MINUTES OF THE SENATE COMMITTEE ON NATURAL RESOURCES

Seventy-third Session April 4, 2005

The Senate Committee on Natural Resources was called to order by Chair Dean A. Rhoads at 1:30 p.m. on Monday, April 4, 2005, in Room 2144 of the Legislative Building, Carson City, Nevada. Exhibit A is the Agenda. Exhibit B is the Attendance Roster. All exhibits are available and on file at the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Dean A. Rhoads, Chair Senator Mike McGinness, Vice Chair Senator Mark E. Amodei Senator Bob Beers Senator Bob Coffin Senator Michael Schneider Senator Maggie Carlton

STAFF MEMBERS PRESENT:

Martin P. Hefner, Committee Policy Analyst Michael J. Stewart, Committee Policy Analyst Jonathan Sherwood, Committee Secretary

OTHERS PRESENT:

Don Henderson, Director, State Department of Agriculture

Dawn Rafferty, State Noxious Weed Coordinator, State Department of Agriculture

Kevin Piper, Weed Management Association

Clarence Burr, Carson Valley Agriculture Association

Dan Kaffer, Coordinator, Western Nevada Resource Conservation and Development, Natural Resources Conservation Service, U.S. Department of Agriculture

Patti Bakker, Truckee Meadows Weed Coordinating Group

Kaitlin Backlund, Nevada Conservation League

Jim Greil

Tim Playford, Dow AgroSciences

Pamela B. Wilcox, Acting Administrator, Division of Conservation Districts, State Department of Conservation and Natural Resources

James Settelmeyer, Chairman, State Conservation Commission, Division of Conservation Districts, State Department of Conservation and Natural Resources

Howard Glancy, State Conservation Commission

Steve Grabski, Administrator, State Sealer of Weights and Measures, State Department of Agriculture

John P. Sande III, Western States Petroleum Association

Blair Poulsen, Nevada Propane Dealers' Association

Peter Krueger, Nevada Petroleum Marketers and Convenience Store Association

Chair Rhoads opened the hearing on Senate Bill (S.B.) 293.

SENATE BILL 293: Creates position of Weed Control Coordinator within State Department of Agriculture. (BDR 49-431)

Michael J. Stewart, Committee Policy Analyst, gave an overview of S.B. 293 with a prepared statement (Exhibit C). Chair Rhoads asked how much money this project would generate. Don Henderson, Director, State Department of Agriculture, said there were approximately 80,000 registrations per year for pesticides and herbicides in the State, and at \$20 per registration, there would be approximately \$160,000 generated. Senator Coffin asked if the word herbicide should be added to the bill instead of the word pesticide. Mr. Henderson said pesticides included both herbicides and pesticides. He said if the Committee wanted to change the language to only herbicides, he also wanted to see how the total revenues would be affected. Senator Coffin asked if weed control was a real possibility. Mr. Henderson said there was no intention to eradicate the weeds but, to prevent further expansion and growth of weeds. He said the noxious weed list had recently been revised to reflect issues where eradication was no longer an option. Senator Coffin asked if biocontrols were being utilized to combat weed species. Mr. Henderson said there was an active program in cooperation with the federal government to use biocontrols.

Senator Beers asked how the proposed Weed Control Coordinator would work with the current group of weed controllers already in place. Mr. Henderson said his testimony would perhaps be able to answer the question. He utilized a prepared statement (Exhibit D) about S.B. 293. Mr. Henderson said the Weed Control Coordinator would work under the supervision of Dawn Rafferty, State

Noxious Weed Coordinator, State Department of Agriculture. Ms. Rafferty said the position created by <u>S.B. 293</u> would work with weed control groups in the State to coordinate meetings and their organization to ensure the groups do not disband if the lead person decides to leave. She said the position would also direct the weed-free-forage certification program within the Department. Senator Carlton expressed concern about how the total funding would be used. Mr. Henderson said approximately \$60,000 would be used to pay for the new position and the remainder would go toward funding local weed control groups. Senator Carlton said new language was needed in <u>S.B. 293</u> to express the direction of funding. Mr. Henderson said he would support such an amendment, if proposed by the Committee.

Kevin Piper, Weed Management Association, spoke in support of <u>S.B. 293</u>. He said the bill would send a message to the local weed control groups throughout the State that there is support for their efforts. He said the groups were currently relying on the State Department of Agriculture for coordination and management. He provided the Committee with a packet of documents (<u>Exhibit E</u>) including a map of the weed control districts in the State. Senator Beers asked how weed control and pesticides were related. Mr. Piper said pesticide was a generalized term for herbicides and pesticides together. Ms. Rafferty said other states funded their weed control programs through pesticide registration fees. She said trying to separate the fees for herbicides and the fees for pesticides would be logistically difficult and costly.

Clarence Burr, Carson Valley Agriculture Association, spoke in support of S.B. 293.

Dan Kaffer, Coordinator, Western Nevada Resource Conservation and Development Council, Natural Resources Conservation Service, U.S. Department of Agriculture, spoke in support of <u>S.B. 293</u>.

Patti Bakker, Truckee Meadows Weed Coordinating Group, spoke in support of S.B. 293. She said the funding would make local weed control groups more efficient.

Kaitlin Backlund, Nevada Conservation League, spoke in support of <u>S.B. 293</u>.

Jim Greil spoke in support of <u>S.B. 293</u>. He said the bill would help cooperative weed-management groups.

Tim Playford, Dow AgroSciences, spoke in support of S.B. 293.

Chair Rhoads closed the hearing on $\underline{S.B.~293}$ and opened the hearing on S.B.~294.

<u>SENATE BILL 294</u>: Revises provisions governing distribution of grants of money by State Conservation Commission to conservation districts. (BDR 49-1154)

Pamela B. Wilcox, Acting Administrator, Division of Conservation Districts, State Department of Conservation and Natural Resources, said <u>S.B. 294</u> would allow federal funding to be passed to conservation districts in the form of grants. Chair Rhoads asked how much money was currently being received. Ms. Wilcox said they were receiving \$5,000 from the State, and they were not authorized to receive funding from other sources. Chair Rhoads asked where other sources of funding could originate. Ms. Wilcox said federal agencies would be able to provide funding, but no effort was made to look for other funding because there was no authority to do so.

James Settelmeyer, Chairman, State Conservation Commission, Division of Conservation Districts, State Department of Conservation and Natural Resources, said the bill would allow for future funding opportunities and was left open for that purpose.

Howard Glancy, Nevada Conservation Commission, spoke in support of S.B. 294.

Chair Rhoads closed the hearing on <u>S.B. 294</u> and opened the hearing on S.B. 295.

SENATE BILL 295: Revises provisions governing motor vehicle fuel and petroleum products. (BDR 51-658)

Steve Grabski, Administrator, State Sealer of Weights and Measures, State Department of Agriculture, said there were three reasons for <u>S.B. 295</u>: it would allow the State Board of Agriculture to standardize alternative-fuel quality by adding and refining definitions for alternative fuel, it clarifies language in advertising, and it aligns penalties sections with existing weights and measures law. Chair Rhoads asked what the bill would do that was not already being

done. Mr. Grabski said the current list of fuels were gasoline, diesel, lubricating oil and gasohol. He said the bill would add biodiesel, ethanol-based fuels, methanol-based fuels and propane liquefied petroleum gas (LPG) to the list of alternative fuels. Chair Rhoads asked if the penalties were the same. Mr. Grabski said the penalties would be the same.

John P. Sande III, Western States Petroleum Association, said he wanted to see an amendment to explain the various fuels. He provided another amendment to the Committee concerning how the State Board of Agriculture made decisions about fuel standards (Exhibit F). Mr. Grabski expressed concern about Mr. Sande's amendment. He said it placed conditions on the State Board of Agriculture not presented to other boards. Mr. Grabski explained the Board used information provided by staff, scientific evidence and other sources to make their decisions. He said it was not in the best interest of the State to confine the Board to only scientific evidence. He said it did not seem appropriate to limit it as such. Mr. Sande said if it was not appropriate, then it needed to be in the statute. Mr. Sande said the Board's responsibility was to ensure that fuel was combustible in an engine and not to rely on anecdotal information. Senator Beers asked what product had been based on anecdotal information. Mr. Sande said he did not know of any specific product. Mr. Sande said the State had adopted the fuel standards of Utah as opposed to those recommended by the American Society for Testing and Materials (ASTM), which were based on scientific evidence. He said the ASTM recommends lower-volatility fuel be used below the 38th parallel due to higher temperatures. He said that decision was based upon anecdotal information and was inappropriate.

Mr. Grabski said the State Board of Agriculture took many views on the issue of the 38th-parallel recommendation. He said the Board had looked at the temperatures in southern Utah and compared them to those in Nevada. He said the information led the Board to decide that fuel with higher-volatility would work just as well in southern Nevada as in northern Nevada. He said the information from Utah was conducted by research and peer review and although the elevations were different, the Board determined one standard of fuel would be applicable to the State. He said this decision would help with gasoline pricing and availability. Senator Beers asked if the overall demand for higher-volatility fuel had increased. Mr. Grabski said Utah fuel was unavailable in the winter. He said the volatility standard in Nevada was different in the winter. He said the standard was the same for Utah and Nevada during the summer months.

Senator Beers asked if higher-volatility fuel was purchased in northern Nevada prior to the policy change. Mr. Grabski said that was the case. Senator Beers asked if the State now had higher-volatility gasoline as a standard. Mr. Grabski replied yes. Senator Beers asked what was the benefit of the change. Mr. Grabski said availability was higher. Senator Beers asked if the higher-volatility fuel was more difficult to find in the winter. Mr. Grabski said it was harder to acquire and thus, Nevada had to purchase lower-volatility fuel in the winter. Mr. Grabski said sometimes it was less expensive to have fuel shipped in from Salt Lake City to the rural areas in the State. With the 38th-parallel restriction in place, he said rural areas were forced to purchase fuel from Las Vegas. He said the current standard adopted by the Board eliminated the restrictions of the ASTM's recommendation.

Senator Amodei asked if Mr. Grabski was opposed to scientific evidence being involved in the decisions made by the Board. Mr. Grabski said the Board was given the authority to set standards and regulations regarding fuel. He said the amendment proposed by Mr. Sande would limit their ability to gather information and make a proper decision. Senator Amodei asked Mr. Grabski again if he was opposed to the use of scientific evidence. Mr. Grabski said he was opposed to the amendment on principle.

Mr. Sande said the decision regarding the 38th parallel was made in Winnemucca on May 7, 2004. He said the Board had considered hearings to repeal the regulation. He said if the Board is able to deviate from scientific evidence, then it needed to be stated in the statute.

Mr. Grabski said he had discussed the issue of fuel grades with industry representatives and had come up with a proposed amendment to <u>S.B. 295</u>. Blair Poulsen, Nevada Propane Dealers' Association, said there were different grades to LPG and said it was difficult to establish a threshold for LPG. Peter Krueger, Nevada Petroleum Marketers and Convenience Store Association, said the term diesel #2 is required by current statute and is an outdated term by current regulation. He said consumers do not know the difference between diesel number 1 and number 2 and changing the statute would cut costs for signs as well. Mr. Poulsen suggested section 6, subsection 1 of <u>S.B. 295</u> could be amended to exclude LPG. He also wanted LPG to be excluded in section 19, subsection 1. Mr. Grabski said there was no opposition to the proposed amendment by Mr. Poulsen.

Mr. Krueger said his organization had brought the 38th-parallel issue to the State Board of Agriculture in the first place. He said they had attended all of the meetings and testified before the Board about the issue. He said Mr. Sande's client had expressed concern about not being able to attend the meeting. Mr. Krueger said he understood there would be another meeting to hear the arguments again concerning the 38th parallel and he had no problem with that. He said it was also his understanding that because there was to be another hearing, Mr. Sande's client would not come to the Legislature to try to ask for changes. He said he was opposed to the amendment proposed by Mr. Sande's client. He said if Mr. Sande wanted to reopen the issue, the stipulation agreed to by the Board and his clients was not a binding document. Mr. Krueger said the State Board of Agriculture would be the only entity bound by the language proposed by Mr. Sande. He asked whose science would dictate the decisions by the Board. He said the proposed amendment was not in the best interest of the consumers.

Senator Beers asked what was meant by language contained within the bill regarding the size of fractions in gas prices. Mr. Grabski said the fraction would be required to be the same size as a single number in the price rather than a half-size number.

Chair Rhoads closed the hearing on <u>S.B. 295</u> and opened the work session on S.B. 26.

<u>SENATE BILL 26</u>: Revises provisions governing distribution of money in Pollution Control Account to local governmental agencies. (BDR 40-397)

Senator Beers wanted to remove the amendment he had asked for in a previous work session.

SENATOR BEERS MOVED TO RECONSIDER S.B. 26.

SENATOR McGINNESS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Senator Carlton wanted to look at the bill more closely. Chair Rhoads agreed and held it until the next work session.

Chair Rhoads adjourned the meeting of the Senate Committee on Natural Resources at 2:59 p.m.

	RESPECTFULLY SUBMITTED:
	Jonathan Sherwood, Committee Secretary
APPROVED BY:	
Senator Dean A. Rhoads, Chair	
DATE:	