have provided a letter of support ([Exhibit J](#)).

CHAIR HARRIS:

Please submit any additional information to the Committee that you think will help us do our job.

I have a comment for Ms. Fisher. I know that there was some discussion of possibly allowing manufactured homes to be "tiny homes" pursuant to S.B. No. 150 of the 81st Session that was passed last Session. I wanted you to know that tiny homes are generally 400 square feet or smaller. The amendment may not quite get there, at least under the new tiny home regulations that might be promulgated under S.B. No. 150 of the 81st Session.

MS. FISHER:

I would appreciate your amending our proposed amendment.

CHAIR HARRIS:

I will amend it for you.

CADENCE MATIJEVICH (Washoe County):

Washoe County is in support of the bill and the amended amendment that Ms. Fisher brought forward. This change will bring resources to bear in addressing the needs in our communities, and across our State, for workforce housing and affordable housing. We appreciate her consideration regarding our concern about the standards on roofing and siding.

KATIE COLEMAN (Director of Communications and Public Affairs, Nevada Rural Housing Authority):

I am the Communications Director with the Nevada Rural Housing Authority. We offer a letter in support ([Exhibit K](#)) of S.B. 40 and the proposed amendments to manufactured housing. Manufactured housing is an important part of the housing ecosystem throughout our State, and particularly in the rural and frontier parts of Nevada.

Manufactured housing is housing and deserving of modern efficiencies. Senate Bill 40 brings needed changes to the process. The Housing Division is the steward to ensure safety standards and other requirements while implementing the provisions outlined in S.B. 40. The Nevada Rural Housing Authority views this proposal as a win for all Nevadans.

CHAIR HARRIS:

For the record, the Manufactured Home Community Owners Association, the Nevada Housing Alliance and the Nevada Housing Coalition are in support of this bill. We also have written neutral testimony ([Exhibit L](#)) from the Nevada Assessors' Association.

Having no further business to come before the Senate Committee on Growth and Infrastructure, we are adjourned at 4:51 p.m.

RESPECTFULLY SUBMITTED:

Paula Peters,
Committee Secretary

APPROVED BY:

Senator Dallas Harris, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit Letter	Introduced on Minute Report Page No.	Witness / Entity	Description
	A	1		Agenda
	B	1		Attendance Roster
S.B. 10	C	3	Treasurer Conine / Office of the State Treasurer	Proposed Conceptual Amendment
	D	20	Kristin Rossiter / Policy Analyst	Senate Growth and Infrastructure Committee Rules for the 2023 Legislative Session
S.B. 40	E	21	Nevada Housing Alliance	Proposed Amendment
S.B. 40	F	21	Manufactured Home Community Owners Association	Proposed Amendment
S.B. 40	G	21	Nevada Housing Coalition	Proposed Amendment
S.B. 40	H	22	Tim Whitright / Nevada Housing Division	Presentation Notes
S.B. 40	I	22	Tim Whitright / Nevada Housing Division	Presentation
S.B. 40	J	25	Christine Hess / Nevada Housing Coalition	Letter in support
S.B. 40	K	25	Kate Coleman / Nevada Rural Housing Authority	Letter in support
S.B. 40	L	26	Nevada Assessors' Association	Letter in neutral