



NMTA 511

Legislative Update

May 7 - May 11, 2007

On Thursday Governor Jim Gibbons unveiled his plan for funding Nevada's infrastructure needs. The Governor touted his plan as one that raises a significant amount of revenue without having to increase any taxes. Major components of the Governor's plan include:

Gibbons Transportation Proposal

A plan to build new lanes NOW without raising taxes.

Room Tax Re-Allocation

- A graduated percentage of room tax growth currently allocated to the LVCVA will be re-allocated for use on Clark County road construction.
- LVCVA allocation is forecast to receive approximately \$2,200,000,000 in room tax between fiscal year 2007-2008 and fiscal year 2014-2015. The plan will allocate approximately \$424,000,000 of that to Clark County road construction during the same time period. (Source: Fiscal Analysis Division, Legislative Counsel Bureau). In other words, approximately 1.5 cents of every room tax dollar received in Clark County over the next seven years will go to transportation infrastructure in Clark County.
- This still allows the LVCVA to grow – the LVCVA will not see revenues decrease. In fact, the LVCVA will still receive almost \$2 billion dollars by fiscal year 2014-2015.
- Consideration of re-allocation of portion of local government room tax collection allowance (approximately \$20,000,000 in fiscal year 2006-2007).

Vehicle Sales Tax & Live Entertainment Tax Re-Allocation

- An executive commitment to use a graduated percentage of vehicle sales tax and live entertainment tax for statewide road construction projects commencing in the next biennium.
- Both of these revenue streams will continue to grow in the future, providing more money to the general fund every year, while at the same time supplementing the State Highway Fund.

- This re-allocation is forecast to provide approximately \$360,000,000 for use on statewide road construction projects by year, while at the same time supplementing the State Highway Fund
- This re-allocation is forecast to provide approximately \$360,000,000 for use on statewide road construction projects by fiscal year 2014-2015. (Source: Fiscal Analysis Division, Legislative Counsel Bureau).

Bond Power

- Total revenue forecast for use on state road construction pursuant to this plan is approximately \$784,000,000 between fiscal year 2007-2008 and fiscal year 2014-2015. That translates to approximately \$2,500,000,000 worth of projects that can be financed with bonds commencing at various times before fiscal year 2014-2015.

Toll Lanes

- Support for a study to evaluate the feasibility of public private partnerships.

Cost-Benefit Analysis

- Support for the creation of regional transportation zones, with A cost-benefit analysis conducted on projects in each zone.

Abdication of NDOT Responsibility for Local Roads

- Support for abdication of NDOT responsibility for urban state roads that have effectively become local roads thereby freeing up NDOT to allocate more resources to state highways.

From 2005-2006, eleven people moved to Clark County every hour, 24 hours per day, seven days a week, 52 weeks a year. In one year alone, nearly 97,000 people moved to southern Nevada. Within the next ten years, Clark County anticipates the construction of 45,000 to 75,000 new hotel rooms. This translates to more than 100,000 additional vehicles on already clogged freeways, according to a study conducted by the Regional Transportation Commission

The Nevada Motor Transport Association applauds the Governor for coming forward with a transportation package and greatly appreciate the inclusion of cost benefit analysis to be performed on any new highway projects. Governor Gibbons, NDOT Director Susan Martinovich, and many of the NDOT staff have been very diligent in their efforts to ensure that the Department of Transportation is both accountable and transparent to Nevada taxpayers.

There are many different highway funding options being considered at this time. The NMTA will be a part of those discussions as we move towards the conclusion of the 2007 legislative session. Please contact us if you have any questions at (775) 673-6111.



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