

**MINUTES OF THE MEETING  
OF THE  
ASSEMBLY COMMITTEE ON TAXATION**

**Seventy-Eighth Session  
April 2, 2015**

The Committee on Taxation was called to order by Chairman Derek Armstrong at 12:34 p.m. on Thursday, April 2, 2015, in Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4401 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at [www.leg.state.nv.us/App/NELIS/REL/78th2015](http://www.leg.state.nv.us/App/NELIS/REL/78th2015). In addition, copies of the audio or video of the meeting may be purchased, for personal use only, through the Legislative Counsel Bureau's Publications Office (email: [publications@lcb.state.nv.us](mailto:publications@lcb.state.nv.us); telephone: 775-684-6835).

**COMMITTEE MEMBERS PRESENT:**

Assemblyman Derek Armstrong, Chairman  
Assemblyman Randy Kirner, Vice Chairman  
Assemblywoman Teresa Benitez-Thompson  
Assemblywoman Irene Bustamante Adams  
Assemblywoman Olivia Diaz  
Assemblywoman Jill Dickman  
Assemblyman John Hambrick  
Assemblyman Pat Hickey  
Assemblywoman Marilyn K. Kirkpatrick  
Assemblywoman Dina Neal  
Assemblyman Erven T. Nelson  
Assemblyman Glenn E. Trowbridge

**COMMITTEE MEMBERS ABSENT:**

None

**GUEST LEGISLATORS PRESENT:**

Assemblyman Paul Anderson, Assembly District No. 13  
Assemblyman Nelson Araujo, Assembly District No. 3

Minutes ID: 807



**STAFF MEMBERS PRESENT:**

Russell Guindon, Principal Deputy Fiscal Analyst  
Michael Nakamoto, Deputy Fiscal Analyst  
Bryan Fernley, Committee Counsel  
Gina Hall, Committee Secretary  
Olivia Lloyd, Committee Assistant

**OTHERS PRESENT:**

Joseph Anderson, Private Citizen, Las Vegas, Nevada  
Robert A. Murnane, P.E., Senior Director, Public Works and Parks and Recreation Department, City of Henderson  
Larry Carroll, representing Nevada Economic Development Coalition  
Gene Krametbauer, President, VTN Nevada, Las Vegas, Nevada  
Wendell Gray, Private Citizen, Las Vegas, Nevada  
Kristin McMillan, President and Chief Executive Officer, Las Vegas Metro Chamber of Commerce  
Jay Barrett, President, JABarrett Company, Las Vegas, Nevada  
Terrell Graves, Private Citizen, Las Vegas, Nevada  
Dave Rice, President, Rice Construction Company; and representing National Utility Contractors Association  
Jesse Russell, Private Citizen, Las Vegas, Nevada  
Tom R. Skancke, President and Chief Executive Officer, Las Vegas Global Economic Alliance  
James W. Healey, Private Citizen, Las Vegas, Nevada  
Ken Evans, President, Urban Chamber of Commerce, Las Vegas, Nevada  
Sean Stewart, Executive Vice President, Nevada Contractors Association; and representing Las Vegas Chapter, Associated General Contractors of America  
Lorraine Marshall, Owner, Irenic Consulting Group, Las Vegas, Nevada  
Randy Soltero, representing Nevada State AFL-CIO  
Bill Wellman, Division Manager, Las Vegas Paving Corporation; and representing Nevada Economic Development Coalition  
Paul J. Enos, Chief Executive Officer, Nevada Trucking Association  
George A. Ross, representing Sunrise Hospital and Medical Center; and Maryland Parkway Coalition  
Jesse A. Wadhams, representing Las Vegas Convention and Visitors Authority  
Warren B. Hardy II, representing Nevada Chapter, Associated Builders and Contractors; City of Mesquite; and HDR Engineering  
Jack Mallory, representing Southern Nevada Building and Construction Trades Council

Lisa Foster, representing the City of Boulder City  
Brian McAnallen, Government Affairs Manager, Office of Administrative Services, City of Las Vegas  
Buzz Harris, representing Tahoe Transportation District  
Jeff Hale, Director of Engineering, Regional Transportation Commission of Washoe County  
Michael Mula, Nevada General Manager, Concrete Pipe Division, Rinker Materials, Henderson, Nevada  
Susan L. Fisher, representing Southern Nevada Chapter, NAIOP  
Tina Quigley, General Manager, Regional Transportation Commission of Southern Nevada  
Rudy Malfabon, P.E., Director, Department of Transportation  
Debra March, Councilwoman, Ward II, City Council, City of Henderson  
Mark H. Fiorentino, representing Focus Property Group, and Council for a Better Nevada  
Patrick Pittenger, AICP, PTP, Transportation Manager, Public Works Department, Carson City  
Chad Anson, P.E., Partner, C A Group, Inc., Las Vegas, Nevada  
Lucie Moya, President and Owner, Melchert Consulting, Las Vegas, Nevada  
Nicholas DiFranco, Jr., Business Agent, Local 12, International Union of Operating Engineers  
Wayne Seidel, Administrator, Motor Carrier Division, Department of Motor Vehicles  
Dawn Lietz, Deputy Administrator, Motor Carrier Division, Department of Motor Vehicles  
Zachary Wester, Policy and Regulatory Associate, Blu LNG, Salt Lake City, Utah  
Ryan Kenny, Senior Public Policy and Regulatory Affairs Advisor, Clean Energy Fuels, Newport Beach, California  
K. Neena Laxalt, representing Nevada Propane Dealers Association  
Peter Krueger, representing Nevada Petroleum Marketers & Convenience Store Association  
Frank R. Woodbeck, Executive Director, Nevada College Collaborative, Nevada System of Higher Education  
William Anderson, Chief Economist, Research and Analysis Bureau, Department of Employment, Training and Rehabilitation  
Ray Bacon, representing Nevada Manufacturers Association  
Tray Abney, Director of Government Relations, Chamber of Commerce of Reno, Sparks, and Northern Nevada

Paul J. Moradkhan, Vice President, Government Affairs, Las Vegas Metro Chamber of Commerce  
Lesley Pittman, Private Citizen, Reno, Nevada  
Marlene Lockard, representing Nevada Women's Lobby

**Chairman Armstrong:**

[Roll was called and housekeeping items discussed.] Today we have five bills and a work session on the agenda. We are going to take the bills out of order. The order of the bills today will be Assembly Bill 191, Assembly Bill 32, Assembly Bill 382, Assembly Bill 342, and Assembly Bill 350, followed by the work session. Just to remind members, what we do not get through today, we will be making up this evening.

I will open the hearing on A.B. 191.

**Assembly Bill 191: Revises provisions governing taxes on fuels for motor vehicles. (BDR-32-667)**

**Assemblyman Paul Anderson, Assembly District No. 13:**

I appreciate the opportunity to present Assembly Bill 191. Many of you will remember Assembly Bill No. 413 of the 77th Session, which authorized Clark County to enact fuel indexing. As you know, when you buy a gallon of gas, there is a portion of that cost that gets separated between federal, state, and local tax collections and used in certain areas. Assembly Bill No. 413 of the 77th Session allowed Clark County to enact a fuel indexing ratio that was based upon a couple of different factors, but primarily a producer's price index—how much it costs to produce the roads that we drive on.

As you know, as we get better at conservation, our cars get more miles per gallon, we have more electric vehicles on the road, and fewer gallons of gas are being sold, which reduces the amount of money available to us to keep our roads in the shape they need to be in, to build new roads, and to expand that infrastructure. Infrastructure is just as much a part of economic development as any other economic development activity.

My business does not function if I cannot get down the road and service my clients, just like any other business that needs to transport goods and/or people to provide services.

Assembly Bill No. 413 of the 77th Session allowed us to enact this program last session. It allowed for the counties to raise a good portion of revenue. I know the Committee cannot see them [([Exhibit C](#) and [Exhibit D](#))], but here in front of us are projects that are currently either out to bid or completed, and some are in

my district where I was able to attend ribbon cutting ceremonies and experience them firsthand. The money collected from the fuel dollars I spent were spent directly in my own neighborhood, in our Valley, and I think it was a very effective portion of A.B. No. 413 of the 77th Session.

What A.B. No. 413 of the 77th Session did was allow us to enact it for a period of time, then go back to the voters to see if they were happy with the solution and if they would like to continue it.

That is why we are here today, to talk about some cleanup language and how we would like to go forward from the initial A.B. No. 413 of the 77th Session foundation.

**Assemblywoman Marilyn K. Kirkpatrick, Assembly District No. 1:**

Assembly Bill No. 413 of the 77th Session was an enabling piece of legislation that allowed the counties to put this in place. It required two separate ballot questions, one for the counties to keep their current regional transportation commission (RTC) indexing, and a second piece for the state to have the ability to keep their portion of the revenue.

Knowing that too many questions on the ballot tend to confuse voters, this is an attempt to try to clean it up. In simple terms, this is the way it would work.

This will allow each county, with the exception of Washoe County, because they already have this program in place, to put a question on the ballot. In 15 counties the question would say something like "do you support indexing fuel for the purposes of road maintenance work and new projects?" If this is voted yes, the regional districts will get their portion of the money for the local government side and the state will get their portion. This would go into effect at the same time, allowing counties to leverage those dollars in many different ways, and ensuring that the Department of Transportation (NDOT) dollars generated in that county stay in that county.

For Clark County, it would be just a little bit different. The question would ask if the voters wanted to keep the program going, first and foremost, and if the answer is yes, any new revenue that is generated after that time frame that has not already been spoken for would stay with the RTC on the local level. The state would get their portion, and the money for the county would stay in the county where it was generated.

This is a way to allow local governments to have a say about the money they want spent for road projects, and it is a way for the state to be able to be part of that. As we know, highway funding it getting harder and harder to come by.

This would allow them to leverage those projects within the respective county that voted for it. It is enabling legislation; it allows the voters to have a say.

**Chairman Armstrong:**

Does the other Mr. Anderson have any testimony?

**Assemblyman Paul Anderson:**

If it is alright, I think he may.

**Joseph Anderson, Private Citizen, Las Vegas, Nevada:**

I wanted to thank you for building the road around my house.

**Assemblyman Paul Anderson:**

I do not know how you can say no at this point, Chairman Armstrong.

**Assemblyman Paul Anderson:**

I would like to add that I think we would be remiss if we did not thank a lot of the folks who have worked on this bill and the language—former Assemblyman James Healy, Senator Mark Manendo, as well as Assemblywoman Kirkpatrick and her efforts during the interim. There are a lot of folks involved in this. It took a lot of interim meetings and discussions to clarify the language and come to the point where we are today.

**Assemblyman Kirner:**

I do have a question in regard to section 1, lines 10 and 11, and this may already be in place. I notice that the funds that are collected are designated for "construction, maintenance and repair of state highways in the county in which the tax is collected."

**Chairman Armstrong:**

There is a technical adjustment that will be made. Assemblywoman Kirkpatrick can speak to it, and then we will have staff go over that.

**Assemblyman Paul Anderson:**

I do not believe we have that technical adjustment. I think it was just provided to you at this point.

**Chairman Armstrong:**

I will ask Mr. Guindon to chime in on that.

**Russell Guindon, Principal Deputy Fiscal Analyst:**

I will attempt it, but will look to Bryan Fernley our Committee Counsel, as well.

Your staff in the Legal and Fiscal Divisions were discussing the bill this morning, and our understanding is there will need to be a technical adjustment to the provisions regarding section 1. It is supposed to be clarified to make sure it only attaches to the provisions if it is approved at the ballot in November 2016.

The way the section currently reads is that if you were to read it to apply to the increases that have been occurring in 2014, 2015, and 2016, those are already bonded and obligated, so those funds could not be transferred to the State Highway Fund without bond counsel. Bond counsel has also been in discussion with Legal and Fiscal staff. The technical amendment is to make sure it is clarified that the provision is only attached to those annual increases that would occur, if Clark County passes the ballot question at the November 2016 ballot. If I misspoke, Mr. Fernley can correct me.

**Bryan Fernley, Committee Counsel:**

No, that is correct.

**Assemblywoman Kirkpatrick:**

I would like to follow up with two other small things. This is also to clarify that not all the money goes to NDOT, but it goes back to the way it currently is distributed. Local government would get to keep its piece, and the Highway Fund would get to keep its piece for projects generated within those counties. I did want to clarify that for the record, because there were some questions this morning.

The last piece I forgot to mention is that on the ballot, it will let people know, with Ms. Vilardo's urging over many, many years, that every ten years this would have to go back out to the voters to ensure they still want it. If the voters approve this in 2016, it will be good for another ten years, and then in 2026 the voters would have the option to determine if it is still working.

**Chairman Armstrong:**

At this point, I will start taking testimony, but prior to that I have seven pages of people signed in down in Las Vegas who are not really speaking for this but wanted to show their support. Those in Las Vegas right now, I just wanted to recognize you. If you are in support of A.B. 191, could you please stand? Thank you very much for coming out, showing your support, and being involved in this process.

I was asked before the hearing if we could start with testimony in Las Vegas, as there are individuals who have some time commitments. If there is anyone who would like to speak in support of A.B. 191, please come to the table.

**Robert A. Murnane, P.E., Senior Director, Public Works and Parks and Recreation Department, City of Henderson:**

We have all been impacted by the past recession and we have had a significant funding gap in maintaining and constructing our extensive roadway network. We have about 850 miles of road in Henderson that are maintained by the City.

Fuel revenue index (FRI) funding has provided cities with breathing room for now, allowing us to address important roadway construction, intersection improvements, and other infrastructure critical for public safety and economic development; however, we need reliability in FRI funding in the future. We have a pretty robust asset management program. We know we do not have enough money to fully fund a roadway network going forward, and we believe A.B. 191 will move us toward that goal.

[[Exhibit E](#) was presented but not discussed, and is included as an exhibit for the meeting.]

**Larry Carroll, representing Nevada Economic Development Coalition:**

I am here today representing the Nevada Economic Development Coalition and I am on the board of directors. The Nevada Economic Development Coalition is a big group of business owners. It is not just business, but it is labor. It is pretty refreshing to see business and labor support this initiative, both in the past with A.B. No. 413 of the 77th Session, and we hope to continue that with A.B. 191.

This is important because it is vital to our future and our future economic development throughout the state, not just in southern Nevada. If we are going to compete on not only a regional basis, but a global basis, the first thing people look at, besides education, is do you have adequate infrastructure. If we are going to keep up with the rest of the West, we need to build this infrastructure, and get it built now.

The other thing that is important is putting people back to work. I cannot see everybody in the audience in Carson City, but if you look at this audience in southern Nevada, this shows you how important this initiative is to keep these projects going.



The last five to seven years have been very difficult in the construction and engineering businesses. As a business owner, one of the best things is to put someone back to work. I can tell you it is much better than having to lay people off when you do not have these projects going.

I am here today representing as a business owner. I am also a member and cochair of the legislative committee with the American Council of Engineering Companies, and our group fully supports this bill as well. We need this to keep going, to keep people working, and to keep the economy rolling.

**Gene Krametbauer, President, VTN Nevada, Las Vegas, Nevada:**

I am the president of VTN Nevada, a consulting engineering firm, and I am in support of A.B. 191. If we did not have the fuel revenue index we would all probably be out of business right now. We had a firm that had 220 people. We got down to 50 but we are now back up to 65. This revenue is needed to keep these people employed, so they can have a good healthy lifestyle.

**Wendell Gray, Private Citizen, Las Vegas, Nevada:**

I am here in regard to the tax bill. We do need you to make sure it passes. I am a laborer out of [Laborers' International Union of North America] Local 872, and am currently a worker of Las Vegas Paving Corporation. With those dollars that you will get through the county, I can continue working on projects around town. Local 872 is doing a lot of labor on the 5th Street bridge, where I am working with Las Vegas Paving. I do need you to help me continue working, and everybody sitting behind me as well.

**Kristin McMillan, President and Chief Executive Officer, Las Vegas Metro Chamber of Commerce:**

The Las Vegas Metro Chamber of Commerce is the state's largest and most broad-based business association. I am speaking today in support of A.B. 191 because of the valuable impact it will have on our growing community, our economic climate, and very importantly, job creation.

Improving the quality of the state's transit and transportation infrastructure is really essential. Growing cities and economies depend on good roadways and infrastructure. They are important for the transportation of goods and services and getting employees to and from work efficiently, as well as making sure customers can conveniently get to the places they need to do business.

Passage of this bill is key to addressing transportation goals, easing congestion, promoting safe conditions on highways and roadways, and funding the exploration of additional and alternative forms of transportation.

Our members are concerned about the state's transportation infrastructure. They believe continuing FRI, by passing A.B. 191, will help local businesses grow, and will help attract new businesses to the state.

In Nevada, the flow of money from the fuel tax has been tapering for years. As we have heard, it is largely because of inflation and increased fuel efficiency. At the same time, we have a great need for new roads and highways, and that has increased. As reported this week, in southern Nevada we gained 40,000 new residents in the past year, and 28,000 of them because of people moving into our city. Our roads and our infrastructure need to keep up.

Because of FRI, we have seen the progress already, right before our very eyes. More than 90 projects have been designed and contracts have been awarded, everywhere from Kyle Canyon to Boulder City. Importantly, 61 of those contracts went to small businesses in our area. Overall, the funds generated have improved our connectedness and put more than 2,500 people to work.

The average cost of this is relatively minimal—through best estimates, only about 10 cents per day, per driver. It is also very transparent. Citizens can see and directly experience the benefits this funding brings to the quality of their lives in terms of better roads, less congestion, and easier commutes.

In closing, I would just say that our needs for improved infrastructure are not going away. Population and visitor volumes are both growing, and by passing A.B. 191, you assure continuity of this successful program so that our communities can continue to have the appropriate resources they need to grow and thrive.

**Jay Barrett, President, JABarrett Company, Las Vegas, Nevada:**

I am the president of the JABarrett Company, business advisors based here in Las Vegas. I am also a trustee of the Las Vegas Metro Chamber of Commerce, and a member of its governmental affairs committee. I am here to also lend my support for the passage of A.B. 191. The reasons include the fact that not only have we stimulated the work that was needed here and put many people back to work, but when these projects and the additional ones on the slate are completed, we will end up creating another 9,000 jobs. In particular, I view another reason being that it is a very strong economic development effort to fund the transportation needs we have, not only to serve the citizens, but also our tourism sector. The growth we are experiencing in projects for the next five years is incredible. We are stretched to the maximum now, and as we try to accommodate the needs of our tourism, to foster a quality of life and continuing prosperity for people, we are going to need more dollars. We also

have the diminishing, and almost nonexistent, federal and state funding facing us. For these reasons, I am in strong support of the passage of A.B. 191 and appreciate your consideration.

**Terrell Graves, Private Citizen, Las Vegas, Nevada:**

I am a member of Local 872. I am currently employed with Las Vegas Paving Corporation. I am in support of A.B. 191 because it creates jobs and it will allow not only myself, but all the members of Local 872, to continue to feed our families. I think it is a good thing and I am in total support.

**Chairman Armstrong:**

I will point out to the Committee that we are up to 12 pages of people who have signed in, almost overwhelmingly in support of A.B. 191.

**Dave Rice, President, Rice Construction Company; and representing National Utility Contractors Association:**

I am the president of Rice Construction, and also a past president of the National Utility Contractors Association (NUCA) and that is who I am speaking on behalf of. The National Utility Contractors Association represents both union and nonunion utility contractors, from the smallest to the largest in the state. They also represent the equipment dealers and pipe suppliers. I would like to go on record saying our board, which is composed of all of that, unanimously supports the bill.

**Jesse Russell, Private Citizen, Las Vegas, Nevada:**

I also work for Las Vegas Paving Corporation. Thank you for listening to what all of us have to say, because what all of us have to say is very important. This bill is very important for all of our lives. All of us make a living working with our hands, most of us, as laborers out of Local 872. We all need this bill to pass to keep us working.

Before this I was doing landscaping. I joined the union knowing that business was going good, and I have not stopped working since. I have worked winter and summer, nonstop, since I joined last year. I am 100 percent supportive of this bill.

**Tom R. Skancke, President and Chief Executive Officer, Las Vegas Global Economic Alliance:**

I would first like to thank Assemblywoman Kirkpatrick and Assemblyman Paul Anderson for their leadership in bringing this bill before the Legislature. You have heard from a lot of people today about the importance of this for jobs, and the importance of this for the future of our state.

I am also a member of the Board of Directors of the Department of Transportation. This is a critical piece for us to continue to do our work, both in economic development and the work on the Board. I encourage you and the Committee to give this serious consideration, and hope we can move this bill out, to not only keep people employed but, more importantly, to keep the economy that is recovering in our state going.

You will see today, and you will continue to see throughout this process, the leadership of the Metro Chamber of Commerce here in Las Vegas, who I would like to commend for all of their hard work in bringing the business community together on this with the Urban Chamber of Commerce, the Latin Chamber of Commerce, the Henderson Chamber of Commerce, and the list goes on of businesses, and business and union organizations here in southern Nevada and throughout the state.

I strongly urge the Committee to take action swiftly on this, so we can keep these people in our state employed, and keep Nevada more globally competitive in the twenty-first century.

**James W. Healey, Private Citizen, Las Vegas, Nevada:**

I am the former state assemblyman who represented District 35. As Assemblyman Paul Anderson mentioned, I had the privilege of cochairing the interim committee that worked on this bill.

I am here today, as a constituent of District 35, to also represent and explain how important A.B. No. 413 of the 77th Session was to the success and growth of the southwest part of our Valley.

As you know, that is one of the newer parts of our Valley, and was initially built right at the time of the recession. We did not get most of our critical infrastructure completed, yet homes continued to be built, families continued to move in, and struggles for those families ensued.

It was a pleasure to work on this bill because it had a direct impact for constituents. I ran on, and represented to my constituents, that I would continue to fight for that, and I am proud to be able to do so today in testifying here and encouraging and urging the Committee to pass A.B. 191.

As you can see behind me here in Las Vegas, the room is packed with people who are directly impacted by this bill and the continuation of this bill.

Again I would also like to thank Assemblymen Kirkpatrick and Paul Anderson for bringing this bill forth and moving it forward. It will be critically important that we are able to put one clean, clear ballot initiative for our constituents and voters to be able to understand how important this is.

I continue to talk to constituents on a daily basis who thank me for the roads we have been able to provide. We continue to talk about the commitments made because of funding becoming available as a result of A.B. No. 413 of the 77th Session. We still have a lot more work to do, so A.B. 191 will be critically important not only for District 35, but for the state in general.

As a former representative, and you as current representatives, we are constantly tasked to make government work for our people. This bill is a perfect example of government working and working well. This is, as you can see, a bipartisan bill. The sponsors are from both houses and both parties. We worked very hard during the interim to come together, to put together a bill that would benefit the residents of the state of Nevada, and to put people back to work. We have also been tasked to find a way to stimulate our economy. Well, here it is. Assembly Bill 191 is exactly that. Passage of this will show that our representatives truly have the best interest of our residents here in Nevada at heart by putting people back to work, by providing critical infrastructure, and making sure Nevadans can have a quality way of life. I urge you to pass A.B. 191, and thank you very much for your time and consideration.

**Ken Evans, President, Urban Chamber of Commerce, Las Vegas, Nevada:**

I come before you this afternoon to give you a slightly different perspective in support of A.B. 191. In terms of the procurement opportunities and contract opportunities that have been presented to our members, the majority of which are small businesses, this has been a great effort so far in terms of the FRI projects.

I want to publicly say thank you to the Regional Transportation Commission of Southern Nevada (RTC) here, as well as the various city and county jurisdictions, for all of their efforts to make sure things have been inclusive. We definitely want that to continue, and we anticipate it will continue. That is the reason why we are here to support, on behalf of our business owners—again, primarily those that are small businesses—the passing and the support of A.B. 191.

In conclusion, I want to say we would hope as things continue to move forward, that we do keep in mind the small business aspect of this because those businesses create a lot of jobs and a lot of opportunities. We definitely want that to continue. We look forward to the Urban Chamber being a part of the ongoing efforts.

**Sean Stewart, Executive Vice President, Nevada Contractors Association; and representing Las Vegas Chapter, Associated General Contractors of America:**

We are here in support of this bill. I want to thank Assemblywoman Kirkpatrick and former Assemblyman Healey for all their work on this bill, and Assemblyman Paul Anderson for bringing it forward.

This has been very positive for all of our contractors. It has put a lot of people back to work, and as our contractors have gotten back on their feet and have gone back to work, they have been able to hire many of the people behind us. It has been a great thing for this Valley, not only for construction and the jobs, but for education and the other different aspects that are affected by this bill. We appreciate your consideration and hope you will move it forward.

**Lorraine Marshall, Owner, Irenic Consulting Group, Las Vegas, Nevada:**

I run a small business management firm and I support A.B. 191. As a small business owner, I have to allocate more and more time for traveling to meet with my clients because of congestion on our roads and highways. The passage of A.B. 191 will help alleviate that congestion.

It is important for our businesses, small and large, as well as our economy, for the passage of this bill and having good and well-maintained roads.

**Chairman Armstrong:**

As I do not see anyone else at the table in Las Vegas, we will move up to Carson City. I do have quite a few people signed in for this bill up here as well, and quite a few that did not want to speak. If you would like to stand up and show support for A.B. 191 here in Carson City, I would ask you to stand now. Thank you very much. At this time I will ask anyone interested in speaking in support of A.B. 191 to please come to the table.

**Randy Soltero, representing Nevada State AFL-CIO:**

First, I would like to thank the sponsors of this bill. It is a program that has been working and with this bill it will continue to work.

It is no secret the recession has really hurt the construction industry here in Nevada. Prior to the recession, construction was the third largest employer in the state and now it does not even make the list. Through this recession, for many of the workers of some of the affiliates represented by the AFL-CIO, road construction projects were probably some of the only jobs they had. It was because of what was going on as a result of A.B. No. 413 of the 77th Session that people were able to stay working, maintain their livelihoods, and most importantly, support their families in southern Nevada.

We stand in support of A.B. 191. We know that it will help to expand jobs all over the state, not just in southern Nevada. We urge your quick passage of A.B. 191.

**Bill Wellman, Division Manager, Las Vegas Paving Corporation; and representing Nevada Economic Development Coalition:**

I represent Las Vegas Paving Corporation and our more than 1,000 employees, some of whom you see here today. I am also a board member of the Nevada Economic Development Coalition. I, too, must thank both leaders in their support of this particular bill. We were also here last session testifying in support of A.B. No. 413 of the 77th Session and its needs and benefits.

Today many of us are here to testify on the successes in creating jobs and putting people to work, as I think you have seen. The needed infrastructure improvements and benefits, which some of you have also experienced in Las Vegas, both support economic development.

Las Vegas Paving has added more than 300 craft laborers to our workforce since FRI was started in January 2014. We heard the message as well that came with the approval of A.B. No. 413 of the 77th Session, and I am happy to sit here and tell you that our apprentice and training participation has doubled in work hours, and minorities now make up more than 40 percent of our workforce. Those numbers are very significant and we are just ramping up. Projects are still coming out. There are many more to do, and a lot more people to put to work.

In closing, I feel the need to say that A.B. 191 is probably the most tangible piece of legislation you have before you this session. It clearly will continue to create jobs, improve Clark County—or, frankly, other county's infrastructure improvements if passed, because this is a statewide bill—and continue to be measured by all of its residents, the businesses, and even the tourists as to its benefits.

I think, most importantly, it also leaves a tangible asset for future generations that, frankly, outlives the debt, which we do not see very often in most of the things that you hear. Thus, we ask that you support A.B. 191.

**Paul J. Enos, Chief Executive Officer, Nevada Trucking Association:**

We are here today to support A.B. 191. One of the reasons we are able to do that is the thoughtfulness we put into A.B. No. 413 of the 77th Session, which is much different than what we saw in some previous fuel revenue indexing bills. I would like to thank Assemblyman Paul Anderson, Assemblywoman Kirkpatrick, now Congressman Hardy, Mr. Healey, Mr. Wellman, and Ms. Quigley for the thoughtfulness that they put into this bill last session.

We are now able to sit here and support some investment to go back into our roads and our highways, which is how my members move 94 percent of our state's freight.

We also appreciate having that ten-year look-back, so we are not just going to have something that is going to continue in perpetuity. I would be remiss if I do not note that it is only going to be in 16 counties. Washoe County is one of the places where I do think we got this wrong. I understand we have some challenges in trying to fix that, but 16 out of 17 is not bad.

I want to thank last session's Legislature for really looking at this and making sure we got the policy right.

For my interstate trucking companies that are buying fuel in Nevada, we did set up a program that allows them to get a refund on fuel they use out of state. That was something that a lot of us really worked hard on, and we do appreciate that. That is why we are able to come today and support A.B. 191.

**Assemblywoman Dickman:**

You say Washoe County did it wrong. Will this bill fix Washoe County?

**Paul Enos:**

No, it will not, because a lot of that money has been bonded against, and it will not fix it until after those bonds have been paid off. Eventually, what we did in A.B. No. 413 of the 77th Session will fix Washoe County, but this bill will not.



**George A. Ross, representing Sunrise Hospital and Medical Center; and Maryland Parkway Coalition:**

Today I am testifying on behalf of Todd Sklamberg who, unfortunately, could not be here. He is the Chief Executive Officer of Sunrise Hospital and Medical Center. He is also a member of the Maryland Parkway Coalition.

The Maryland Parkway Coalition is an organization of property owners, business owners, elected officials, and residents who work to address the issues and needs of the Maryland Parkway corridor.

For those of you who do not often go to southern Nevada, Maryland Parkway is an integral north-south corridor that connects downtown Las Vegas with McCarran International Airport. It also connects many high activity centers, such as Sunrise Hospital, the Boulevard Mall, the University of Nevada, Las Vegas (UNLV), and a future UNLV stadium.

Fuel revenue indexing (FRI) recently funded an environmental study that is looking at potential transportation improvements along Maryland Parkway. Any future improvements to that corridor, however, are on the long list of unfunded projects in southern Nevada ([Exhibit F](#) and [Exhibit G](#)).

Fuel tax indexing in this particular case is critical to funding those improvements because the revenue created from the indexing is necessary to produce the revenue with which we can leverage federal grants to fund potential transportation improvements. Any funding for those improvements on Maryland Parkway would likely require federal grants and, in order to be competitive to get federal grants, the local entity must show that it can fund at least 50 percent of the proposed project. Without FRI, there would simply not be any local funds to attract those federal grants.

We believe FRI is vital for maintaining our transportation infrastructure along the Maryland Parkway corridor and throughout southern Nevada, and for that reason, Sunrise Hospital and the Maryland Parkway Coalition strongly support A.B. 191.

I, too, would like to echo the comments of the previous speakers with our gratitude to Assemblyman Paul Anderson and Assemblywoman Kirkpatrick. I know they and a number of others worked throughout the interim to improve this fuel indexing project, and were very instrumental in getting it done in the first place.

**Jesse A. Wadhams, representing Las Vegas Convention and Visitors Authority:**

The Las Vegas Convention and Visitors Authority (LVCVA) has long recognized the major role that transportation plays in our visitors' experience. We do not want anything that inconveniences those visitors or limits their spending. With that, we believe continuing to invest in transportation and infrastructure is a critical need. We proudly support this bill.

**Warren B. Hardy II, representing Nevada Chapter, Associated Builders and Contractors; City of Mesquite; and HDR Engineering:**

I believe there is another individual from HDR Engineering here, but I wanted to make sure I put that on the record. In the interest of brevity, we just want you to know we support this bill. We want to associate ourselves with the comments that have been made in thanking the leadership on the bill. We want to put ourselves on the record in full support.

**Jack Mallory, representing Southern Nevada Building and Construction Trades Council:**

In the interest of brevity we too appreciate the work that has been done by the leaders in putting this legislation together.

Prior to the recession, construction workers made up 11 percent of the workforce here in Nevada and after the impact of the recession was fully felt on the industry, construction workers made up 24 percent of those folks who were unemployed.

The passage of A.B. No. 413 of the 77th Session has had a significant impact on reducing the number of individuals who were dependent on the benefits provided by the state and federal government to barely put food on the table. What this bill does is it continues that promise and continues to help ensure that not only do we have safe roads to drive on, but there is also going to be continued work for Nevadans.

**Lisa Foster, representing the City of Boulder City:**

The City of Boulder City strongly supports the passage of A.B. 191. Boulder City has significant roadway needs, and the only way the community can reasonably fund these roads is through the RTC. Further, they believe the gas tax is the most equitable way to pay for both increased road capacity and the necessary maintenance.

As we know, most fatalities come from traffic accidents. Increased spending on road projects certainly increases safety on those roads.

Last, passage of the bill will help to reduce congestion and improve air quality throughout the Valley. We encourage your support.

**Brian McAnallen, Government Affairs Manager, Office of Administrative Services, City of Las Vegas:**

We, too, would like to associate ourselves with the previous comments made by everyone else and call out Assemblywoman Kirkpatrick and Assemblyman Paul Anderson for their efforts on this bill, and certainly going back to the previous session with Congressman Hardy's involvement in A.B. No. 413 of the 77th Session. The City of Las Vegas is extremely concerned about continuing to grow our infrastructure and address our infrastructure needs, specifically in the downtown area.

I know you have seen some slides dealing with some of our priority areas (Las Vegas Boulevard—Sahara Avenue to Stewart Avenue; Las Vegas Boulevard and Main Street; Commerce Street roadway and pedestrian improvement projects). We realize that there are significant needs in southern Nevada and appreciate the efforts of this Legislature, the RTC, and our public works department doing the investments that we can make, in making it better for our community. Of course, we want to call out the efforts to build Interstate 11 in southern Nevada and complete what the federal government has designated for us in ongoing efforts to build that roadway. This is a phenomenal opportunity. We strongly encourage you to pass A.B. 191, and thank you for your previous efforts in the 77th Session.

**Buzz Harris, representing Tahoe Transportation District:**

I am here to quickly say "me too." We represent an area that has several counties that will have the opportunity to vote in favor of this, hopefully. We work off of a lot of matching funds. Thank you very much.

**Jeff Hale, Director of Engineering, Regional Transportation Commission of Washoe County:**

The Regional Transportation Commission of Washoe County supports A.B. 191. I would like to add some brief comments about the benefits that our organization has been able to deliver from the fuel tax indexing.

The Washoe County ballot question [RTC #5] was approved in 2008, enabled by the Legislature in 2009, with funding becoming available in 2010. Since then, fuel tax indexing has generated approximately \$177 million in direct fuel tax revenue in addition to four bond sales that total about \$435 million, for a total investment of \$612 million in the Washoe County area.

Accordingly this equates to approximately 8,000 job years, including direct, indirect, and induced jobs. The bonding program has allowed some major construction projects to be advanced, including the southeast connector, Moana Lane widening, and Interstate 80 and U.S. Highway 395 improvements. Partnerships were formed with NDOT and the local agencies to deliver these and hundreds more pavement rehabilitation and maintenance projects, which have significantly improved the regional road pavement conditions. These partnerships are continuing today, and are key to delivering the Fourth Street and Prater Way, and the Virginia Street bus rapid transit extension Complete Streets projects.

Lastly, we appreciate the intent of A.B. 191 to offer indexing to rural counties for NDOT to deliver; however, we also encourage consideration of eliminating the limitation of NDOT county funds use origin, and allowing NDOT discretion to apply the funding on the intercounty road projects, such as perhaps Interstate 11. Thank you for the opportunity to speak.

**Michael Mula, Nevada General Manager, Concrete Pipe Division, Rinker Materials, Henderson, Nevada:**

We run two local manufacturing plants in Nevada. We have 69 employees as a result of the indexing that was passed last year in Clark County. We have been able to hire ten more employees, which may not seem like a lot, but it is about a 14 percent increase in our labor force. As a local manufacturing company, we certainly support A.B. 191 for the continuation of fuel indexing. Not only has it had a positive impact on our company, but we also buy a lot of local supplies, and those supplies are transported to us by local trucking companies, as well as our product being transported to the job sites by local trucking companies. We certainly appreciate you supporting A.B. 191.

[[Exhibit H](#) was presented but not discussed, and is included as an exhibit for the meeting.]

**Susan L. Fisher, representing Southern Nevada Chapter, NAIOP:**

I am representing the Southern Nevada Chapter of the Commercial Real Estate Development Association—NAIOP, both commercial and industrial properties. Per your request, we are here to say "ditto." We support this bill thoroughly, and we want to also extend our thanks to the leadership in both houses, both sides of the aisle, who worked so diligently through the interim alongside educators and local businesses to put together these recommendations.

**Tina Quigley, General Manager, Regional Transportation Commission of Southern Nevada:**

We have had a lot of fun since last session in getting these projects out as you directed us to. I am here to give you some insight as to what it has meant for southern Nevada, and what the potential of A.B. 191 is for southern Nevada as well.

Fuel revenue indexing (FRI), before it passed last session, can be seen on our presentation (page 2, [Exhibit I](#)). Moving forward, we were only going to have about \$22.4 million to invest in infrastructure, which meant we would only be able to do about one interchange per year, one mile of roadway in each jurisdiction, or one segment of the beltway without bridges and, of course, that did not include a right of way.

After passing A.B. No. 413 of the 77th Session, at the state level and at the county level, it allowed us to bond for about \$700 million to \$800 million (page 3, [Exhibit I](#)), which meant we were able to get out 199 projects. I am happy to report that about 70 percent of those projects have already been awarded, and that \$700 million can create about 9,000 jobs.

As of March 31, we can report to you that 97 contracts have been awarded to about 126 companies (page 3, [Exhibit I](#))—some of those companies are primes and some of them are subs. Of that total, 61 of those companies are small local businesses. You made it very clear to us you wanted local businesses to have the opportunity to get this local money invested through them. The FRI money that has been awarded is \$208 million, creating today about 2,600 jobs. That is if you just consider the FRI money directly.

You have to recognize that the FRI money has actually allowed us to construct a lot more than we ever thought we would, because we could leverage it for grant money. We could move projects forward that we did not think we would be able to. The real economic input at this point is \$600 million, with a job creation number about of 7,700 (page 4, [Exhibit I](#)). Of those 126 jobs we talked about, about 48 percent of those did go to local businesses and, in particular, we want to point out 34 percent of those businesses were disadvantaged business enterprise (DBE), women's business enterprise (WBE), and minority business enterprise (MBE). It was very important to this body and to the county commission that we made sure opportunities were being created.

You have seen this map (page 5, [Exhibit I](#)), which shows where those 199 projects are. You can see they are throughout the entire Valley. In particular, some that are under construction right now are the Flamingo Road corridor, and we broke ground on our Interstate 215 beltway for completion

between Decatur Boulevard and North Fifth Street (page 6, [Exhibit I](#)). In the city, there is a lot of construction. You will see a lot of cones in the area of Main Street and Commerce Street.

In North Las Vegas, we have four different projects that were awarded all on the same day and are under construction (page 7, [Exhibit I](#)). In the City of Henderson, there are three projects that have already been completed.

The biggest news we have at this point (page 8, [Exhibit I](#)) is the groundbreaking for Interstate 11. This is absolutely huge and is a game changer for southern Nevada. This is the first segment of a major interstate that will connect Phoenix and Las Vegas. As you know, Phoenix and Las Vegas are the only two major metropolitan areas that are not currently connected by an interstate. This project would not have moved forward without this money.

Another exciting project we were able to fund with this money was the Transportation Investment Business Plan (page 8, [Exhibit I](#)). Rossi Ralenkotter, President and Chief Executive Officer of the LVCVA, pulled a group of us together and said that his job to grow and keep our convention business was going to be a lot harder if we do not start to pay attention to how people are moving between the airport, the resorts, the convention center, downtown, and even UNLV. It is getting to the point where it is going to be very competitive as other cities start to highlight the fact that getting from their airport to their convention centers and their core business areas is a lot easier than it is in Las Vegas. We are working on the plan right now with the business community, the resorts, the taxicabs, the shuttle bus operators, the convention organizers, the Las Vegas Metro Chamber of Commerce, the City of Las Vegas, and the Las Vegas Metropolitan Police Department (Metro) to come up with a plan for what we need to do to improve that experience. And again, that business plan would not be going forward if we did not have that revenue indexing money.

Moving forward (page 9, [Exhibit I](#)), A.B. 191 is going to help us address the future—what we are going to do after our three-year window expires. We still have needs of about \$5.6 billion. The Department of Transportation (NDOT) will be talking about their needs, which at this point are about \$2.2 billion, and RTC of Southern Nevada's local needs are about \$3.4 billion. That \$5.6 billion number comes from adding the NDOT and RTC needs.

I want to share with you some of those projects (page 10, [Exhibit I](#)). In particular, Clark County has a project they would like to accomplish, and I think we would all like to see them accomplish it, wherein we give some relief to Interstate 15, between St. Rose Parkway and Primm. A lot of times when

we are coming back from Los Angeles on a Sunday afternoon and all the tourists are leaving Las Vegas heading into the Los Angeles Basin, you will see a line of cars. There are some who think they are real tricky by trying to take Las Vegas Boulevard, thinking that will be a way to bypass everything. You feel sorry for them because that road ends and you have to turn around and go back, and then join the congestion again. This is a project where we would add lanes and allow some relief to bypass and add capacity to that corridor. Continuing to build the beltway is another priority in Clark County (page 10, [Exhibit I](#)).

Giving some relief in the resort corridor, by having an alternative connection besides Koval Lane on the east side of the corridor, and a connection between Flamingo Road and Tropicana Avenue (page 11, [Exhibit I](#)) is about a \$10 million project, but it would add a lot of relief to those who need to move between Flamingo Road and Tropicana Avenue on the east side.

The City of Las Vegas has an exciting project (page 11, [Exhibit I](#)) they would be able to fund if A.B. 191 passed. That is downtown Las Vegas and downtown Summerlin. We would be adding additional lanes, adding landscaping, widening sidewalks, and transit, as a way of moving people from downtown to Summerlin. Right now, Charleston Boulevard is the main road, and this adds enhancements to that corridor.

There will also be enhancements along Las Vegas Boulevard between Sahara Avenue and Stewart Avenue, and in downtown Henderson, to continue the effort to have Complete Streets (page 12, [Exhibit I](#)), and create quality of life with widened sidewalks, crosswalks, bike lanes, landscaped medians, and safe parking.

The City of North Las Vegas is emphasizing their school safety and would put a lot of this money toward amenities that would help increase capacity and safety around schools for vehicles (page 13, [Exhibit I](#)). In North Las Vegas is a project for building an overpass on Walnut Road. You can see how it just ends there, (page 13, [Exhibit I](#)) but building is starting to pick up, and we do need an overpass in that area.

Right now, for Maryland Parkway, we are able to fund a study ([Exhibit F](#) and [Exhibit G](#)) on the environment portion and the preliminary engineering, but we are not able to fund the construction (page 14, [Exhibit I](#)). Maryland Parkway is a corridor that is ripe and ready for improvement. It is the entrance into our university, yet it hardly says "welcome to our Tier 1 university."

I talked about the Transportation Investment Business Plan (page 14, [Exhibit I](#)), and indeed it is a plan that has financing components, but it is going to need some funding as well. We know that it is going to require some federal money. We know that it is going to require some public-private partnership, but we also know it is going to require some local money as well. Again, that is the effort to connect the airport to the resorts, to the convention center, to downtown, and to UNLV.

**Chairman Armstrong:**

I am sure all the members down in Las Vegas can appreciate the upcoming projects, but we do have a couple of questions.

**Assemblywoman Bustamante Adams:**

Thank you, Ms. Quigley, for your leadership in this area. I am appreciative of you keeping your word for the local commitment and diversity amongst our DBEs. Is that going to continue in 2016? Is that still your commitment, even if you are not there?

**Tina Quigley:**

Yes, even if I am not there. You rode us very hard. What has been really neat about A.B. No. 413 of the 77th Session was the direction, leadership, and pressure that we received from our elected body that said "you shall do this." It has forced us to create relationships and programs where we formerly did not have those. We are working very hard to streamline as much as we can, and bring together all the different efforts that existed in terms of training, apprenticeships, outreach, and partnership.

I have to point out Angela Torres Castro who is with me today. She is the head of our government affairs, and has done a yeoman's job. She has put her heart into making progress.

**Assemblywoman Bustamante Adams:**

I do agree with you that you have a phenomenal team. I am not sure if you can answer this, or maybe Mr. Malfabon can, but on the ballot in 2016, if a local county does not vote to do the indexing, do they have to wait another ten years before they can pose that question to their voters again?

**Tina Quigley:**

That is not something I can answer.

**Assemblywoman Bustamante Adams:**

Previously the bill capped it at 10 cents so, if it were to pass in 2016, would the cap still be at that amount?



**Tina Quigley:**

Again, I would turn to your staff for interpretation of that language.

**Assemblywoman Benitez-Thompson:**

Looking at all the phenomenal projects you are going to be doing down south, how much money is potentially going to be looked at for mass transportation or public transportation, even perhaps the building of steel cages around your bus stops? There just seems to be a phenomenal problem with pedestrians at those bus stops getting hurt and injured.

**Tina Quigley:**

The motor vehicle fuel tax dollars are limited to investment in the actual roadway infrastructure, not transit.

**Assemblyman Nelson:**

The way I understand it, right now the RTC can budget up to 60 percent of the revenues for the payment of the bonds, so that means 40 percent of the tax can continue to be used for 20 years, as the bonding is being paid down. Is that correct?

**Tina Quigley:**

I do not have our financing guru with us today, but I believe it is more than 60 percent.

**Assemblyman Nelson:**

You obviously do not want to wait until the November 2016 vote to do any of this.

**Tina Quigley:**

We would not move forward with any of the new projects. We will be bonding against that \$700 million to get out projects. The 199 projects that you have seen on the map ([Exhibit C](#)) are the projects we have committed to bonding for—have bonded against those revenues to build.

**Assemblyman Nelson:**

Do your financial people feel in the long run that going through the bonding is better than paying as you go?

**Tina Quigley:**

By collecting this revenue, bonding against this revenue, we are able to get those larger projects out a lot sooner than we would be able to otherwise, and some of those are very large dollar projects.

**Rudy Malfabon, P.E., Director, Department of Transportation:**

I am speaking in support of Assembly Bill 191. The Department of Transportation (NDOT) has benefited directly from its partnership with the RTC of Southern Nevada by receiving FRI funds directly on two major projects (page 15, [Exhibit I](#)). The Department of Transportation will receive FRI funds from the RTC of Southern Nevada for the recently awarded Phase 1 project of Interstate 11 near Boulder City. More importantly, without the RTC's commitment of a quarter of a billion dollars of FRI funds towards their Phase 2 design-build project, the Interstate 11 project would have remained incomplete for several years. [Continued to read from prepared testimony ([Exhibit J](#)).]

In summary, FRI funds will significantly enhance NDOT's ability to improve mobility, safety, and economic development in Clark County, and could also be used for transportation needs in other counties. For these reasons, NDOT supports A.B. 191.

**Assemblywoman Bustamante Adams:**

I have the same question on your local commitment, and your commitment to diversity. If you do get this portion of the money, what would be your stance?

**Rudy Malfabon:**

We would hold the same stance. In fact, we partner with the RTC to hire the same kind of outreach consultants and cooperate on the outreach efforts on our projects. In some cases, where it is a mixture of FRI funds with our federal aid projects, we tend to use the DBE of the federal rules from the Federal Highway Administration for that program. We definitely support that same goal of diversity in the workforce and diversity of our contractors on the projects.

**Debra March, Councilwoman, Ward II, City Council, City of Henderson:**

I am a city councilwoman representing the City of Henderson's Ward II, and the Vice Chair of the RTC of Southern Nevada's Board of Commissioners. I am here today to testify in support of A.B. 191.

First and foremost, I want to thank the members from the Nevada State Legislature and the Clark County Board of Commissioners who in 2013 passed the legislation necessary to allow for FRI. Although the legislation only allows for FRI for three years, it has already made a huge difference in southern Nevada.

Fuel revenue indexing has helped fund priority transportation projects, and it has bolstered economic development in the region. Through outreach from contractors and the RTC, those most hurt by the recession, including many small business owners, have been active participants in FRI projects. Fuel revenue indexing has improved our streets and highways, improved our economy, and improved the lives of all southern Nevadans. [Continued to read from prepared testimony ([Exhibit K](#)).]

A diverse coalition of both private and public stakeholders—you have heard from many of them: union members, business leaders, community organizations across the board—have all rallied behind FRI because we have all seen the great impact it has had on southern Nevada. We also recognize that with no other state or federal funding sources, FRI is the only revenue available to us in southern Nevada to maintain transportation infrastructure and compete with neighboring cities. For these reasons, I strongly encourage the passage of A.B. 191.

**Assemblywoman Neal:**

Ms. Quigley, have you calculated any of the projected revenues based on this bill, if it passes? It does increase the 10 cents, and I believe after the three years there is a future increase to 20 cents. I am not sure if that is accurate.

**Tina Quigley:**

Locally, the RTC, for that ten-year period, would be able to bond for about \$2 billion and NDOT would be able to bond for about \$1.2 billion. We certainly would not be able to address all of those unfunded needs that we talked about, but there would be a good chunk of projects we would be able to get underway.

**Assemblywoman Bustamante Adams:**

I know that you addressed the fact that the sidewalks and the bus stops would not be covered by this money, but is there another plan to augment that somehow?

**Tina Quigley:**

This revenue would need to be used for the actual roadway infrastructure. You could use it for the sidewalks, landscaping, and for the roadway infrastructure, but the transit itself would be funded through sales tax revenues.

**Assemblyman Nelson:**

I am from Las Vegas and have lived there my whole life. I understand the needs. I am not against this bill. I just want to make sure I understand that your intention is to bond to the maximum degree possible before the November 2016 vote. Is that correct? That is another \$700 million, which would keep the 10 cent increase in place for at least another 20 years, correct?

**Tina Quigley:**

Correct. That 10 cents would be in place until the bonds were paid off, and those are 20-year bonds.

**Assemblyman Nelson:**

So it will continue this way for at least another 20 years.

**Tina Quigley:**

It would continue the exiting program for 20 years.

**Mark H. Fiorentino, representing Focus Property Group, and Council for a Better Nevada:**

Both the organizations I represent here this afternoon support A.B. 191. Continued investment in our roadway infrastructure is essential to the state's efforts to grow and diversify our economy. We think A.B. 191 is a big step toward that goal, so we would urge you to support it.

**Patrick Pittenger, AICP, PTP, Transportation Manager, Public Works Department, Carson City:**

I am here to add the support of Carson City to the proposed legislation. Carson City is facing a structural shortfall in funding the basic maintenance of its roads. Since 2007, Carson City has taken over many roads in the city, under agreement with NDOT, including the major roads right outside this building. That has actually increased maintenance costs. Additionally, in the last eight years, we have lost about 10 percent of our fuel tax revenue just in decreased sales. We do not have sufficient funds to maintain what we have. Despite our best efforts to use the funds we have as efficiently and effectively as possible, we are not keeping up. We have implemented the fuel taxes that are available to us and, therefore, we are in a difficult position.

This fuel tax indexing, if approved by the voters in November 2016, would be a game changer for Carson City, and while it would not meet all of our long-term needs, it would certainly put us in a position to begin addressing the existing and growing backlog of needs that are before us.

**Chairman Armstrong:**

We will move back down to Las Vegas. There are one or two people that came up to the table, so if they are still there and want to speak, I would like to give them the chance.

**Chad Anson, P.E., Partner, C A Group, Inc., Las Vegas, Nevada:**

I would like to reiterate Ms. Quigley's and Mr. Hale's statements of how the FRIs have benefited our company. Over the past years, we have been able to grow from 16 people to 26 in the engineering consulting world, and of the 10 new hires, 5 were unemployed within the state of Nevada, and the other 5 we brought in from out of state to help improve the population of Nevada.

In regard to the other question out there, as far as the local business participation with the FRI in Clark County, we are able to successfully compete and be awarded the Interstate 11 design-build with Las Vegas Paving. As the engineering consultant, our team of design consultants included four local firms and one local DBE, along with several national firms. Because of the FRI, that money is being spent both with the local businesses and spread throughout the engineering community.

**Lucie Moya, President and Owner, Melchert Consulting, Las Vegas, Nevada:**

I know that Assemblywoman Bustamante Adams had asked about the diversity on these projects, and I am here as a direct reflection of that diversity. We were hired to work on Interstate 11 and also the Flamingo Road project. I started this company five years ago, at my kitchen table, just myself, and the economic downturn was really hard on me. Five years later, with the funding through FRI, not only am I working, but I have seven other employees, and we are working diligently. We are small, we are minority-owned, and we cannot wait to work on more projects as a result of A.B. 191.

**Nicholas DiFranco, Jr., Business Agent, Local 12, International Union of Operating Engineers:**

We represent about 5,000 households in the Las Vegas Valley. This is the type of work we do, so we strongly support A.B. 191.

**Chairman Armstrong:**

At this point we will switch from testimony in support to those who are opposed to A.B. 191. Is there anyone in Las Vegas or Carson City who would like to speak in opposition to A.B. 191? Seeing no one, we will move to those in neutral. Would anyone like to speak neutral on A.B. 191?

**Wayne Seidel, Administrator, Motor Carrier Division, Department of Motor Vehicles:**

With the passage of A.B. No. 413 of the 77th Session, and implementing Clark County indexing, the programming has begun, by a table format, for all 17 counties. With the passage of A.B. 191, and anticipating the advisory question of 2016, we are preparing to index for any and all counties that would like to start indexing.

**Assemblywoman Bustamante Adams:**

Do you know the answer to the question I asked previously which was, if the county rejects it, do they have to wait another ten years before they could put it on the ballot again?

**Wayne Seidel:**

I think that is a legal question. I believe that the counties could index at any time as long as their commissioners pass it, and you have enabled them with this bill to do that.

**Chairman Armstrong:**

Assemblywoman Bustamante Adams, if you would like to speak with Mr. Fernley after, please do.

At this point we will ask the bill sponsors, Assemblyman Paul Anderson and Assemblywoman Kirkpatrick, for any final comments.

**Assemblyman Paul Anderson:**

We appreciate the opportunity to present this bill today. You can see, with the supporters here, how big an impact A.B. No. 413 of the 77th Session had, certainly in southern Nevada.

I think the question from Assemblywoman Bustamante Adams will be clarified, but the way I understand it is that all the counties now have the authority to implement fuel indexing. It is that state portion of the fuel tax that will be on the ballot. Whether or not they can come back later would have to go to the ballot or some other measure to be authorized. I am sure Legal can clarify that further for you.

**Assemblywoman Kirkpatrick:**

Thank you for the ability for us to come together in a bipartisan fashion. As you can see, government and the private sector have worked together to ensure that everybody comes out a winner. I do think this is a win for the state, if the voters of Clark County continue on with their support. I do think it is a win for Clark County itself, but it is an opportunity for some of our other counties to

have the same ability to help the state do more projects in their counties. This is good for the state as a whole, as we recognize the shortfall within the highway dollars from the federal government. It is a chance for the private sector and government to work together to move forward.

**Assemblywoman Bustamante Adams:**

Sixty percent of the revenues were used to pay off the bonds. Did that come from this body, or was it something that RTC said? I do not remember. What happens to the other 40 percent of the revenue?

**Assemblywoman Kirkpatrick:**

I believe the answer to your question is that what they did not want to do was take all of the revenue and put it into just those bonds in order to have some of it for other things that they needed to do, because you never want to tie up all of your bonding capabilities at one point. I do think the number was meant, though, to pay the bonds off relatively fast, so that we could continue to have revenue.

As you will remember, and although A.B. No. 413 of the 77th Session was a very hard bill to pass, at 30 seconds left to go in the evening, we did give the authority to the county commissioners to determine if they would go ahead and impose it. They did, and they had some of their own things they wanted to see as well.

The goal was to get the projects out and get folks to work right away. To answer your question about the pay as you go, in Clark County specifically, we were able to get projects out once the county commission gave the approval. We had truly shovel-ready projects that were ready to go in 90 days, and that put a lot of people back to work very quickly.

If you remember, the Department of Employment, Training and Rehabilitation (DETR) numbers started dropping on unemployment very quickly, and it was very apparent that those revenue sources made a big difference. In 2009 when we did this for Washoe County, in a bipartisan manner as well, those numbers dropped for Washoe County.

I think the goal was to get as much out and to ensure we could pay them off relatively quickly, because we did make a commitment to the voters that there would be a vote. We wanted to show that real jobs had actually been created and that real progress had happened. I am not exactly sure what the percentage was, but the goal was to bond out as far as we could to ensure we could pay it back with future revenues.

[[Exhibit L](#) and [Exhibit M](#) were presented but not discussed, and are included as exhibits for the meeting.]

**Chairman Armstrong:**

I would like to make a comment to everyone here who has spoken in testimony on this bill. We appreciate your voice and your willingness to be part of this process. I will close the hearing on A.B. 191 and open the hearing on Assembly Bill 32.

**Assembly Bill 32: Revises provisions relating to special fuels. (BDR 32-382)**

**Dawn Lietz, Deputy Administrator, Motor Carrier Division, Department of Motor Vehicles:**

I am here today to speak to you on behalf of Assembly Bill 32, which is a Department of Motor Vehicles bill that provides consistency in reporting and taxation of gaseous special fuels ([Exhibit N](#)). The proposed amendment ([Exhibit O](#)), on the Nevada Electronic Legislative Information System (NELIS), is a mock-up of Proposed Amendment 6009. It has been submitted by the Legislative Counsel Bureau (LCB) to correct section 2 of the bill. A revised fiscal note ([Exhibit P](#)) was also provided to the Committee, testimony today will pertain to the proposed amendment.

I have provided the Committee with some photos of the various types of fueling stations for a visual aid as we go through the sections of A.B. 32. They can be found at the back of your fiscal note ([Exhibit P](#)).

In the first set of photos (page 5, [Exhibit P](#)) you will see what is pretty commonly known as a fuel tax pump display. It displays the price for the sale, the number of gallons pumped, and then, based on the type of fuel you select, the price per gallon.

When you go to the gas pump and you purchase five gallons of gasoline and put it in a five gallon container, you will see on the display that five gallons was purchased, what the cost of that five gallons was, and then the price per gallon you paid for that fuel.

With gaseous fuels it is a little bit different because they are not in liquid form. They are in a gaseous form, so they are not sold in a liquid gallon. You could not put five gallons of propane into this gasoline can.

The second set of photos (page 5, [Exhibit P](#)) shows an illustration of a propane station, and what it would be to fuel a propane vehicle. You see a similar type of pump like the one you are used to seeing when fueling your automobile.



The dispenser is just like a gasoline dispenser. It will show you how many gallons of propane were pumped into your propane vehicle. The difference is that the pump is calibrated in cubic feet, or pounds per gallon, as opposed to being in a liquid gallon, like the gasoline pump.

If you were to buy ten gallons of propane for your vehicle, because it is gaseous in nature, rather than getting ten straight gallons, you would get what is the equivalent. See my notes at the bottom of page 5 ([Exhibit P](#)). It would be like getting 363 cubic feet.

When you go to pay for your fuel, you are going to have the ten gallons displayed on the pump and are going to put ten gallons into your vehicle but, unlike with gasoline, you are not going to pay tax on ten gallons of propane, because *Nevada Revised Statutes* (NRS) 366.197 has a conversion factor in there that says the conversion for tax purposes is 125 cubic feet per gallon. When you pump ten gallons of fuel, and you get 363 cubic feet, it has to be divided by 125 cubic feet, making your tax at 29.04 percent of that gallon. For every ten gallons dispensed at the pump, the consumer is only paying tax on 2.904 gallons of propane. When you apply that same 29.04 percent to the tax rate, rather than paying 22 cents per gallon as in statute, for propane you are only paying 6.4 cents per gallon.

What we are trying to do with this bill is rather than having a conversion factor for 125 cubic feet, we are asking that the measurement be what is actually dispensed—36.3 cubic feet is a gallon—and then just reduce the tax rate to what is actually paid. It takes the conversion out of statute and makes it equivalent to gasoline. When you pump a gallon of gasoline you pay tax on a gallon of gasoline. When you pump a gallon of propane, you pay tax on a gallon of propane. That is what this section does.

Section 3 of [A.B. 32](#) will change the taxable gallon measurement from the 125 cubic feet to 36.3 cubic feet, or 4.2 pounds if it is measured in pounds. That matches the gasoline that is dispensed, and eliminates the need for the conversion.

Section 2, subsection 2, paragraph (b) also amends NRS 366.190, to reduce the rate of tax on the sale or use of propane from 22 to 6.4 cents per gallon, to match what is actually paid and collected at the pump from the consumer.

**Assemblywoman Neal:**

In your example, instead of doing the conversion rate, you are going to tax on what is actually dispensed?

**Dawn Lietz:**

Correct.

**Assemblywoman Neal:**

In your fiscal note, it states you were still discussing your assumptions or notes on a conversion rate. Is that no longer something that should be considered? Is it an assumption that it is going to happen? I am on the third page of your fiscal note ([Exhibit P](#)).

**Dawn Lietz:**

That is a different part of the bill, so we have not gotten to that yet.

If you look at the first line of the fiscal note, where it shows revenue (page 1, [Exhibit P](#)), that is the section we are talking about right now. It is \$450 to the State Highway Fund, and that is basically a rounding factor compared to taking and doing the cubic foot conversion into the 125 cubic feet. It is just slightly below 6.4. I think it comes to 6.389 cents per gallon, or something like that, and we are just going to round it to 6.4 cents.

The second page of the fiscal note ([Exhibit P](#)) is actually the breakdown in the gallons for the propane. On the first line, under fiscal year (FY) 2014-2015, where it shows liquefied petroleum gas (LPG) taxable gallons at 1,457,196 gallons, and then you see it jump to 5,017,893 in FY 2015-2016 and future biennia, the reason for that is the 1.4 million is the converted gallons being taxed at 22 cents as opposed to the dispensed gallons being taxed at 6.4 cents.

**Assemblywoman Neal:**

In your forecast that the special fuels will be flat, how does that affect why you changed the way it is going to be done, or was it a factor at all? If the forecast is flat, I am thinking there is not going to be any growth in the future, so this has a gradual increase in the bill.

**Dawn Lietz:**

The proposed amendment ([Exhibit O](#)) takes away the gradual increase for this. The 6.4 cents would be what we are currently collecting, and that is what we are proposing. The reason we are proposing this is because right now the law says 125 cubic feet is a gallon, but that is not how it is dispensed. It is dispensed at a smaller value than that, and there is nothing in statute that shows what a gallon of propane is for the consumer. We are asking that we keep it on relevant terms with what is already in place for gasoline, so we are taxing apples to apples, instead of apples to oranges, which is what we are currently doing.

Page 6 ([Exhibit P](#)) shows a compressed natural gas (CNG) station, and again it looks very similar to what you see for a gasoline station. Like all gaseous fuel pumps, the dispenser shows the consumer the number of gallons that was dispensed, the total cost of the transaction, and if the consumer purchases ten gallons of CNG, they pay for ten gallons of CNG. Just like propane, CNG is gaseous in nature, pressurized, and not liquid like gasoline. It is also dispensed in cubic feet or pounds, where 126.67 cubic feet, or 5.66 pounds equals a gallon.

Prior to Senate Bill No. 399 of the 77th Session, a standard measurement for CNG was also 125 cubic feet for a gallon. That has been changed to match the industry standard, which is 126.67 cubic feet; however, there is a difference between CNG and propane in the way the tax is collected. That is because of how the fuel is dispensed.

In 1987, when the conversion factors for both CNG and propane were placed into law, the Department's tax system was programmed to convert the number of gallons of CNG and propane sold and reported by the dealer. It was done by the conversion factor in NRS 366.197, which is the 125 cubic feet.

If we assume that the propane gallons are being reported as they are dispensed, at 36.3 cubic feet to a gallon, the conversion in the Department's tax system is correct; however, if that pump is set at 125 cubic feet per gallon, and they are telling us the total gallons based on that, then the Department is not collecting the full tax, even on the propane, and that is why we had to make the mock-up ([Exhibit O](#)). We are assuming, and the industry has told us, their pumps are set at 36.3, so propane is not the problem.

When the CNG conversion was programmed there was an assumption that the pumps were dispensing at 100 cubic feet per gallon. We have worked with LCB, going back through old testimony, and we have looked through Department records. We cannot find where the 100 cubic feet came from. The Department is actually charging on 80 percent of a gallon, instead of charging the full one gallon tax rate. It is a problem with our system. It is not a problem with the law. Because it has an effect on the gallons that are being remitted, the tax that is being remitted, it is a policy decision that needed to come before the legislative body to correct.

Going back to the 100 cubic feet, when you take the 125 cubic feet that is in law, divided by the 100 cubic feet that is pumped, that is the 80 percent. When you apply that to the tax, it reduces the tax to only 16.6 cents, where the statutory requirement is 21 cents on a gallon of CNG. Again, because this has been programmed in our system for nearly 30 years, what we are seeking in

this portion of the bill is just a policy approval from the legislative body to go ahead and remove that conversion factor that is in our system erroneously, and collect the full statutory rate of 21 cents to match what the consumer is actually paying at the pump.

The notes at the bottom of page 5 ([Exhibit P](#)) summarize my explanation, so when you go back and look at this it will hopefully help you to remember.

Are there any questions on the CNG? I am sorry but it is really hard to explain this, so I am trying to keep it simple.

**Chairman Armstrong:**

Let me chime in because we have had conversations about this, and it is confusing. This is the section that is requiring this bill to be a two-thirds bill.

**Dawn Lietz:**

That is correct.

**Chairman Armstrong:**

Currently there is not going to be a change for the ratepayers. The ratepayers are paying 21 cents, but the state is only collecting 16.6 cents. In this portion of it, and the policy discussion, the state will be collecting the full 21 cents from the person who is collecting the tax.

One of the suggestions we have talked about offline is whether or not we want this to be an incremental change, or if we want to move to the full 21 cents if this were to be passed. If there are any questions on that, we can talk about that.

**Assemblyman Trowbridge:**

To cut to the chase, what this does is it will put us in conformity with the national standard of calculating.

**Dawn Lietz:**

We already are standard on CNG.

**Assemblywoman Neal:**

I am looking at your amendment ([Exhibit O](#)) for the graduated increases in section 2, lines 27 through 32. You are going to get to 21 cents. You are just trying to stagger it out? The only reason why I am confused is because I thought this was fixing an issue where someone was being overtaxed. This may not be the part I need to ask the question about.

**Dawn Lietz:**

That is the next section. To reiterate what Chairman Armstrong just said, the graduated increase is basically to take what the Department is currently collecting at 16.6 cents per gallon and gradually increment it back up to the 21 cents that is already in statute. Because it has been a policy to collect 16.6 cents for 30 years, the Department and LCB working together felt it would not be appropriate to just jump to the 21 cents, unless that was the consensus of this body. We put it in as revenue neutral at the beginning and then staggered the increase up to 21 cents.

The bottom of page 6 ([Exhibit P](#)) shows a liquefied natural gas (LNG) station. Liquefied natural gas is another gaseous fuel, which is actually temperature controlled at minus 260 degrees. It is also dispensed in pounds. Liquefied natural gas does not have a conversion or unit of measurement defined in statute, or through the National Institute of Standards and Technology (NIST) testing, which is what Assemblyman Trowbridge was referring to. Because there is no standard already set, the Department has been using the same unit of measurement used by the Internal Revenue Service (IRS) to tax LNG, which is 3.5 pounds per gallon; however, because LNG has a significantly lower energy content than diesel fuel, when it is actually being dispensed, they are dispensing it at 6.06 pounds per gallon; NIST is expected to adopt this unit of measurement at their July meeting this year. Unlike CNG, where the Department is collecting less tax than statutorily required, LNG is actually collected at a higher rate of tax since the dispensed gallon is at 6.06 pounds. When a consumer looks at the dispenser and it tells them how many gallons they have purchased, that consumer actually purchased at 6.06 pounds, but the Department is taxing it at 3.5 cents per pound. Instead of charging 27 cents per gallon, which is what the statute requires for LNG, we are actually collecting 46.7 cents per gallon.

If we could put in a unit of measurement that says, for the purposes of LNG, 6.06 pounds is recognized as a gallon, then we will be in line with what is actually being dispensed, and a gallon dispensed would be a gallon taxed.

There are currently 22 states that have already adopted 6.06 pounds as the standard unit of measurement. At the federal level, there is legislation currently under consideration, a Senate bill, S.917, 114th Cong. (2015) and a bill in the U.S. House of Representatives, H.R. 905, 114th Cong. (2015), to establish the 6.06 pounds as the federal unit for LNG as well.

The International Fuel Tax Association, Inc. (IFTA) is also looking at putting forward a ballot for this year that would also recognize 6.06 pounds for the trucking industry. As of next week, that will be going out for proposal by the membership for consideration.

In section 3, subsection 3, it adds a standard unit of measurement for LNG to 6.06 pounds, and again it will match what is actually being dispensed, and there is no proposed legislation to increase the tax on that.

Does the Committee have any questions on the LNG? Did that successfully answer your questions, Assemblywoman Neal?

**Chairman Armstrong:**

I think so. If we look at the fiscal note, the reason why we are seeing a loss in revenue for LNG is because the tax is actually decreasing?

**Dawn Lietz:**

That is correct.

**Assemblywoman Neal:**

Did you see the Clean Energy Fuels support letter ([Exhibit P](#))?

**Dawn Lietz:**

Yes.

**Assemblywoman Neal:**

It is all the way at the bottom. Although they are in support they are saying, "Nevada currently compares diesel and LNG on a per gallon basis. However.... Therefore, for the purpose of taxing the sale or use of these fuels, it should be based on energy content, not equal gallons."

You are saying you are standardizing it, and Mr. Kenny of Clean Energy Fuels is saying it should be energy content, not equal gallons. Can you talk about that?

**Dawn Lietz:**

I can, but I would prefer they explain that part themselves. The energy content is a different topic. It changes things a little bit, and it is very complex.

What we are trying to do with the Department bill is to make sure when you look to the law on what a gallon is, and you look to the law on what the tax is for that gallon, that the two match up, and what is being dispensed is what is being taxed. That is really the point of our bill.

Are there any other questions on the LNG before I wrap up my testimony?  
[There were none.]

Section 1 of A.B. 32 amends *Nevada Revised Statutes* (NRS) 366.062 to add persons who sell LNG to the definition of a "special fuel dealer." Propane and CNG dealers are only responsible for remitting the tax to the Department if the fuel is being placed into the tank of a motor vehicle. With LNG, we are asking for them to have that same consideration. They do not have to report all of their purchases of natural gas before it is converted into the liquefied state, so we are asking that they can be a dealer and only report sales if they are actually fueling motor vehicles with LNG.

Section 4, subsection 2 in the mock up amends NRS 366.386 to confirm that all quantities of special fuels that are used in motor vehicles are to be reported in gallons.

I would be happy to answer any remaining questions.

**Chairman Armstrong:**

This is very confusing, but I think you did a great job explaining the bill.

**Paul J. Enos, Chief Executive Officer, Nevada Trucking Association:**

We are here today to support A.B. 32. A lot of my members use multitudes of different alternative fuels. In fact, one of our biggest members, United Parcel Service, uses 48 different types of alternative fuels in their fleet in this country. We believe this bill is very important to them, and to the entire industry.

I am going to try to simplify it. What happened with Senate Bill No. 399 of the 77th Session is we ended up taxing LNG 70 percent higher than it should be. This bill addresses that. It gets LNG back down to a rate that conforms with the standard we use, and that we are trying to implement across the country.

For CNG, my drivers are currently paying 21 cents per gallon. The DMV is only getting 16.6 cents because of the conversion factor, so this bill addresses that too.

As far as energy content goes, I have two experts here with me. To my left I have Zack Wester with Blu LNG and to my right is Ryan Kenny with Clean Energy Fuels, and they can answer any of the technical questions.

We do believe this is a good piece of legislation. I would like to just bring up one point regarding section 2. We have had numerous discussions with the Department, with different members, that we were going to do away with that gradual increase on CNG and just go right to 21 cents. I was a little surprised not to see that in the mock-up today. We have no problem moving right to 21 cents, because that is what my drivers are paying. We believe that is what the state should be collecting from those people who are collecting the tax from us.

**Chairman Armstrong:**

Are there any questions from the members of the Committee? Seeing none, we have already started taking testimony in support, so we will continue that. Is there anyone else who would like to speak in support of A.B. 32?

**Zachary Wester, Policy and Regulatory Associate, Blu LNG, Salt Lake City, Utah:**

At Blu LNG we build and operate LNG fueling stations for the trucking industry. We have two stations currently in the state of Nevada and after last session, we were surprised to see our taxes were going up significantly, 70 percent higher, in fact, than diesel.

We are in support of this bill in that it brings us back in parity with diesel, and brings CNG up to a closer level with LNG. Those are the fuels we are competing against as a company, diesel and CNG. This bill helps to create a level playing field for us.

**Ryan Kenny, Senior Public Policy and Regulatory Affairs Advisor, Clean Energy Fuels, Newport Beach, California:**

We are the nation's largest provider of natural gas transportation fuel. We provide both CNG and LNG, as well as renewable natural gas made from biomethane and organic sources. We are fully supportive of A.B. 32. Aside from the DMV correction for CNG, we are very supportive of the method of sale change of 6.06 pounds of LNG to one gallon of diesel.

Assemblywoman Neal, thank you for bringing up our letter ([Exhibit Q](#)). To address your point, the 6.06 pounds of LNG contains an equal amount of energy dispensed to diesel, so that is why this is important to us, because if you went one to one, gallon to gallon, the energy content would not be the same. You need to have more pounds of LNG to equal the same energy content as diesel.



As mentioned before, other states have also taken this up, with 22 on the books. Just recently, Utah passed a bill, as did Idaho. Oklahoma is also in their bill process. The National Conference on Weights and Measures is taking this up as a policy position at their July meeting as well.

Again, we do believe this is a very good bill. It brings LNG more in parity with diesel fuel. Liquefied natural gas is often used as a replacement for diesel. It is 30 percent cleaner with less greenhouse gas emissions than diesel fuel.

With that, we do support A.B. 32. Thank you for your time.

**Assemblywoman Dickman:**

We are basically correcting a wrong, so why is there a two-thirds vote required?

**Chairman Armstrong:**

Currently the truckers, as Mr. Enos suggested, pay 21 cents per gallon to the state for CNG but because of the conversion rate, the state is only collecting 16.6 cents per gallon. Because the state is going to collect more revenue, the difference between 16.6 and 21 cents, that is new revenue for the state which adds the two-thirds requirement.

**Assemblywoman Dickman:**

Who is keeping the other 5 cents?

**Paul Enos:**

The tax is paid at the rack. The "rack" means where the fuel supplier goes and picks it up. If you look at who pays fuel taxes in the state of Nevada, there are fewer than 200 entities. When my truckers, or you, go to the pump, we are just reimbursing that initial taxpayer, so they are keeping 4.4 cents currently on CNG. We are reimbursing them at the 21 cents. Because of the conversion factors that give the state of Nevada and DMV that 16.6 cents, they are keeping that 4.4 cents as a cushion. They have been keeping that cushion for the last 28 years.

**Assemblyman Nelson:**

You were mentioning that your group would be ready, willing, and able to pay the full amount right now, rather than have it be phased in. Are you referring to section 2, subsection 2, paragraph (c) of the bill where it talks about CNG? Am I looking at the right one?

**Paul Enos:**

For clarification, my truckers are already paying that 21 cents. That 21 cents is just not being remitted to the DMV. All that is being remitted is the 16.6 cents. The state is not getting the additional 4.4 cents. It is not a tax increase to us. It is an increase in revenue to the state. It is a tax we are already paying the full freight on. The supplier is keeping that 4.4 cents.

It is increased revenue to the state, that is not going to have an impact on my drivers. It is going to mean that the folks who are currently collecting that reimbursement back from truckers, back from consumers who are using CNG, are going to have to remit the entire 21 cents instead of just 16.6 cents.

**Chairman Armstrong:**

Are there any other questions from the Committee? [There were none.]

**K. Neena Laxalt, representing Nevada Propane Dealers Association:**

I am representing the Nevada Propane Dealers Association and we support A.B. 32. We were called in to the meetings where DMV was working with the Nevada Trucking Association. We were brought in for the propane portions of the meetings. We fully agree to the changes that were being made.

As a matter of fact, in the mock-up ([Exhibit O](#)), in section 2, subsection 2, paragraph (b), our organization suggested they take out the graduated increase and put it at the current rate they have it at right now, beginning immediately. We agreed to all the other changes that were made as well.

**Peter Krueger, representing Nevada Petroleum Marketers & Convenience Store Association:**

We are the group of distributors and retailers that collect the tax on behalf of the DMV. We also support A.B. 32.

There has been a lot of discussion back and forth with terms like "energy content." Energy content really goes back to the British thermal unit (BTU). For the last 25 years, myself and others, including Carole Vilaro and Mr. Enos, have argued for a state energy policy based on energy content of fuels. We are getting close to it, and that is why we are here in favor of this bill, plus it is the right thing to do. We are getting closer on these fuels for addressing the energy policy of fuel content, or the BTU value—the energy value of a particular fuel.

In our opinion, this bill does not go far enough. I am not suggesting an amendment, I am just putting it on the table once again that our energy policy is still lacking in these two areas.

One area is under CNG. You have heard testimony that the new rate in the bill is 20 cents per gallon when, if you based it on energy content, it would be 23 cents per gallon.

Liquefied petroleum gas remains taxed in this bill at 6 cents per gallon. In our opinion, and based on its energy value, or its energy content, the fuel really ought to be charged at 20 cents per gallon.

That is not the focus of this bill, but I did want to take the opportunity while supporting this bill to once again put on the record that we need to get a consistent policy here in Nevada, and tax fuels based on their energy content, or BTU value.

**Chairman Armstrong:**

Is there anyone else who would like to speak in support of A.B. 32? Seeing no one, we will move to opposition. Is there anyone who would like to speak in opposition to A.B. 32? Seeing no one, we will move to those who are neutral. Would anyone like to speak neutral on A.B. 32? Seeing no one, would you like to make any final comments, Ms. Lietz?

**Dawn Lietz:**

I would just like to thank the Committee for their time today. I know it is very complex to talk about energy equivalents and taxes and all of these conversion rates. As you heard from the testimony today, this really corrects a problem that we currently have in the law, where what is dispensed at the pump does not match what the law states. This will correct that issue. Thank you for your consideration.

**Chairman Armstrong:**

Thank you, Ms. Lietz. I think you did a fantastic job. At this point I will close the hearing on A.B. 32. Assembly Bill 382 has been pulled from today's agenda.

**Assembly Bill 382: Revises provisions relating to state business licenses.  
(BDR 7-962)**

I will now open the hearing on Assembly Bill 342.

**Assembly Bill 342: Revises provisions relating to employment and economic development. (BDR 18-16)**

**Assemblywoman Dina Neal, Assembly District No. 7:**

I am here to present Assembly Bill 342. This bill, in concept, would create a supply and demand system for workforce. We currently have certain provisions of this in place. The bill you have was amended ([Exhibit R](#)) because it had the Office of Economic Development, Office of the Governor (GOED) as the leader, and that would never be the appropriate place because the Department of Employment, Training and Rehabilitation (DETR) is already doing the work.

They currently have the Burning Glass system, which allows the demand side to be created. You can see the best example in the handout ([Exhibit S](#)). This is basically what my vision was for this bill.

Currently the bill is asking for collaboration, so we could engage in collaborative efforts in order to deal with the supply and demand in terms of workforce. I came up with this idea a year ago when I had a conversation with William Anderson of DETR. I kept looking at the occupations and demands, and I was looking at certain populations that did not have an ability to find a job. I found out there were people who had degrees who could not find work. I started to wonder about our current system. I then received a PowerPoint from William Anderson, who does the research and analysis at DETR, that shows Florida had actually received a federal grant to create a supply and demand system, and I was amazed at it.

A year and a half ago I presented the Legislative Counsel Bureau (LCB) with my bill, then the Burning Glass system was implemented at DETR. The Nevada System of Higher Education (NSHE) and DETR now have Burning Glass. They are in collaboration already so a portion of this bill is null and void, since they are already working together. Burning Glass is an amazing system that allows for the demand, but what is not in existence, or they are moving towards in the future, is the supply side.

If you look at the supply side (page 2, [Exhibit S](#)), what I thought was so amazing was we could identify exactly who was coming out of the system, from our various areas, to know exactly who you had in the pipeline, and then exactly who you had in demand.

We have been working for a really long time to try to make things right. Something interesting is that GOED has a program called O\*NET, and it is complementary to Burning Glass. You can literally go in and look at demand

and occupational details, and look for a specific skill, such as how many people in Nevada know how to use a wrench. You can literally pull up 11,000 people who know how to use a wrench.

The supply side is the side we are moving toward. The Department of Rehabilitation, Training and Rehabilitation and NSHE are already at the point where they are having that supply side conversation.

When DETR comes up, along with Frank Woodbeck from NSHE, they are going to be neutral. They are going to explain everything that is coming forward in the future on the supply side.

Let us just say this is a symbolic bill that I did not feel like killing at 8 a.m. this morning. I am open for any questions.

**Chairman Armstrong:**

We will take those who want to speak neutral on Assembly Bill 342.

**Frank R. Woodbeck, Executive Director, Nevada College Collaborative, Nevada System of Higher Education:**

We are neutral on this bill. I want to applaud Assemblywoman Neal for recognizing the need that is outlined in this bill. I am pleased to let you know that we are already moving toward this goal.

The Nevada System of Higher Education and DETR collaborated on the purchase of the Burning Glass technology system, which is the best system in the country right now to provide supply side and demand side numbers. The Burning Glass system has five platforms to it. It addresses the needs of employers, employees, and jobseekers. It also ties in the education needs, in other words, the curriculum that would be available for jobseekers to fulfill the skill sets needed to get the jobs that would be shown on the supply side.

I applaud you, Assemblywoman Neal, for doing what you were thinking of, and what we were thinking. It is almost like we had a conversation regarding it. I am going to ask our chief economist, Bill Anderson, to give you more details regarding that.

**William Anderson, Chief Economist, Research and Analysis Bureau, Department of Employment, Training and Rehabilitation:**

We, too, are neutral on this bill. We think we are going in that direction. There are a number of different factors in play, but we have a solid collaborative effort with NSHE and GOED is in the loop. We think we are moving forward in leaps and bounds.

As I told Assemblywoman Neal when we had our initial discussions, roughly a year and a half ago, we are in pretty decent shape on the demand side of things. We know what the demand for labor is, the various skills and expertise, and since then we have made some solid gains on the supply side.

We echo what Mr. Woodbeck said, but my role here today is to give you examples of the kind of information we have access to at our fingertips.

I created this report this morning ([Exhibit T](#)) and started disseminating the information. Through Burning Glass, we can tell you that in March we had 16,200 online job postings in Nevada. This compares to about 15,800 one year ago. The top occupations in demand were about 650 nurses, 490 retail salespersons, 400 truck drivers, and 380 sales representatives; I could go down the list. In terms of education and experience, about 8,000 of those 16,000 job postings required a specified level of education and experience, and about half of those required some form of college education. In terms of the top skills in demand, repair-related work had about 1,000 different job ads, sales work about 850, accounting also about 850, and on down the line.

Where are these job ads coming from? Health care and social assistance had about 2,600 job postings, and that relates back to registered nurses being the top high-demand occupation. Accommodation and food services was close to 2,500 jobs, professional, scientific, and technical services was about 1,000 jobs, and again, I could keep going down the list. I think this gives you an idea of what we can do, especially on the demand side.

As both Assemblywoman Neal and Mr. Woodbeck alluded to, the supply side continues to evolve, but we are making considerable headway there. I would be happy to answer any questions you might have.

**Assemblywoman Bustamante Adams:**

Where does Workforce Connections fit into this, and the sector councils? What is the time frame for the supply side to roll out?

**Frank Woodbeck:**

The sector councils and Workforce Connections are part and parcel of who we will serve in terms of this material. We had our first training session Thursday and Friday of last week, and we have more coming. It will be rolling out over the next three to six months.

**Assemblywoman Bustamante Adams:**

Will the supply side also be three to six months, or is that just for the demand?

**Frank Woodbeck:**

For both really. What will happen is on the supply side there are two factors. First, the Burning Glass system actually crawls through 40,000 websites to pull what jobs are available, what jobs are being posted, and the skill sets required. Another component of that is the employer portal, which would allow them to post jobs directly with us, via Burning Glass, so that inventory will increase over time as we allow that to open up. It will take a little time, but the supply side will be available. As it grows, and as the number of job postings grow, it will become more robust and more direct and exact.

**Assemblywoman Bustamante Adams:**

Does this also have the capability on the employer side? This might be a bit too far reaching because we have been trying to get an additional geographic information system (GIS) person to help employers map out potential opportunities for them to grow and expand. I am not sure how much money we spent on the Burning Glass system, but does Burning Glass also have that capability on the employer side? Is it something we could use to help get the GIS position we talked about in another bill [Assembly Bill 399]?

**Frank Woodbeck:**

I do not have a good answer to that. I would be more than happy to talk with you about it further about what I foresee the need being. I feel that we could probably fulfill that need, yes.

**Chairman Armstrong:**

Is there anyone else who would like to speak neutral on A.B. 342?

**Ray Bacon, representing Nevada Manufacturers Association:**

I am the cochair of the Manufacturing Sector Council. This is exciting stuff, and it is one of those things I think we are all going to learn a lot about what we can do with the tool as it comes forward.

At this stage of the game, we have had some limited discussions about whether we are sure Burning Glass eliminates all the duplications, but more important than that, we have all kinds of scholarship programs that we are looking at during this session. If we can align our scholarship programs to the needs of the state of Nevada, so that we not only get the kids through the scholarship programs to get that extra funding, get into the community colleges or finish their high school degree, get the four-year degree, and we align those things with the needs of the state, it seems like that is a pretty good investment. I know we do not do that well today, but this finally gives us the tools to maybe do that relatively soon, and that would be a monumental step forward in this state.

**Chairman Armstrong:**

Is there anyone else who would like to speak neutral on A.B. 342? [There was no one.] At this point we will switch to those who are in support of A.B. 342. Would anyone like to speak in support?

**Tray Abney, Director of Government Relations, Chamber of Commerce of Reno, Sparks, and Northern Nevada:**

I appreciate Assemblywoman Neal for bringing this bill forward. We talk a lot about improving education in this state, improving workforce development in the state, and about economic development. We need to tie all those things together, and I think this bill does that. The left hand needs to know what the right hand is doing as we move forward on a system like this. I think it is a great concept as we work through it. We urge your support.

**Paul J. Moradkhan, Vice President, Government Affairs, Las Vegas Metro Chamber of Commerce:**

We would like to thank Assemblywoman Dina Neal for her efforts in bringing this bill forward. I think we have had some very good dialogue today. This bill definitely represents the direction we need to go in, and I echo the statements of my colleague from the north.

We do believe this is important. We thank the Assemblywoman for her time today as we try to work together on these efforts.

**Chairman Armstrong:**

Is there anyone else who would like to speak in support of A.B. 342? Seeing no one, we will switch to those who are in opposition. Would anyone like to speak in opposition to A.B. 342? Seeing no one, I will close the hearing on A.B. 342.

**Chairman Armstrong:**

We are going to take things a little out of order. We are going to move to the work session. We will start the work session on Assembly Bill 57.

**Assembly Bill 57: Revises provisions governing the taxation of purchases of direct mail. (BDR 32-306)**

**Michael Nakamoto, Deputy Fiscal Analyst:**

There are two bills on the work session today. The first bill is Assembly Bill 57, which you will recall is being brought up for work session for the second time.



The bill was originally heard in this Committee on February 10, and then in work session on March 5. This is the Department of Taxation's bill, for compliance with the Streamlined Sales and Use Tax Agreement, and it revises provisions governing the taxation of purchases of direct mail.

During the hearing, there were concerns brought up regarding the fiscal note from Clark County, and at the time of the first work session, we had been told we would be receiving a letter from Clark County indicating they were withdrawing their fiscal note based on a misunderstanding of the provisions of the bill, specifically with the direct mail provisions that are being changed applying specifically to people who have resale certificates, or certain other certificates, where the tax would ordinarily not be collected.

Attached to your work session document is the letter from Yolanda King, the Chief Financial Officer for Clark County, indicating they have pulled their fiscal note on this bill (page 2, [Exhibit U](#)). If there are any questions, I will be glad to answer them at this time.

**Chairman Armstrong:**

Are there any questions from the members of the Committee? Seeing none, I will entertain a motion to do pass.

ASSEMBLYMAN KIRNER MOVED TO DO PASS  
ASSEMBLY BILL 57.

ASSEMBLYWOMAN KIRKPATRICK SECONDED THE MOTION.

THE MOTION PASSED. (ASSEMBLYWOMAN DIAZ WAS ABSENT FOR THE VOTE.)

**Chairman Armstrong:**

The floor statement will be assigned to Assemblywoman Kirkpatrick. I will close the hearing on A.B. 57 and open the hearing on Assembly Bill 451.

**Assembly Bill 451: Revises provisions relating to the University of Nevada, Las Vegas, Campus Improvement Authority. (BDR S-1075)**

**Michael Nakamoto, Deputy Fiscal Analyst:**

The final bill on the work session today is Assembly Bill 451 ([Exhibit V](#)), which was heard in this Committee on Tuesday. This bill is a Committee bill that

revises provisions relating to the University of Nevada, Las Vegas Campus Improvement Authority. Those of you who were here remember that the Authority was originally enacted by this body pursuant to Assembly Bill No. 335 of the 77th Session, and it was set to expire on September 30, 2015. Assembly Bill 451 extends the date by which the Authority must conclude its business, from September 30, 2015 to September 30, 2017. It requires that an additional report from the Authority be submitted to the Legislature in advance of the 79th Session. It also revises the boundaries of the Authority area to include all parcels of property that are located not more than 1.5 miles from the current boundary, and specifies that the meetings of the Board of Directors of the Authority may be held anywhere within Clark County, rather than specifically within the boundaries of the Authority.

The Chairman of this Committee provided testimony, as did Mr. Donald Snyder on behalf of UNLV. There was no other testimony in support, opposition, or neutral, and there were no amendments.

If there are any questions, I will be glad to answer them at this time.

**Chairman Armstrong:**

I will entertain a motion to do pass.

ASSEMBLYWOMAN DICKMAN MOVED TO DO PASS  
ASSEMBLY BILL 451.

ASSEMBLYMAN TROWBRIDGE SECONDED THE MOTION.

**Assemblyman Kirner:**

Am I correct in assuming that there is no fiscal note? That means we funded it last time, and it will continue this time?

**Michael Nakamoto:**

That is correct. The fiscal note received yesterday from Clark County, indicated no fiscal impact with respect to this bill.

THE MOTION PASSED UNANIMOUSLY.

**Chairman Armstrong:**

Assemblyman Trowbridge will be assigned the floor statement. I will close the hearing on A.B. 451 and open the hearing on Assembly Bill 350.

**Assembly Bill 350**: Provides for certain credits against the modified business tax for taxpayers who donate money to an early childhood education scholarship organization. (BDR 38-1057)

**Assemblyman Nelson Araujo, Assembly District No. 3:**

Today I bring forth Assembly Bill 350. Assembly Bill 350 would allow businesses that are required to pay the modified business tax (MBT) to take a tax credit against the excise tax if they donate money to an approved early childhood education scholarship organization. Assembly Bill 350 defines the requirements for a qualifying early childhood education scholarship organization, and requires any early childhood education scholarship organization to submit an annual report to the Department of Health and Human Services.

The purpose behind this bill is to encourage businesses to promote and support early childhood education scholarship programs. Scholarships given by these organizations will enable middle-class Nevada families to afford proper child care for their children. This program would also be beneficial to businesses that are subjected to the MBT, and beneficial to our middle- and working-class citizens in Nevada that are currently not able to pay the oftentimes astronomical costs of child care. I will now walk you through the bill.

Section 3 allows any taxpayer who is required to pay the MBT to receive a tax credit against the MBT if that person or entity paying the MBT makes a donation of money to an early childhood education scholarship organization.

Section 3 also requires any taxpayer intending on making a donation of money to an early childhood education scholarship organization to notify the organization of their intent to donate and obtain the tax credit. The organization must then apply for approval from the Department of Taxation before accepting the donation.

The Department is then required to approve or deny the application and provide notice of the decision to the organization within 20 days. The notice must include the amount of credit that is authorized.

Subsequently, the organization must notify the taxpayer of the Department of Taxation's approval. The taxpayer must make the donation to the organization no later than ten days after receiving the notice of the approval. If the taxpayer fails to make the donation within the ten-day time period, the organization must notify the Department of Taxation that the taxpayer has failed to make the donation. The authorized credit will then be cancelled by the Department of Taxation.

Section 3 also provides for the amount of approvals authorized by the Department of Taxation. For fiscal year (FY) 2015-2016, the Department may authorize \$10 million in tax credits of this nature. For FY 2016-2017, the Department may authorize \$11 million in tax credits of this nature. For each fiscal year after that it is an amount equal to 110 percent of the amount authorized for the immediately preceding fiscal year.

Section 3 requires that any forfeited credit should not be calculated into the credits authorized for the year.

The amount of credit must be equal to the amount approved by the Department of Taxation, and must not exceed the amount of the donation made by the taxpayer.

Subsection 5 of section 3 allows a taxpayer to carry the credit forward for a period of five years after the date the donation was made, if the credit was properly applied for by the taxpayer.

Section 4 defines the requirements for a qualified early childhood education scholarship organization. They are as follows: It must be a 501(c)(3) non-profit; they may not own or operate a child care facility that would receive grant money as a result of this legislation; they must accept donations from taxpayers and other persons, and may solicit and accept gifts and grants; they may not expend more than 5 percent of the total amount of money from donations and grants to pay administrative expenses; they must provide grants for children within the ages of six months to five years who are members of households at no more than 150 percent of the federal poverty level for a family of four. The organization must provide these grants for children within these guidelines to attend child care facilities within Nevada that are chosen by their parents or legal guardians.

The total amount of the grant must not exceed the lesser of either the tuition for the child enrolled in a child care facility, or for children who are enrolled full-time who are at least two and a half but not more than five years old at \$2,760 per year, or at least six months old but less than two and a half years old at \$3,230 per year. For children who are enrolled part-time and attend a child care facility, the allowance would be for five times per week, \$1,380 per year, or for three times per week, \$828 per year.

It must not limit the child care facilities for which it provides grants to a single facility, and must not limit the grants to specific children other than what is described in section 4, subsection 1, paragraph (e).

A grant from an early childhood education scholarship organization must be paid directly to the child care facility that is chosen by the recipient's parent or legal guardian.

An organization must provide each taxpayer or other donee with an affidavit, signed under penalty of perjury that includes a statement that the organization satisfies the aforementioned requirements of section 4, subsection 1, and states the total amount of the donation, gift, or grant.

Section 4 also requires the Department of Health and Human Services (DHHS) to adopt regulations for applications for grants of this nature and allows the DHHS to adopt the necessary regulations to carry out the provisions that apply to them in this bill.

Section 5 requires that an early childhood education scholarship organization that receives a donation, gift, or grant they are to report it to the DHHS on or before January 31 of each year. The form must include the name, address, and contact information of the organization; the total number of such donations, gifts, and grants received by the organization within the year; the total dollar amount of donations, gifts, and grants; the total number of children receiving grants within the last year; the total dollar amount of grants made in the last year; and for each child care facility that has received a grant from the organization, the name and address of the facility, the number of children enrolled at the facility, and the total dollar amount of grants for the children enrolled in the child care facility.

Sections 6 and 7 allow for the application of the tax credit of this nature to businesses subject to the MBT. Within those sections you are going to find that we included such measures.

There was a fiscal note submitted by the Department of Taxation. The Department states that they are not able to determine the fiscal impact on revenue; however, they state that because there is a cap on the amount of tax credits that can be approved, it gives them a framework to work with. The Department also states in their fiscal note that they are able to absorb the administrative costs of this bill in their current budget and with current staffing levels.

In conclusion, I would just like to encourage all of you to think about the constituents that we serve. When I was thinking about the proposal, the first group of people who came to my mind were the single parents who live in

my district, the single mother who works as a housekeeper, has three to four children, and just wants the opportunity to give her children a good start to their future.

I would entertain any questions and really look forward to earning your support.

**Assemblyman Hickey:**

You keep referring to taxpayers. In other pieces of legislation, I typically think that when we have offered tax credits for the MBT, that it is given to businesses who actually pay the MBT. When you say taxpayers, are you saying this credit can be given for individuals who are residents, or are we talking about only taxpayers who own businesses and who contribute a portion of the MBT?

**Assemblyman Araujo:**

It is my understanding that this would apply specifically to business owners, so they use the term to define a business owner.

**Assemblyman Hickey:**

In other words, this might be a business owner who, in a sense, is offering a benefit to their employee for child care assistance, but not necessarily for his own children. Or is it just someone who is a business owner and gets a tax break for providing this in some way?

**Assemblyman Araujo:**

Something that may help explain this a little more is a chart I provided to the Committee ([Exhibit W](#)). It explains how the money would flow. I would not say that it would go specifically for a business owner who has a family who wants to benefit from early childhood education credits or their employees. I would say it is more or less a business making that contribution to the Department of Health and Human Services. The Department of Health and Human Services then has to make the decision as to which early childhood education would qualify for the funds. That early childhood education scholarship organization would also have to be able to meet the requirements that were included within the legislation that would qualify them as a proper entity to be able to disburse the funds within their applicants.

**Assemblyman Hickey:**

We both sit on the Assembly Committee on Education, and we have recently heard a bill that allows for this. In other words, it is for businesses to contribute to a fund whereby persons can apply for a voucher or a contribution as a part of that fund.

You are saying if my business applies for this and contributes then it is donated to a fund. It is not paid necessarily on behalf of one of my employees, but I would guess you might want your employees to benefit from it, or maybe not. Is there a link between my contribution as a qualified business owner and someone in particular applying for that tax credit, or not necessarily?

**Assemblyman Araujo:**

I would hope the business would promote the great work that they are doing by making this contribution to the Department of Health and Human Services for those purposes, and I would hope they would encourage families to look into the opportunity, but I do not see any special preference for a family who works for their business to benefit from that. That is certainly not written within this piece of legislation. There is no preference cited.

Personally, I do not think that would be fair. I think it is up to the early childhood education institution, which is taking in these applications and looking to see which families are in greater need, to make that determination.

**Assemblyman Hickey:**

That helps me with this, but explain to me where in other instances we have given these credits to educational institutions that we recognize. We would probably all agree early childhood education is an important function as is an institution that is current and acceptable. But this is kind of new ground in that services like this do not fit into our typical category of an educational facility, although I agree it is important for the development of children.

Explain how making that transition is important and justified, for someone who says we are giving a contribution as a result to a school, but now we are talking about child care.

**Assemblyman Araujo:**

National studies are now pinpointing the fact that if we get a child started with education at three or four years old, we are almost guaranteeing that they are going to be able to read by third grade, and be able to do math by eighth grade. I think by following this piece of legislation, we would be pursuing national trends, and actually advancing Nevada's education system and making sure that we prepare our youth.

You are right, this covers children who are six months to five years old, so we are also looking to cover those families that have to go to work to make ends meet, and who want to make sure that their child is getting a good education while they are out working.

This bill is intended to serve those families that need it the most, those families looking for ways to give their children a head start, a head start that they may not otherwise have. Absolutely we are thinking new with this. We are being innovative with this approach. We are starting them young, because we know through national studies if we start them young we can almost guarantee we will see them cross that finish line. That is our overall goal, to make sure those children have everything they may need to be successful in life.

**Assemblyman Nelson:**

In looking at section 4 of the bill, there are certain requirements to be considered as an early childhood education scholarship organization. The first one is that it be a 501(c)(3) corporation. Are most of these centers or places that are going to receive this type of thing nonprofit?

**Assemblyman Araujo:**

It is my understanding, from many of the ones I have communicated with, that some of them are. I think many are turning toward those trends, because many of them seek money, grants, and private donations. To answer that question, I would say many of them are.

**Assemblyman Nelson:**

So obviously, if you are just a regular corporation or a limited liability company you could not participate in the program.

**Assemblyman Araujo:**

According to the way it is currently written, that is correct.

**Assemblyman Nelson:**

Looking at section 4, subsection 1, paragraph (f), the organization must not limit to a single facility the child care facilities for which it provides grants. Does that mean that it has to have two or more locations? I am just wondering what that means and why that is in there?

**Assemblyman Araujo:**

When I was writing this bill with Legal, we wanted to make sure we did not exclude the folks who had many of the early childhood education centers, such as Acelero Learning in Las Vegas which has multiple organizations around town, and does provide services to low-income families. We can certainly clarify that language to make sure that it applies if it is confusing.

**Assemblyman Nelson:**

I just think that for the legislative intent, if you want to include a facility that only has one location, you might want to modify that language.



**Assemblywoman Benitez-Thompson:**

I just wanted to say that I think A.B. 350 is wonderful. I think if you are against this bill then you are against small children. I will qualify this, because I do have young children. I am so blessed that my child care provider is my husband, but I know for other families that have small children, the cost of child care is absolutely exorbitant. If you have more than one child, especially between the ages of six months and five years, you are paying upwards of a minimum of \$800 per month in child care. It actually makes it almost impossible to have a minimum wage job, get child care, and have anything left over at the end of the month. Those are the exact families we are targeting. We are targeting those for whom this expense is their paycheck, and I think it is a great thing for working families.

**Chairman Armstrong:**

At this point we will move to testimony in support of A.B. 350.

**Lesley Pittman, Private Citizen, Reno, Nevada:**

I am testifying on behalf of myself today, in full support of A.B. 350, and applaud the sponsor and many of the cosponsors listed on the bill for their efforts to increase access among low-income families to quality early childhood education.

For the last two legislative sessions here in Carson City, I was able to recognize and understand more clearly the value of quality early childhood education through my representation of the United Way of Southern Nevada. We worked on enhancing training standards and requirements for early childhood educators. So I understand that if we cannot provide universal prekindergarten in our state due to budgetary constraints, I do believe this bill is a good step forward in that direction.

**Assemblywoman Diaz:**

Ms. Pittman, thank you so much for being a supporter of this very important measure, especially for the working and middle classes of our state. As Assemblyman Araujo emphasized, we are one of the states that offers prekindergarten to its students and its children in the lowest proportion and amount. We know this is a dire need. We know this truly helps our children get on the right path.

I wanted to ask you, I think there might be a confusion about the tax credits and who they go to. I want you to clarify your reading of the bill. Is it that this goes to the daycare provider, the preschool center, or does it go to the organization that then funds the operation of these daycare centers?

**Lesley Pittman:**

My understanding in reading the bill is that it is mirrored off similar legislation being discussed in this building, that I will not reference [Assembly Bill 165], where the tax credit dollars would go to a qualifying scholarship organization. Then the scholarship organization would work to identify entities and facilities that would qualify under the different criteria that would be in a position to accept those dollars.

**Marlene Lockard, representing Nevada Women's Lobby:**

We very much support this legislation and urge your favorable consideration.

**Chairman Armstrong:**

Is there anyone else who would like to speak in support of A.B. 350? Seeing no one, we will move to those who are in opposition. Would anyone like to speak in opposition to A.B. 350? Seeing no one, we will move to those neutral on A.B. 350. Would anyone like to speak neutral on A.B. 350? Seeing no one, do you have any final comments, Assemblyman Araujo?

**Assemblyman Araujo:**

I wanted to thank you for your time and patience as I walked through the bill. Again I would urge you to please give some strong consideration to this bill. We are talking about families in need. We are talking about families who would be in my district and your district, who are just looking for that extra lift to ensure that their families have all the resources they need to be successful in life.

I look forward to working with you all, and I hope you will consider supporting A.B. 350.

**Chairman Armstrong:**

The bill has great intent and it is a critical need. The Governor also sees that and has included \$40 million in his budget for early childhood needs.

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With that I will close the hearing on A.B. 350. I will open it up for public comment. Would anyone like to speak for public comment? Seeing no one, I will close public comment. We are adjourned [at 3:24 p.m.].

RESPECTFULLY SUBMITTED:

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Gina Hall  
Committee Secretary

APPROVED BY:

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Assemblyman Derek Armstrong, Chairman

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

**EXHIBITS**

**Committee Name: Committee on Taxation**

**Date: April 2, 2015**

**Time of Meeting: 12:34 p.m.**

<b>Bill</b>	<b>Exhibit</b>	<b>Witness / Agency</b>	<b>Description</b>
	A		Agenda
	B		Attendance Roster
A.B. 191	C	Assemblyman Paul Anderson	Fuel Indexing Map
A.B. 191	D	Assemblyman Paul Anderson	Fuel Indexing Map
A.B. 191	E	Robert A. Murnane, P.E., Public Works and Parks and Recreation Department, City of Henderson	Prepared Testimony
A.B. 191	F	Tina Quigley, Regional Transportation Commission of Southern Nevada	County Project List
A.B. 191	G	Tina Quigley, Regional Transportation Commission of Southern Nevada	County Project List
A.B. 191	H	Rinker Materials	Letters of Support
A.B. 191	I	Tina Quigley, Regional Transportation Commission of Southern Nevada	PowerPoint Presentation
A.B. 191	J	Rudy Malfabon, Department of Transportation	Prepared Testimony
A.B. 191	K	Debra March, City of Henderson	Prepared Testimony
A.B. 191	L	Stan Olsen, Henderson Chamber of Commerce	Letter of Support
A.B. 191	M	Louis A. Mayorga, LAM Contracting LLC	Letter of Support
A.B. 32	N	Dawn Lietz, Department of Motor Vehicles	Prepared Testimony
A.B. 32	O	Dawn Lietz, Department of Motor Vehicles	Mock-Up, Proposed Amendment 6009
A.B. 32	P	Dawn Lietz, Department of Motor Vehicles	Fiscal Note

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A.B. 32	Q	Ryan Kenny, Clean Energy Fuels	Letter of Support
A.B. 342	R	Assemblywoman Dina Neal	Amendment
A.B. 342	S	Assemblywoman Dina Neal	Skimming for Skills
A.B. 342	T	William Anderson, Department of Education, Training and Rehabilitation	Nevada, Real-Time Labor Market Information
A.B. 57	U	Michael Nakamoto, Fiscal Analysis Division	Work Session Document
A.B. 451	V	Michael Nakamoto, Fiscal Analysis Division	Work Session Document
A.B. 350	W	Assemblyman Nelson Araujo	Nevada Early Childhood Education Scholarship