

**MINUTES OF THE
SENATE COMMITTEE ON REVENUE AND ECONOMIC DEVELOPMENT**

**Seventy-Eighth Session
May 7, 2015**

The Senate Committee on Revenue and Economic Development was called to order by Chair Michael Roberson at 3:48 p.m. on Thursday, May 7, 2015, in Room 1214 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4404B of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Michael Roberson, Chair
Senator Greg Brower, Vice Chair
Senator Joe P. Hardy
Senator Ben Kieckhefer
Senator Ruben J. Kihuen
Senator Aaron D. Ford
Senator Pat Spearman

GUEST LEGISLATORS PRESENT:

Senator David R. Parks, Senatorial District No. 7
Assemblyman D. Paul Anderson, Assembly District No. 13
Assemblywoman Marilyn Kirkpatrick, Assembly District No. 1

STAFF MEMBERS PRESENT:

Russell Guindon, Principal Deputy Fiscal Analyst
Joe Reel, Deputy Fiscal Analyst
Bryan Fernley, Counsel
Jennifer Pearce, Committee Secretary

OTHERS PRESENT:

Bill Wellman, Las Vegas Paving Corp.; Nevada Economic Development Coalition
Larry Carroll, President, Nevada Economic Development Coalition

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Tina Quigley, General Manager, Regional Transportation Commission of Southern Nevada
Bill Hoffman, Deputy Director, Nevada Department of Transportation
Carl Hasty, District Manager, Tahoe Transportation District
Paul Moradkhan, Las Vegas Metro Chamber of Commerce
Jaron Hildebrand, Nevada Trucking Association
Jack Mallory, Southern Nevada Building and Construction Trades Council, AFL-CIO
Gary Milliken, Associated General Contractors, Las Vegas Chapter
Robert Herr, City of Henderson
Wayne Seidel, Motor Carrier Division, Department of Motor Vehicles

Chair Roberson:

We will open the hearing with Assembly Bill (A.B.) 191.

ASSEMBLY BILL 191 (1st Reprint): Revises provisions governing taxes on fuels for motor vehicles. (BDR 32-667)

Assemblyman D. Paul Anderson (Assembly District No. 13):

In 2009, Washoe County implemented fuel indexing and had some success in funding their infrastructure projects with the Regional Transportation Commission of Washoe County. In 2013, after learning from Washoe County and making some improvements, we passed and implemented A.B. No. 413 of the 77th Session to enact fuel indexing for Clark County. Assembly Bill 191 is a clean-up piece from A.B. No. 413 of the 77th Session that enabled the Clark County Commission to enact fuel indexing for 3 years, and then go to a vote of the people.

The original bill left some ambiguity as to the number and difficulty of the ballot questions with concern that the people might not understand the intent of what was to be accomplished. Assembly Bill 191 clarifies the questions and how the taxes get rolled up and distributed to each of the counties where they are collected. That is a brief overview of the bill.

Assemblywoman Marilyn Kirkpatrick (Assembly District No. 1):

I concur with what Assemblyman Anderson said and add a piece that allows if the voters pass the bill, the State will benefit because those dollars generated would be included in the State portion and could be spent in the county where it is collected. We have heard from 15 counties that the fuel tax is an issue when

it comes to road projects and the prospective counties. We have also heard from the Nevada Department of Transportation (NDOT) and the State Highway Fund. We need to leverage more dollars. This is the only difference to add to what Assemblyman Anderson said. It has been successful in both Washoe and Clark Counties. We would like to make the ballot question simple and ensure that the State portion goes back into the county where it was generated and give other counties the same opportunity.

Senator Kieckhefer:

Will there be two ballot questions with regard to this bill?

Assemblywoman Kirkpatrick:

No, we are going to have one ballot question. The purpose of this bill is to clean up the original legislation. If the question passes in a given county, the State would receive that portion in the county in which it passed.

Senator Kieckhefer:

Will the Clark County fuel indexing no longer be on the ballot? Will the fuel indexing continue without a vote by the people?

Assemblywoman Kirkpatrick:

No, it is going to be on the ballot.

Senator Kieckhefer:

What about the statewide question?

Assemblywoman Kirkpatrick:

It is included within the county ballot question. It is much cleaner than it was last Session. I would like to do this for the State portion without having to index it. This allows for counties that want to index their fuel tax to keep the State portion of the dollars generated within the county where approved. This is the partnership we want between the State and the prospective counties that participate.

Senator Kieckhefer:

Will both questions be asked within the same ballot question?

Assemblyman Anderson:

Yes, that is right. After A.B. No. 413 of the 77th Session passed, it was two separate questions. This bill melds those questions together to make it a cleaner presentation to the voter. The importance of that is clear in that we have been able to see the results. The first 3 years have generated \$700 million in revenue for infrastructure, 199 projects and almost 9,000 jobs. The \$700 million has been leveraged with federal dollars as well—almost \$1.2 billion in projects that have been leveraged through the first 3 years.

Senator Kieckhefer:

Is the fuel index 6.6 cents for a gallon of gasoline?

Assemblyman Anderson:

Yes, that is right.

Assemblywoman Kirkpatrick:

There were 200 people testifying in support of this bill on the Assembly side. We did not do that today, but I would like to hear from a few key people who are here today.

Assemblyman Anderson:

I want to mention that Senator Mark A. Manendo of Senatorial District No. 21 and former Assemblyman James Healey of Assembly District 35 spent time and effort on this bill as well.

Bill Wellman (Las Vegas Paving Corp.; Nevada Economic Development Coalition):

We put this together a few years ago and with the support of many Senators and Assembly Members last Session, we were able to put this forward in A.B. No. 413 of the 77th Session. I am here to testify on the successes and what this bill has done creating jobs and infrastructure throughout Clark County. Since January 1, 2014, Las Vegas Paving has brought back or added 350 craft labor jobs, and we are just getting started. We have 3 more years of work, and we are at 50 percent. The Regional Transportation Commission (RTC) can attest to that. We are putting many people back to work. We heard the message with A.B. No. 413 of the 77th Session, and I am happy to present that our premise, training and participation has now doubled to 5 percent of the gross total hours of all our employees, which is over 1,000. With that, we have 40 percent minority participation throughout.

Assembly Bill 191 is the most tangible bill this Session. It will continue to create jobs, continue to improve Clark County's infrastructure and the infrastructures of all counties that vote for this bill. In answer to Senator Kieckhefer's question, this is a ballot question in every county, except Washoe County. It will continue to be measureable by all—the residents, the businesses and the tourists who use our roadways. It will continue to leave tangible assets that outlive the debt service for our future generations. So far, it is delivering everything it has promised. We ask that you support A.B. 191 and make sure that it moves forward in the future.

Larry Carroll (President, Nevada Economic Development Coalition):

We are a group of 120 companies, representing over 10,000 employees. We have a strong collaborative effort supporting this measure, both in the last Session and during this Session, including government, labor, business, civic and trade organizations. In my many years in business, this is the best program I have ever seen. It has been very successful.

Why is it so important? Right now, A.B. 191 is our future for funding local streets and highways. It is good to talk about other issues; the feds are not going to come to our rescue. We need to do it on our own, and we have proven that the last year and a half by getting good projects out on the street and putting people back to work. If Nevada is to compete in these global and regional markets, the No. 1 thing companies consider when relocating here is education. Number 2 or 3 on the list is workforce and, of course, good infrastructure and transportation. On behalf of the Nevada Economic Development Coalition, we support A.B. 191, and we will help in any way we can to continue to make this a success.

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

We agree that the existing program has been extremely successful. We have been able to get 70 projects out of the 199 projects under construction. Collaboratively, we are working closely with NDOT to ensure that this money would be appropriated to projects in Clark County that are regionally significant to enhance economic development. If this bill passes, we will be able to bond the RTC for \$1.9 billion and NDOT for \$1.2 billion over the next 10 years. We have worked with the county and each of the cities with NDOT to identify the specific projects that this money would go toward so we can show the voters exactly where the money would be spent within their jurisdictions.

Bill Hoffman (Deputy Director, Nevada Department of Transportation):

On behalf of NDOT, we support A.B. 191. The Department has benefitted directly by its partnership with RTC of Southern Nevada by receiving Fuel Revenue Indexing funds. These funds will significantly enhance the Department's ability to improve safety, mobility and economic development in Clark County and throughout the entire State. This is why NDOT supports A.B. 191.

Carl Hasty (District Manager, Tahoe Transportation District):

We support A.B. 191. This is the right step in addressing the shortfall the State faces with financing, and it will help the Tahoe region as well.

Paul Moradkhan (Las Vegas Metro Chamber of Commerce):

The Las Vegas Metro Chamber of Commerce strongly supports this bill. We were supportive on the Assembly side, and this is important with job creation and transportation investment. The community has been a good steward so far with the projects in Nevada. We support A.B. 191.

Jaron Hildebrand (Nevada Trucking Association):

We are in strong support of A.B. 191. We thank the bill's sponsors for bringing this bill forward.

Jack Mallory (Southern Nevada Building and Construction Trades Council, AFL-CIO):

We represent the 200,000 men and women of the Nevada State AFL-CIO, and we support this legislation.

Gary Milliken (Associated General Contractors, Las Vegas Chapter):

This bill came out of the Southern Nevada Forum, in which Chair Roberson and Senator Aaron D. Ford participated. We are in support of A.B. 191.

Robert Herr (City of Henderson):

We support this bill because without it, Henderson roadway maintenance through the RTC would be limited to \$2.1 billion over the next 10 years.

Wayne Seidel (Motor Carrier Division, Department of Motor Vehicles):

The Department of Motor Vehicles (DMV) is neutral on this bill. We collect the county tax on behalf of the counties. We have agreements with every county to collect that tax. We have amended the contract with Washoe and

Clark Counties—so once the advisory questions are passed and there is an agreement, we turn on the switch to start collecting the money. Since A.B. No. 413 of the 77th Session, we have been programming for all counties to index. We have been building the tables in anticipation of some of the counties turning on the indexing, and we will work with them to collect it on their behalf.

Assemblywoman Kirkpatrick:

I want to clarify that the people will be able to vote on it in 2016.

Chair Roberson:

There is a legal amendment to the bill that we will hear from counsel. We will open a work session and vote on this bill right after that.

Bryan Fernley (Counsel):

Section 3 addresses the indexing of fuel tax. It would need to be effective if the 2016 ballot question passes in any county other than Clark County. You will see in section 20, subsection 4 that section 3 becomes effective if the 2016 ballot question is approved in a county other than Clark County. You will see in section 20, subsection 3 that section 3 is not listed in the sections that become effective if the 2016 ballot question is approved in counties other than Clark County. We need to make sure we get section 3 to be effective if in fact the 2016 ballot question is approved in a county other than Clark County.

SENATOR FORD MOVED TO AMEND AND DO PASS AS AMENDED A.B. 191 WITH THE PROPOSED AMENDMENT.

SENATOR SPEARMAN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Chair Roberson:

I close the hearing on A.B. 191 and open the work session on S.B. 483.

SENATE BILL 483: Revises provisions relating to governmental financial administration. (BDR 32-1182)

Joe Reel (Deputy Fiscal Analyst):

Referring to the work session document ([Exhibit C](#)) presented to the Committee on Tuesday, May 5, there were the two proposed amendments. One was proposed by Chair Roberson with regard to changing the \$.40 tax per pack to \$1.00 per pack. The second Proposed Amendment 6871 to S.B. 483, [Exhibit C](#), came from the Department of Administration to add the collection information language.

Senator Ford:

Unfortunately, I am not able to support this bill regarding the sunsets for reasons I have stated before, including the sweeping of the monies from the transportation fund. Other issues need to be addressed as well. In view of the fact that we are in limbo based on questions we asked yesterday relative to filling budget holes and figuring out how much we need to fund Governor Brian Sandoval's budget, it is bad timing now to pass this bill out of Committee. It needs more work. I vote no at this juncture, reserving the right to change my vote if we get things done in time before Session ends.

Chair Roberson:

I appreciate your prerogative, but I trust you will change your mind. We have 25 days left of Session. We want to move this to the Senate Floor.

Senator Kieckhefer:

The sunset bill enables us to fund a flat budget. If this bill or another tax bill is not passed, we are looking at \$6.15 billion. To say that we have to combine them all together—it does not work. If we get all the tax bills together on the same day at the same time to pass all the bills together, this process does not work that way. If we want to fund this budget, we need to pass this bill. It is that simple.

Senator Hardy:

I appreciated the testimony about gathering the data in the least restrictive way. We have the means to do that. The method is difficult to fund the budget and a funding mechanism at the same time. We need a funding mechanism to meet the budget that we agree on in good faith. This is a process, and I have no qualms about building upon what we are doing.

Senator Spearman:

I join Senator Ford's reservations. I also appreciate Senator Kieckhefer's statement that something must be done. I have said all along I am not committed to doing something, I am committed to doing the right thing. I need a little more information and recognize that 25 days are left in this Session, but there are more days in the calendar. I vote no, but reserve my right to change my mind at a later date.

Senator Kieckhefer:

What other information is necessary at this point? All taxes in this bill, all the taxes, except for the Cigarette Tax, would remain at the same rate that people are paying now. It is the same bill we voted on 2 years ago. If additional information on this bill has not been laid out, I would like to know what it is. It is pretty cut and dried. Maybe that is a facetious question because I am frustrated today.

Chair Roberson:

You have every right to be frustrated, Senator Kieckhefer. This is not a surprise. We have been talking about bringing this forward for a vote for a while now. I appreciate your comments.

Senator Ford:

Since you asked, let me offer some elaboration. We said from the beginning that we did not want the transportation fund swept, so that is no surprise. Frankly, I do not have a concern with the Cigarette Tax, but testimony has been brought forward that it may be overly aggressive in terms of meeting the numbers we are projecting. In that regard, it remains to be seen whether time will be able to shore that up. At this juncture, we are going to take our time as we do with everything else to deliberate and make certain that we make the best decision based on the information we have. Then we will be ready and able to support a bill.

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SENATOR KIECKHEFER MOVED TO AMEND AND DO PASS AS
AMENDED S.B. 483 WITH BOTH PROPOSED AMENDMENTS.

SENATOR HARDY SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS FORD, KIHUEN AND SPEARMAN
VOTED NO.)

Chair Roberson:

Seeing no further business, we are adjourned at 4:18 p.m.

RESPECTFULLY SUBMITTED:

Jennifer Pearce,
Committee Secretary

APPROVED BY:

Senator Michael Roberson, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit / # of pages		Witness / Entity	Description
	A	1		Agenda
	B	6		Attendance Roster
S.B. 483	C	6	Joe Reel	Work Session Document