

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

**Seventy-Fourth Session
April 12, 2007**

The Committee on Transportation was called to order by Chair Kelvin Atkinson at 1:50 p.m., on Thursday, April 12, 2007, in Room 1214 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4406 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/74th/committees/. In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: publications@lcb.state.nv.us; telephone: 775-684-6835).

COMMITTEE MEMBERS PRESENT:

Assemblyman Kelvin Atkinson, Chair
Assemblyman Mark Manendo, Vice Chair
Assemblyman David Bobzien
Assemblyman Jerry D. Claborn
Assemblyman Ty Cobb
Assemblywoman Susan Gerhardt
Assemblyman Ed Goedhart
Assemblyman Pete Goicoechea
Assemblyman Joseph Hogan
Assemblywoman RoseMary Womack

COMMITTEE MEMBERS ABSENT:

Assemblyman Carpenter (Excused)

STAFF MEMBERS PRESENT:

Marjorie Paslov Thomas, Committee Policy Analyst
Brenda Erdoes, Committee Counsel
Christine Henriksen, Committee Secretary
Matt Mowbray, Committee Assistant

Minutes ID: 903



OTHERS PRESENT:

Edgar Roberts, Administrator, Motor Carrier Division, Department of Motor Vehicles

Karen Winchell, Management Analyst, Motor Carrier Division, Department of Motor Vehicles

Jeremy Aguero, Principal Analyst, Applied Analysis

Tracy Bower, Director of Communications, Regional Transportation Commission of Southern Nevada

Timothy Cashman, representing Self and Fellow Members of the Blue Ribbon Task Force

Tom Skanke, Private Citizen, Las Vegas, Nevada

Jeff Fontaine, Executive Director, Nevada Association of Counties

Garth Dull, representing Transportation, Inc.

John Madole, representing the Nevada Highway Users Coalition

Richard Daly, representing Laborers' Union Local 169 of Northern Nevada

James Endres, representing the Northern and Southern Chapters of National Association of Industrial Office Park Users

Carole Vilardo, President, Nevada Taxpayers Association

Terry Graves, representing the Henderson Chamber of Commerce

Paul Enos, CEO, Nevada Motor Transport Association

Ed Meyer, President, Fundis Company

Dylan Shaver, representing the Nevada Petroleum Marketers Association

Michael Geeser, Media/Government Relations, California State Automobile Association, AAA Nevada

Doug Busselman, Executive Vice President, Nevada Farm Bureau Federation

Ginny Lewis, Director, Department of Motor Vehicles

Troy Dillard, Administrator, Compliance Enforcement Division, Department of Motor Vehicles

Martha Barnes, Administrator, Central Services and Records Division, Department of Motor Vehicles

Chair Atkinson:

[Meeting called to order. Roll taken.] Today we have Assembly Bill 584 and Assembly Bill 595. We also have a work session. We will start with A.B. 595. Will the sponsor of that bill please come to the table? We will take your testimony.

**Assembly Bill 595: Makes various changes relating to taxes on fuels.
(BDR 32-643)**

Edgar Roberts, Administrator, Motor Carrier Division, Department of Motor Vehicles:

[Read from prepared text ([Exhibit C](#)) ([Exhibit D](#)) ([Exhibit E](#)).]

Karen Winchell, Management Analyst, Motor Carrier Division, Department of Motor Vehicles:

[Read from prepared text ([Exhibit F](#)) ([Exhibit G](#)).]

Assemblyman Cobb:

What is the two-thirds requirement on this bill?

Edgar Roberts:

I cannot answer that.

Assemblyman Cobb:

You do not know what fee, tax, or cost to the consumer or business is raised by this bill?

Edgar Roberts:

There are no fees or taxes in this bill.

Chair Atkinson:

Mr. Cobb, I believe you are talking about the amendments that are going to go into the bill. There are no fees in what they have presented. Your question will be better addressed later.

Is there anyone in the audience or in Las Vegas wishing to speak on A.B. 595? I will go down to the table and give some remarks for the amendments that the Committee on Transportation is going to present for A.B. 595. Brenda Erdoes will go over the amendments and open it up for those who wish to speak on the amendments. [Chair Atkinson turned the gavel over to Vice Chair Manendo.]

Vice Chair Manendo:

Does the Committee have the amendments? Mr. Chairman, you are here to present the amendments to A.B. 595.

Assemblyman Kelvin Atkinson, Assembly District No 17:

Yes. [Read from prepared text ([Exhibit H](#)).]

Transportation needs to be fixed in this State. Every one of us in here, hear about being stuck in traffic. The Blue Ribbon Task Force made some recommendations that were rejected. It is this Body's obligation to the people we serve to come up with sound solutions to address this problem.

There are going to be four components in the amendments. Brenda is going to go over each one of them and then we will go from there.

Brenda Erdoes, Committee Counsel:

I will be working from a document ([Exhibit I](#)) that has A.B. 595 at the top. Rather than walk you through this than explain it in detail, I will tell you what we have in here, what sections they are, and I will be happy to answer any questions.

Sections 1 through 46 of the bill have not been amended at all. They will not be touched. What you will be proposing in Section 47 of the bill is *Nevada Revised Statutes* (NRS) 354.59815. It authorizes a county to impose an ad valorem tax for capital projects in the amount of 5 cents per \$100 of the assessed valuation of the county. This proposal is limited to the larger counties and in this case it is only Clark County. Section 47 requires the allocation of 60 percent of the proceeds—3 cents of the 5 cents—of any such tax imposed in a county of a population of 400,000 or more to go to the State Highway Fund (SHF) for use in construction and maintenance of public highways in that county. There will be a segregation here you may not have seen before, but the money will go into the SHF and will be segregated in an account for Clark County.

In Section 48, it amends NRS 408.273 which authorizes the issuance of special obligation bonds of the State to provide money for highway construction projects and limits the term of those bonds to not more than 20 years. The proposed change in Section 48 is to extend that limitation to not more than 30 years. There is a provision in the *Nevada Constitution* that limits general obligation bonds to 20 years, but that does not apply in this case because these are revenue bonds, and are not pledging the full debit and credit of the state. They are payable from revenue other than assets.

The next change is the recovery surcharge. This is in Section 49. It is amending NRS 482.313 which authorizes a short-term lessor of a passenger car to impose a recovery surcharge of 4 percent of the total amount for which the car is leased. It is a 4 percent tax, currently in place, which goes to the rental car owners. Section 49 of this bill will impose the fee and require the deposit of half of the proceeds into the SHF for use in construction and maintenance of the public highways.

The fourth component here is the weight and distance tax in Section 50. This is a new tax proposed, unlike the other ones, and provides for the imposition and payment of a licensing fee for the operation of certain heavyweight vehicles by motor carriers in this State in the amount of 15 cents

for each mile traveled. Section 51 places Section 50 in the subhead of NRS Chapter 706 that is entitled Regulation and Licensing of Motor Carriers. This is an indication of where it will be when it is codified in the NRS.

Section 52 of the bill provides for the prepayment of the licensing fee by a person who obtains a temporary permit to operate this type of heavyweight vehicle in the State.

Section 53 is a conforming amendment to make that work.

Section 54 of the bill provides that any violation of the requirements regarding the licensing fee constitutes a misdemeanor.

The last provision of the bill dealing with transitory sections includes Sections 56 and 57. Section 56 contains transitory provisions which limit the applicability and the effect of Sections 47, 49, and 50 of the bill. It provides that the licensing fee is not retroactive. We felt it was important to state that specifically. We have a provision in the bill to protect any bond proceeds from an allegation of impairment of contract. We always do that for existing taxes because they may already be bonded. In that case the Legislature is not able to commit those resources to something else. It is a protection provision.

Section 57 of this bill provides that with the existing taxes, the switch-over becomes effective July 1, 2007. The weight and distance tax does not begin to be collected until January 1, 2008.

Vice Chair Manendo:

Do you know approximately how much revenue we are talking about?

Brenda Erdoes:

Mr. Guindon is here and he would have that information.

[Vice Chair Manendo turned the meeting back to Chairman Atkinson.]

Jeremy Aguero, Principal Analyst, Applied Analysis:

Our firm, Applied Analysis, in conjunction with Hobbs, Ong & Associates, was retained by the Nevada Highway Users Coalition.

Our analysis looked at two specific questions regarding the financial cost associated with the delay and the economic costs associated with construction of necessary transportation projects.

Turning to the first of our analyses ([Exhibit J](#)) dealing with the fiscal costs of delay, we looked at two of the ten projects that were identified and analyzed by the Blue Ribbon Committee. One is the Interstate 15 (I-15) project from Tropicana Avenue to the Spaghetti Bowl in Las Vegas. The second one is the Interstate 80 (I-80) project in northern Nevada, understanding that each of these projects would have to be looked at individually. Our analysis indicated, considering both the increment of debt service cost and the increment of interest cost associated with the reality, that the cost of construction continues to escalate at a much faster rate than does the cost of borrowing. A five-year delay in these projects would result in a combined cost increase of 26.4 percent and be more than \$800 million.

In the second series of our analyses ([Exhibit J](#)), looking at the economic impacts associated with nonactivity or nonconstruction; we can approach it in a number of different ways. One of them would be the incremental cost of construction versus the cost of transportation congestion. In 2003, the Texas Transportation Institute indicated that the cost of delay impacts the average southern Nevada resident by about \$269 per year. That rate has increased by 13 percent annually since 1982. A conservative estimate is it only increases by 3 percent per year. The cost of delay is roughly half in northern Nevada. The total cost of transportation congestion will cost Nevada consumers approximately \$27 billion over the next 20 years.

If we look at it in terms of our core industry, we would be looking at the costs of tourism and comparing those incremental costs associated with identified transportation projects. Note, there was a total of 51.4 million visitors to Nevada in 2006. Those visitors spent an average \$718 each, a total annual spending of approximately \$36.9 billion. If we assume that no additional visitors come and visitors' spending remains effectively static, during the next 20 years total visitors' spending will contribute \$406.3 billion to our economy. We have an identified funding shortfall of roughly \$3.8 billion. If 0.5 of 1 percent of all visitors who would otherwise come to Nevada choose not to because of transportation congestion and road projects, their total spending would have equaled or surpassed the amount of the funding shortfall.

We could take a look at it in terms of both imports and exports. The reality is that our great State does not manufacture enough to supply all the industries we have. We have a substantial number of exports. Exports total roughly \$60.1 billion annually and imports are estimated at \$53.9 billion annually. If it costs 1 percent more to bring goods into Nevada or 1 percent more to get goods out of Nevada, we are talking about an annual increase in cost of goods and services of about \$600 million per year.

If we take a look at the economic impact associated with transportation projects themselves, there is a long history of the job, wage, and economic output impacts associated with these major transportation projects. Activities totaling \$3.8 billion would stimulate roughly 50,540 person-years of employment, would pay approximately \$2.5 billion in wages, and would generate somewhere in the order of \$5.8 billion worth of economic activity. Stated otherwise, for every one dollar we spend on major transportation infrastructure, about \$1.52 is spent throughout the economy.

Tracy Bower, Director of Communications, Regional Transportation Commission of Southern Nevada:

The issue of transportation is an important one for the whole State. It is critical here in southern Nevada. No matter how you look at it, transportation infrastructure is critical to our State's economy. Interstate 15 (I-15) carries many of the goods that southern Nevada relies on daily, whether it is the food we eat, cars we drive, or the materials we have in our homes. In addition, the tourists who visit Las Vegas every year make their way here by way of I-15.

Drivers will tell you that they are feeling the strain. In the resort corridor alone, I-15 is 70 percent over capacity. The gridlock represents more than simple lost time; it represents gridlock to our economy. While funding for state projects is critical, I urge you not to fund it at the expense of local transportation funding. The network of state and local highways, major arterials, and smaller roads are all interconnected. The network of roads and technology are designed to work together to move people efficiently. Taking money from local roads to pay for state roads simply moves gridlock from one area to another. The need for funding comes at a time when the prices of concrete, asphalt, and steel have increased dramatically. The increases are represented by the \$400 million shortfall for the Interstate 215 Beltway, even at a time when 100 new cars are added to southern Nevada roadways every day.

Once again, I encourage you to consider funding options that will keep local transportation projects intact and fund the needed state projects.

Timothy Cashman, representing Self and Fellow Members of the Blue Ribbon Task Force:

The Task Force worked long and hard from August 2005 until last year and generated a report which outlined a number of, hopefully, politically attainable and palpable solutions to a definite funding crisis. We identified about \$3.8 billion in 2006 as a non-inflation-adjusted shortfall in our state highway system. I am here to support the concepts that were outlined in the funding priorities in that report. The Blue Ribbon Task Force carefully outlined and was concerned about the strict adherence and application of the concept of nexus as

it relates to paying for new capacity projects or additional transportation infrastructure. The concept dictates that these funds should be generated, and roadways should be paid for, by the people who use them. I know there are some amendments in your bill that talk about those issues. I would submit that all Nevadans who use our highways bear some responsibility for paying for part of the road construction. I would offer myself and the Task Force as resources for this Committee and the committees who will study this further to help and provide clarity on our recommendations. A number of members are here and will testify to that.

Thank you very much for having the political courage to take up a very difficult issue. We look forward to working with you on outlining and detailing a solution for Nevada, so we can keep our economic engine running at peak efficiency, and continue to create the jobs and quality of life that we have enjoyed for a number of years.

Assemblywoman Gerhardt:

If we do not address the problem on the highways, would that impact the economy of the local entities?

Tracy Bowers:

Absolutely. We are urging that the funding for the state highways not come at the expense of local funds. By taking money away from local transportation projects, major arterials, and local highways, it would compound the problem, rather than solve it.

Assemblywoman Gerhardt:

What would your suggestion be?

Tracy Bower:

We would look at transportation funding options that do not come at the expense of local transportation projects.

Assemblywoman Gerhardt:

I understood what you do not want to see happen , but we have to have some type of solution, and what our Chairman is attempting to do with these amendments is to keep the discussion and dialog open because we have a significant problem here that needs to be addressed.

Assemblyman Goedhart:

The Blue Ribbon Task Force looked at many possibilities. Why was the weight and distance tax one of the possibilities you chose not to pursue?

Timothy Cashman:

The Task Force studied the weight and distance tax issue. That solution is a longer term solution than the urgent need dictated at this point. Weight and distance taxes require a significant level of investment in infrastructure to collect and administer and that is not in place today. It costs a lot of money to set up. You will hear from my colleague, Mr. Skanke, about movement toward distance taxes in the future as the long-term solution to ongoing transportation funding on a nationwide level. Frankly, from an infrastructure standpoint, we are not ready to implement that kind of a broad-base solution. We do not feel that a trucking weight and distance tax is a viable long-term solution because we do not have the infrastructure and the methods of collection in place to do this.

Tom Skanke, Private Citizen, Las Vegas, Nevada:

I have spent nearly two decades working in the transportation funding and project delivery area. I was a member of the Blue Ribbon Task Force and currently serve as a member of the National Service Transportation Policy and Revenue Study Commission.

We all know there is a transportation crisis in Nevada, which is why we have had all these hearings this session, but there is a national transportation crisis, as well. The National Highway Trust Fund is in major trouble. By 2008 and 2009 we may see the trust fund in a potential bankrupt situation, whereby the trust fund will not be able to support the last reauthorization bill passed by Congress two years ago. This is due in part to more people using transit in the urban areas, to gas price increases, and to the fact that the buying power of the 18.4 cent national gas tax has diminished to 8.2 cents. The national gas tax has not been raised in more than 14 years, while prices for land and material continuously go up.

As members of the Blue Ribbon Task Force, we looked at every revenue source that had a nexus to a transportation infrastructure improvement. The list of revenue sources that we supported was not only for a stable and predictable revenue stream to the state trust fund, but also had a nexus to the trust fund. The revenue sources and suggestions from the Task Force had an annual household impact of \$251 per year, which breaks down to \$21 per month or 70 cents per day.

An increase in the gas tax and indexing the gas tax needs to have serious consideration. A 6-cent increase is not that significant when you are looking at a \$3.8 billion shortfall. It is really \$7.4 billion when you add interest on the bonds over 25 years and inflation. The gas tax is a fee every American has been used to paying for the past 50 years. There is a certain amount of

predictability to that gas tax. It was a conservative Republican President, Dwight D. Eisenhower, who passed the quadrupling of the gas tax in the 1950s to create the service transportation infrastructure system that we have today. That system, however, is obsolete today. It was built in a time and a place that served the public for what the needs were then, but does not serve the public and the needs of today. The gas tax captures every driver and every user. It captures trucks, cars, motorcycles, boats, and even lawnmowers.

We can no longer rely on the federal government to solve our transportation problems. We must solve these problems ourselves. States are helping themselves throughout the country.

I do not support a weight and distance tax. I agree with Mr. Cashman's comments. The methods for implementing that tax are obsolete and do more damage than the damage heavy trucks are perceived doing to the roads. The cost to the taxpayer is outrageous and it will take eight to ten years to get Nevada to a place where the tax could be collected. We do not have eight to ten years to wait. The amount of infrastructure necessary to create the required number of ports of entry throughout the state is astronomical.

Chair Atkinson:

If you want to talk about any of the amendments, that is fine, but we are not talking about port of entry bills today.

Tom Skanke:

I would like to recommend a program like the State of Oregon is doing on vehicle miles traveled (VMT). Road users should pay for the lanes they are using, just like paying for power, water, and gas. Transportation is a commodity and very limited at that. Right-of-way acquisitions are becoming more and more difficult, and we need to treat transportation as a utility. Vehicle miles traveled is the future in transportation funding across the country and our national commission is looking at that. Although this tool will take many years to implement, progressive states are giving it serious consideration, and it is working in Oregon. Ninety people signed up in Oregon for the pilot program. Today they have over 350 people in that program, with a waiting list. Our State needs public-private partnerships (PPP) in tolling and I hope this Committee would give that serious consideration.

I want to thank the Chair and this Committee for taking a proactive approach to finding solutions for the crisis that is here. There are several funding proposals out there and they should all be debated and given consideration. Through that debate a good and solid solution will be found. The solution we find should be

one that is predictable and stable for many years to come. We cannot make this a quick fix and hope the situation will improve; it will not.

Assemblyman Goedhart:

You did not give serious consideration to the weight and distance tax because it would be several years before it could be implemented, is that correct?

Tom Skanke:

We did give every tax serious consideration. Our Task Force was supposed to meet 4 times and we met 14 times because the issues were that great. We gave the weight and distance tax a lot of consideration. It takes a long time to implement it and the need is now. The Task Force made recommendations on revenue sources that we believed could generate the necessary revenue for the \$3.8 billion shortfall immediately. A weight and distance tax cannot be done immediately.

Assemblywoman Gerhardt:

I understand the weight and distance tax would take some time to implement and would require some planning, but what you are suggesting is a gas tax, which is going to impact the seniors and everyone else in our communities who are struggling with the cost of living.

Tom Skanke:

I am suggesting the gas tax is the most predictable, most stable, and the most familiar fee available. Everyone should pay their fair share and we all do. The gas tax is the most predictable; but I encourage the Legislature to look at every revenue source that is available that has a nexus to the transportation infrastructure situation.

Assemblywoman Gerhardt:

Maybe the most predictable is not the most thoughtful solution. We have people who are struggling to pay their rents, mortgages, and to put food on the table; and even though a gas tax may be a predictable sources, I am not sure that it is palatable.

Assemblyman Manendo:

Could you give some detail regarding the local government portion of the amendment and how effective that portion will be?

Tom Skanke:

I am not that familiar with the amendment and I apologize. Transportation planning and funding has to be done with a systematic approach. The Department of Transportation and the local Regional Transportation

Commissions (RTC) need to work together both in funding and in transportation planning. When you start separating revenues and departments and nonprofit organizations, it is not a systematic approach. The state governments should not be taking money from local governments and vice versa.

Assemblyman Manendo:

That proposal would amend NRS 354.59815, which is the 5-cent county capital project tax levy.

Assemblyman Goedhart:

In a hypothetical situation, if the weight and distance tax was passed on to the trucking companies, would that stop there or would they increase the cost of goods and services they provide?

Tom Skanke:

Any tax increase is always a pass-through. If you implement a weight and distance tax, the taxpayer pays the tax anyway.

Assemblyman Goedhart:

In the end the citizens and taxpayers pay for it.

Assemblyman Bobzien:

It is my impression from what we are hearing today, that any action is going to cost us throughout the entire economy in the State of Nevada, regardless of what final proposals come out of this discussion. Am I hearing you correctly, but we still have to do something?

Tom Skanke:

I could not agree with you more. Putting something off is only going to make the problem worse. If we put it to the vote of the people in 2008, if we do a referendum, or if we wait, the cost of land, material, and goods keeps going up every day. No action is worse than some action. If the Legislature chooses not to fund the full \$3.8 billion but a portion of that, something is better than nothing. We cannot wait.

Assemblyman Bobzien:

Thank you for your discussion and we are not going to wait; we are going to try to do something about this problem.

Chair Atkinson:

We are stuck on one amendment in this bill and it is the weight and distance tax. This is a discussion to keep this issue in the forefront. No one says we are going to land on weight and distance, it is a discussion. We recognized that

weight and distance was going to be a hot topic when we put it in the bill. Does it make us a target? Yes, it probably does, but we have three other amendments in this bill. We understand that weight and distance is the most complex and takes the most time to implement; that is why we have three other components that will produce revenue faster, while weight and distance takes time to catch up. This is a way to keep the discussion going on transportation. If anyone has any alternatives, we are willing to listen and look at them.

We recognized that the Blue Ribbon Task Force took a look at the weight and distance tax and did not make a recommendation on it. They made recommendations on other revenue sources and we may have some issues with those, as well. I want to ask everyone to remain mindful of the fact that this is a discussion. We are going to move this out of this Committee after this hearing and refer it to the Assembly Committee on Ways and Means and let them deal with it. Again, there are three other components on this bill, and we would like to hear information on those as well.

Tom Skanke:

I could not agree with you more. I think everything needs to be on the table for consideration. This is a huge problem. We should not cut off the debate on any issue.

Jeff Fontaine, Executive Director, Nevada Association of Counties (NACO):

The counties appreciate the opportunity to testify on highway funding needs and the leadership in bringing this important issue forward.

In my past position as Director of the Nevada Department of Transportation, I had the privilege of serving as a staff member of the Blue Ribbon Task Force. Mr. Peckman, who chaired that task force, wanted to be here this afternoon, but was unable to do so because of prior commitments.

There were three county commissioners and the Executive Director of NACO who served on that 16-member task force. They met formally 12 times over 6 months and had dozens of other meetings. This exceptional group of government and business leaders did a thorough job of examining the needs of the State in terms of highways and funding options.

They concluded that the projects were needed and the increase in highway funding must be addressed now. They also said that unless action is taken now to substantially increase funding for construction of the state highway system, the safety, quality of life, and Nevada's economy, residents, and businesses will suffer for years to come.

The State's highway system is vitally important to every county. At NACO, we fully support additional funding for the projects in urban areas to address the ever-increasing traffic congestion, and funding must be increased to preserve the existing highway infrastructure and to reduce traffic fatalities and serious injuries that occur throughout our State on our highways.

Nevada's Interstate highways and the National Highway System routes, which are the backbone of the State's highway system, as well as its bridges, are consistently rated among the very best in the nation. That will all change in just a few years if there is no additional funding to preserve that system.

Nevada's traffic fatality rate is the seventh highest in the nation. Last year 427 people lost their lives on Nevada streets and highways.

We talked about the increased costs if we do not do anything now due to the rapidly rising inflation and construction needs, but we need to be mindful of the fact that if we continue to let our pavements deteriorate, they will no longer be able to be resurfaced. They will have to be reconstructed and will cost four times what it would have been as a routine maintenance.

Eighty-four percent of Nevada's roads are locally maintained and carry 42 percent of all the traffic in the State. There is a very important component and need at the local level to build more roads and maintain existing roads.

There are no easy solutions to this problem. We have not had the chance to fully evaluate these specific proposals, but we want to commend you again for bringing this forward and pledge our willingness to work with you and others to address what we think is a pending crisis.

Garth Dull, representing Transportation, Inc.:

I spent approximately 36 years in the Department of Transportation, 6 years as Deputy Director and almost 9 years as Director. This issue has always been a crisis. It is so bad that we have to do something. We ought to do the right thing. We need to share the cost with the users of this system in proportion to their use. If we do not share the burden equally, we will never get there.

We started back in 1983 trying to address this issue. At that time, we had the controversial weight and distance tax. It was not a very good system at the time because we applied it only to interstate carriers and not intrastate carriers. It was illegal and we subsequently lost it. We went to the Legislature to find a solution. The solution turned out to be—what I thought at the time was the wrong one and still do—going back to a registration, diesel and gas tax user fee structure.

We did a cost allocation study to address the cost associated with various classes of vehicles and their contributions to the highway fund. We found, along with many of the surrounding states that were also doing studies, that the split between light vehicles and heavy vehicles was approximately 60 percent for light vehicles and 40 percent for heavy vehicles.

The last cost allocation study was done in 1999. That study showed heavy vehicles contributed 25 percent to the highway fund and light vehicles contributed 75 percent. I still think a weight and distance tax can be administered. I do not believe that what has been talked about, such as ports of entry, are the real issue. Many states around us have ports of entry and do not have weight and distance taxes, except for Oregon. There are states around us that would allow us to use those ports of entry with them, but any system of taxation or user fee is a voluntary system. The current system is a voluntary system. You have to know the vehicle weight and distance traveled to pay your diesel tax to amortize your registration fees, which is the same as a weight and distance tax. There may be certain problems with it, but none that cannot be overcome. We have talked about this issue for many years.

I suggest the cost allocation study be updated, with representatives from other states, both with and without weight distance taxes, local cities, counties, the trucking industry, and any other stakeholder being a part of that study. From that study a solution should be developed that will produce equity.

Equity is the key word here. We need equity horizontally between classes of vehicles. The trucks ought to pay in proportion to their usage of the system as well as light vehicles. Also, there needs to be equity within that heavy vehicle spectrum. You cannot get there with a diesel tax and registration fee. As an example, the Transportation Research Board (TRB) shows that a 50,000 pound, 5-axle truck, compared to an 80,000 pound, 5-axle truck, only uses about 14 percent to 15 percent less fuel. Yet, the 80,000-pound truck produces twice the road damage of the 18,000 pound equivalent single-axle loads (ESAL). The damage to the highways is more than doubled, yet the difference in diesel tax from the miles driven, in proportion, is not enough to make up for the difference in mileage or the cost of road repairs

One thing that must be remembered is that an increase in the cost of goods is going to be passed on to the consumer with a weight and distance tax. More than 80 percent of the interstate carriers of this State have neither an origin nor a destination here. By far, most of the vehicle miles are attributed to interstate carriers in this State.

Chair Atkinson:

The cost allocation study, when was that completed?

Garth Dull:

The last one was in 1999. We first started them in 1981 or 1983. We reported to the Legislature every session that we had them.

Chair Atkinson:

Do you know why it has not been done in almost eight years?

Garth Dull:

The 1999 one was not circulated, used, or presented to the Legislature from my understanding. It was ignored and if you are going to ignore it, there is no point in doing it.

Assemblywoman Gerhardt:

We have some work to do with this plan, but it is a first step in attempting to share the tax burden a little bit with other groups or entities that use our roads. One of the things you said that concerns me is establishing another committee. We have heard that the problem is just going to get worse and be more costly the longer we wait. Do you see this as being a problem that needs solving now as opposed to waiting?

Garth Dull:

That is true. It has gotten worse. The last tax increase was before 1995. When I said another committee, we need to start with the basics, which is a cost allocation study, and go from there. We never seem to integrate the cost allocation study with any tax structure. In other words, if you raise diesel and gasoline taxes, what do you do with the equity? What happens to the cost allocation study? The last one proved that the problem was not getting any better with diesel tax, registration fees, or gas taxes.

Assemblyman Goicoechea:

What is your reaction to the weight and distance tax of 15 cents per mile? That is a lot of money.

Garth Dull:

Without comparing that to what the cost allocation study says, it may be appropriate, but it is a tremendous increase on some users and a fair tax decrease on others. Right now there is no equity in the heavy vehicle spectrum, and certainly no equity between light and heavy vehicles. A good example would be that for every interstate carrier that travels 10,000 miles in Nevada

compared to every intrastate carrier that travels 10,000 in Nevada, the interstate carrier always pays less because he amortizes his registration fees.

Assemblyman Manendo:

You mentioned earlier there were problems in the past with the weight tax, would this plan work better?

Garth Dull:

If it is applied to all carriers it would work better and be legal. Our problem before was that we applied it to one class of carriers, interstate only, and not intrastate carriers.

Assemblyman Goicoechea:

With your last remark, we are looking at a 55,000, pound cap. Are you saying we remove that, too? As I look at the amendment, would the 55,000 pounds and up be paying the weight and distance tax?

Garth Dull:

That would not be a perfect system, but pretty close to it, because 95 percent of everything over 55,000 pounds are 80,000-pound carriers. Some are even heavier than that, 130,000 pounds and 115,000 pounds, 7-axle versus 9-axle, et cetera. With that you would capture most of them. It would be a giant step closer to equity and closer to being fair than what we have now with the current system.

If you implemented a weight and distance tax, it could be tweaked in the future to make it more equitable. It would start off being better than the system we have now.

Assemblywoman Womack:

When we are talking committees and long-term, I understand we have to solve the problem. What is the short-term solution as the roads get more crowded with more trucks and traffic? What would you suggest immediately, for the short-term versus a committee and a long-term fix for the problem?

Garth Dull:

It has taken us a long time to get in this bad of shape. It may take us a while to get out of it. If we increase gas or diesel taxes equally, you are still going to have more and more loss of equity because 5 cents in diesel is not equivalent to 5 cents in gasoline taxes. I am not an advocate for increasing anything until we can get it right.

John Madole, representing the Nevada Highway Users Coalition:

We would like to applaud the leadership role that you have taken with this Committee. This is a problem that has been coming to a boil for years and I am certainly glad to see someone paying attention to it. When you look across the State it affects tourism, movement of goods, and everything we buy as consumers. It costs the consumer every time a truck bringing us goods is tied up in traffic. The road efficiency is a big concern.

Our coalition is a broad-based group with everything from labor organizations to groups like Associated General Contractors to professionals who share one concern. That concern is that we have a safe and efficient transportation system in Nevada. The economic impact of a failure to act could be staggering.

I also served on the Blue Ribbon Task Force and there was one rather intriguing option the task force chose not to take. There are several pipelines that bring 300 million gallons of fuel into Nevada. A lot of the fuel from those pipelines becomes "dyed-fuel" which is used for off-road use. You do not tax that fuel. There should be some mechanism that could be attached for an exact per gallon fee. You may want to take a look at that. It is one of the untapped resources.

Because of the way we collect our highway taxes in Nevada, we are writing checks to California out of our highway fund. Last year it was for \$5 million, this year it will be for \$10 million. California can collect their taxes. Let us see if we can keep the \$10 million here and put it to use on our roads.

Richard Daly, representing Laborers' Union Local 169 of Northern Nevada:

I also applaud the Committee for bringing forward a mechanism to address the issue of infrastructure, transportation, or highway funding needs. It is important to everyone in the State.

Hopefully, as all the discussions go forward, they will include the long- and short-terms needs and solutions. There is a demand by the public to meet these needs. The public is interested in this bill and telling you to meet these needs.

At a meeting on the Senate side, State Senator William Raggio said when there is a demand and the issues come forward, the public demands that their needs be met. That is what you are here to do now. No more studies. He says government cannot sit around and wait.

James Endres, representing the Northern and Southern Chapters of National Association of Industrial Office Park Users (NAIOP):

A brief description of this organization, they are the warehouse and distribution industry in the State of Nevada. The warehousing industry has become the

heart of a diversification in northern Nevada. The logistics industry has evolved over time, and the NAIOP organization has been a big user of the streets and highway system. That is how the goods and services are being delivered to all of our citizens.

The NAIOP had been involved and continues to be involved in all of the debates regarding the adequate funding and revenue sources for streets and highways in the State. They look forward to the debate about the weight and distance component that is suggested in the amendment in Section 50 ([Exhibit I](#)). As we go through that debate and "peel back the onion," what we will find is how that component affects the economy in Nevada. For example, we have to look at some of the things that are going on in Storey County. We have the Reno-Tahoe Industrial Center there. The lifeblood of that industrial center, its future, and the citizens who live there and will work there, will all depend upon how we determine and examine the consequences related to the weight and distance debate. As we go through this debate and continue to examine all the revenue sources and opportunities to fund the needs and challenges of the State of Nevada, NAIOP hopes to bring to the table all of the information you need to have the ability to come to the conclusions for the best funding source and to evaluate the economic consequences not just to the State, but to the regions, the jobs, and how those industries can continue to grow.

Assemblyman Cobb:

How do you think the weight tax will affect bringing new industries, like the industrial center, into Nevada and specifically for the warehousing industry?

James Endres:

This proposed amendment is fresh on the table. I have two members from NAIOP with me today and they did some back-of-the-envelope calculations on their spreadsheets and tried to do a quick examination of an illustrative warehousing facility of 100,000 square feet with a certain amount of inbound and outbound traffic. Their conclusion is that the weight tax, as it is being proposed today, would increase the cost per square foot of that warehousing facility by almost 50 percent, about 15 cents per square foot. That does not sound like a lot, but when the total price per square foot is around 35 cents for warehousing and industrial space, that is a significant cost. That is one of the considerations and we would like to bring more data to the Committee so they can evaluate and consider the consequences to the economy.

Carole Vilardo, President, Nevada Taxpayers Association:

I have some concerns about the weight and distance tax. Within the overall consideration, this becomes a vehicle whereby we can start looking at what makes sense not only from a taxes standpoint, but also the ability to put a

package together that is not so onerous that it hurts any one segment of the economy. Hopefully, we will be able to keep all those taxes where there is some sort of a nexus to the user and the payer, which is important.

On the bonding issue, if you go 30 years it needs to be state-source revenue. I did not notice that in the bill. That is a financing option. Those financing options are important and probably need to include some public-private partnerships (PPP), even with the start of a pilot program for tolling. Tolling can be used as congestion management. We can bring you language for tolling, and there are other bills dealing with that which can give you a comfort level. We are not talking about existing roads getting the tolls. We are talking about expanding capacity, such as high-occupancy vehicle lanes. Those all require tolling.

In addition to those financing options, you have the revenue options. One thing I ask is that you make the addition of performance measurements part of the package. Anything you do is going to have some impact, either through financing or raising of revenue through taxes. The taxpaying public will bear the brunt of it and deserves to have a comfort level knowing that what was done had to be done. You must set a standard that shows any money you raise or any creative financing you do is going to go exactly where you say it is going, for the construction of roads and not administration.

We will look at the standards for taxes. It is not only how much money a tax raises, but also how easy it is to administer, to comply with, and how cost effective it is.

Terry Graves, representing the Henderson Chamber of Commerce:

The Henderson Chamber of Commerce submitted a letter to the Committee ([Exhibit K](#)). I am not going to read it. Our legislative committee will be watching this Committee and the Legislature deal with this issue. We will be watching the discussion and debate and the various options presented.

Paul Enos, CEO, Nevada Motor Transport Association:

I want to thank the Committee for putting something out there that gives us the opportunity to address Nevada's tremendous infrastructure needs. I also sat on the Blue Ribbon Task Force and we recognized that there is a severe need for more infrastructure funding in the State. To that end we have gone on the record in support of increased registration fees and an increased diesel tax which will have an impact on our trucking industry, both intrastate and interstate.

The weight and distance tax is counterproductive to those ends. It is inefficient, costly to administer, and easy to evade. It also increases the cost of goods that we use every day. Every time you have a transfer of goods from a dock to a warehouse and to a distribution center, that cost will escalate based on the weight and distance tax.

The weight and distance tax, as proposed in this bill, is a tax—if it is looked at from a standpoint of a truck getting 6 miles per gallon and paying 15 cents per mile—that is equivalent to a 90 cent increase in the diesel tax. It is a substantial and direct hit on the trucking industry, where on average a company may make 2 cents to 3 cents per mile in profit.

I have passed out to the Committee a list of what Nevada's rates are presently ([Exhibit L](#)). As far as registration fees and diesel taxes, Nevada ranks 14th in the nation. Annually, we pay approximately \$6,000 per truck. This is based on an 80,000-pound vehicle—5-axle truck and trailer—going about 80,000 miles per year in the State. The weight and distance tax as proposed would increase the cost of that truck about \$12,000, bringing us from 14th to 1st, as far as having the highest fees in the nation for the trucking industry, at a cost of \$17,999 per year, per truck.

Mr. Chairman, I know you do not want us to address ports of entry; however, it does make it much easier to administer as far as the weight and distance tax goes. If you do not have ports of entry and do not have those substantial costs, you are mainly relying on self-reporting. When you have self-reporting, there is a much easier way for carriers to evade the system and not pay their tax. You put a burden on those who want to abide by the law and do it correctly.

Twenty states have repealed the weight and distance tax over the years, including Nevada. There are currently only four states—Kentucky, New York, New Mexico, and Oregon—that have a weight and distance tax. In those states they have found that there are high evasion rates, upward of 30 percent. There is mass evasion even with ports of entry.

While I oppose the weight and distance tax component of this bill, I want to thank the Committee for providing us the opportunity to provide more funding for our infrastructure and highway needs.

Assemblyman Manendo:

You are not saying your clients are not honest people, are you?

Paul Enos:

I like the taxes that are the easiest for people to comply with and the most difficult to evade. The registration fee for a license plate and paying taxes at the pump are less likely to be evaded. My members, who have spent the money to join the Nevada Motor Transport Association and care about the image of the industry, are not the ones who are going to evade. Are there some who are going to evade? Absolutely. When you take a look at what is happening in the other states, there is a high evasion rate. It is extremely difficult in this climate for someone in the trucking industry to make any money. When you put in a weight and distance tax of 15 cents a mile, there is more impetus to evade that.

Assemblyman Manendo:

Maybe we can work on that 30 percent.

Assemblyman Claborn:

You make a very convincing argument for your trucking association; can you offer us a solution?

Paul Enos:

Yes, sir. Actually, we have several revenue options. One of those includes a redistribution of sales tax revenue. I know it is very difficult to do at this juncture when we have seen that we are going to have a General Fund budget cut of \$112 million. We also took a look at the depreciation schedule. A truck, which is a much more costly vehicle to buy, has a higher registration fee, and will depreciate more slowly.

Another option was indexing the diesel and fuel taxes and increasing the driver's license and the commercial driver's license fees. We have gone on the record in support of Senate Bill 324, which contained a 6-cent increase to both the gas and diesel tax. We are on the record in support of more revenue for our infrastructure needs. We do not believe the weight and distance tax is the way to do it.

Assemblyman Claborn:

You are working on the solution as well, and you think you might come up with it, correct?

Paul Enos:

I hope so. The problem is only going to get bigger if we do not address it and do it now. I am just asking the Legislature to do it in a responsible way.

Assemblyman Goicoechea:

Looking at the graph, the other four states that have the weight and distance tax are two at 8 cents, one at 3 cents, and one at 4 cents. Other than Oregon, Nevada would be the highest at 15 cents. Is that correct?

Paul Enos:

This is correct.

Assemblyman Bobzien:

Part of what we are facing here is that there was a Blue Ribbon Task Force, the solutions came out, but there was no responsiveness to the solutions. Now we are trying to move forward and pick up the conversations again. It is good to have you at the table and discussion.

What is the percentage of trucks originating in Nevada traveling on the highway compared to the trucks originating from out of the State? Is there a way to clarify that?

Paul Enos:

I do not have those numbers. The vehicle miles traveled in the State by trucks is 11 percent of the total miles for all vehicles. The trucking industry is responsible for 38.5 percent of all taxes and user fees that go to the State Highway Fund.

Chair Atkinson:

We have heard testimony that 80 percent of the interstate trucks that come through Nevada are not doing business here. The trucks are going through the State and because we do not have lane restrictions they are in all the lanes and causing a lot of damage. Are you suggesting that the Nevada taxpayers pay for it?

Paul Enos:

Interstate trucks pay taxes to the State of Nevada through the International Fuel Tax Agreement and through the International Registration Plan. While Nevada is a bridge state, those trucks are already taxed on the miles they travel through the State and their registration is apportioned to the State.

Chair Atkinson:

I recognize they are paying taxes, but are they paying their fair share considering the amount of damage they are doing to our Nevada roads?

Paul Enos:

Yes, they do.

Ed Meyer, President, Fundis Company:

We are primarily an intermodal carrier operating between the Port of Oakland and the warehousing industry in northern Nevada. We travel throughout the State with most of our miles driven in California, even though we are a Sparks-based firm. We have about 60 trucks.

I did a quick calculation of the information I have. It would have cost us over \$200,000 in increased taxes last year for our company alone. We did not make \$200,000 last year. We would have to pass the increase on. Anybody east of Reno would automatically see a 10 percent increase in their rates from us just so we could break even for any Nevada miles traveled.

We have one truck that runs to Oregon. It takes our girl two hours a month to do the report on that one truck. If it was established you would not have to do 48 reports if you ran the 48 states, you could just do one report. If the weight and distance tax went nationwide you would be back to doing 48 reports. That would add a tremendous administrative burden to anyone running in 48 states. We are in about seven or eight states.

Dylan Shaver, representing the Nevada Petroleum Marketers Association:

I will echo what everyone has said, congratulating you and your Committee for its leadership in bringing up this discussion and what was said about Section 50 regarding the weight and distance tax.

Michael Geeser, Media/Government Relations, California State Automobile Association, AAA Nevada:

I will share with you the same sentiment I shared with the Blue Ribbon Task Force over the year we worked on this. We are not talking about things that are good or bad, as all the amendments and all the recommendations we came up with are painful to the motorist. Nobody wants to increase fees or pay increased taxes; the fact is we have to do something. Every year AAA sends to its motorists a brochure that explains the cost of owning a car. Within that brochure we spell out depreciation, fuel costs, and insurance costs, trying to get the motorist to understand that he is not just paying for a car when driving it off the lot. Traffic adds to the equation, as well.

We applaud you in tackling this difficult problem and for the discussions with all the stakeholders. It is not going to be easy, it is all painful, and we will have to figure out what we can sustain the most and what is the fairest.

Doug Busselman, Executive Vice President, Nevada Farm Bureau Federation:

From an agricultural perspective we have some serious concerns with the proposals relating to weight and distance taxation. As an industry that hauls our materials in and hauls our products out, we are concerned about the impact.

I have a process question. It is my understanding you plan on taking action with this bill by moving it to the Assembly Committee on Ways and Means and keeping the bill alive in order to have an ongoing conversation with the working group. As this bill sits in the Assembly Committee on Ways and Means, are you planning on having policy questions and the discussions of how you develop a game plan occur outside of that Committee, or do we go to the Assembly Committee on Ways and Means and participate in the ongoing conversations there?

Chair Atkinson:

We are going to send it to the Assembly Committee on Ways and Means. We will address both because if the bill changes, which it probably will, there will need to be additional conversations.

Doug Busselman:

Will there be opportunities for those of us who are stakeholders to participate?

Chair Atkinson:

When the bill comes back with amendments and is in the Assembly Committee on Ways and Means or any other committee, yes, we will have testimony.

We will close the hearing on A.B. 595. We have a recommendation.

ASSEMBLYMAN MANENDO MOVED TO AMEND WITHOUT
RECOMMENDATION AND REREFER TO THE ASSEMBLY
COMMITTEE ON WAYS AND MEANS.

ASSEMBLYWOMAN GERHARDT SECONDED THE MOTION.

THE MOTION PASSED. (ASSEMBLYMAN GOEDHART VOTED NO.
ASSEMBLYMAN CARPENTER WAS ABSENT FOR THE VOTE.)

[Ray Bacon submitted a letter ([Exhibit M](#)) but did not testify.]

Chair Atkinson:

We will open the hearing on Assembly Bill 584.

Assembly Bill 584: Makes various changes to provisions governing motor vehicles. (BDR 43-618)

Ginny Lewis, Director, Department of Motor Vehicles:

[Read from prepared text ([Exhibit N](#)), ([Exhibit O](#)), and ([Exhibit P](#)).]

Chair Atkinson:

We will close the hearing on A.B. 584 and I will entertain a motion.

ASSEMBLYWOMAN GERHARDT MOVED TO DO PASS ASSEMBLY BILL 584.

ASSEMBLYWOMAN WOMACK SECONDED THE MOTION.

THE MOTION PASSED (ASSEMBLYMAN CARPENTER WAS ABSENT FOR THE VOTE.)

Mr. Manendo will take the bill to the Floor.

We will now go to work session and consider Assembly Bill 240.

Assembly Bill 240: Provides for the impoundment of motor vehicles in certain situations. (BDR 43-973)

Marjorie Paslov Thomas, Committee Policy Analyst:

Assembly Bill 240 requires that, in addition to issuing a citation, a peace officer shall impound a vehicle if the driver does not have his driver's license or evidence of insurance in his possession. The driver or owner must produce the driver's license or evidence of insurance and pay the towing and impounding fees before the vehicle is returned to him.

Assemblywoman Koivisto, the sponsor of the bill, has two proposed amendments ([Exhibit Q](#)), and there is a mock-up provided.

ASSEMBLYMAN CLABORN MOVED TO AMEND AND DO PASS AS AMENDED ASSEMBLY BILL 240.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

Assemblyman Goicoechea:

I want to make sure what we are doing is an existing law today. A trooper has the opportunity to tow your car if he thinks there is something wrong. It is not a mandatory impoundment.

Chair Atkinson:

That is correct.

THE MOTION PASSED. (ASSEMBLYMAN CARPENTER WAS ABSENT FOR THE VOTE.)

Assembly Bill 278: Requires the Department of Motor Vehicles to issue certain special license plates available for use on motorcycles. (BDR 43-1191)

Marjorie Paslov Thomas, Committee Policy Analyst:

Assembly Bill 278 requires the Department of Motor Vehicles (DMV) to issue special license plates authorized for use by veterans for use on motorcycles. There are two proposed amendments ([Exhibit R](#)) by Chairman Atkinson.

ASSEMBLYMAN BOBZIEN MOVED TO AMEND AND DO PASS AS AMENDED ASSEMBLY BILL 278.

ASSEMBLYMAN MANENDO SECONDED THE MOTION.

THE MOTIONED PASSED. (ASSEMBLYMAN CARPENTER WAS ABSENT FOR THE VOTE.)

Assembly Bill 311: Revises provisions regarding the imposition of certain fees for the storage of a motor vehicle. (BDR 58-1066)

Marjorie Paslov Thomas, Committee Policy Analyst:

Assembly Bill 311 provides provisions regarding the imposition of certain fees for the storage of a motor vehicle. I worked with our Legal Counsel to go ahead and make this amendment clearer and easier for everyone. There is one amendment ([Exhibit S](#)).

Chair Atkinson:

This is the one we attempted to work on the other day. There were other amendments, but they were conflicting to some of our members and have been deleted.

Assemblyman Claborn:

If a person moved or did not leave a forwarding address with the post office, then it would be his own fault. I agree with that.

Chair Atkinson:

It is already a law with the Department of Motor Vehicles (DMV) that if someone moves he needs to notify the DMV.

ASSEMBLYWOMAN GERHARDT MOVED TO AMEND AND DO PASS AS AMENDED ASSEMBLY BILL 311.

ASSEMBLYMAN GOICOECHEA SECONDED THE MOTION.

THE MOTION PASSED. (ASSEMBLYMAN CARPENTER WAS ABSENT FOR THE VOTE.)

Assembly Bill 321: Authorizes the Department of Motor Vehicles to issue special license plates and registration certificates for custom vehicles. (BDR 43-1185)

Marjorie Paslov Thomas, Committee Policy Analyst:

Assembly Bill 321 authorizes the Department of Motor Vehicles (DMV) to issue special license plates and registration certificates for custom vehicles. There are four proposed amendments ([Exhibit T](#)).

ASSEMBLYMAN MANENDO MOVED TO AMEND AND DO PASS AS AMENDED ASSEMBLY BILL 321.

ASSEMBLYWOMAN GERHARDT SECONDED THE MOTION.

Assemblywoman Womack:

Does that mean that the vehicle is going to be registered as a replica vehicle and not a 1968 vehicle?

Chair Atkinson:

I believe that 1968 is the replica. Am I correct? The engine is 1968, but it would make it a replica.

Assemblywoman Womack:

Would they still register as a vehicle made in 1968? It would be a separate class replica vehicle, is that my understanding?

Troy Dillard, Administrator, Compliance Enforcement Division, Department of Motor Vehicles:

The way it would work is that the vehicle would still be registered as whatever year vehicle it is. For example, if the vehicle was built in 2007, it would be a 2007. It would have a designation on it to be a replica as a 1957 Chevy. The

way the bill is worded, 100 of those per year would be designated that could be identified as a replica for that year. It would exempt them from emissions testing requirements in Washoe and Clark Counties.

Assemblyman Claborn:

I am going to vote for the bill, but all those automobiles should be inspected the first time they are registered because of the liability. You might want to take a look at that down the line because there could be a lot of liability in the automobile.

Chair Atkinson:

The DMV should inspect them?

Assemblyman Claborn:

This says they are exempt. For my own good, I would want them to be inspected. Let me clarify, you are taking an old car or a new car and putting pieces together. Are you making a hot rod out of them?

**Martha Barnes, Administrator, Central Services and Records Division,
Department of Motor Vehicles:**

The bill exempts the 100 cars that we are talking about from emissions testing only. It would not have anything to do with a vehicle identification inspection.

Assemblyman Claborn:

If I had a hot rod that I built and I registered it, I would want the DMV to inspect it.

Chair Atkinson:

They are exempt from emissions but not from inspection of the vehicle itself, correct? These are brand new cars.

THE MOTION PASSED. (ASSEMBLYMAN CARPENTER WAS
ABSENT FOR THE VOTE.)

**Assembly Bill 489: Revises provisions governing the towing of motor vehicles
from public or private property. (BDR 43-345)**

Marjorie Paslov Thomas, Committee Policy Analyst:

Assembly Bill 489 revises provisions governing the towing of motor vehicles from public or private property. There is one proposed amendment ([Exhibit U](#)).

ASSEMBLYMAN BOBZIEN MOVED TO AMEND AND DO PASS AS
AMENDED ASSEMBLY BILL 489.

ASSEMBLYMAN MANENDO SECONDED THE MOTION.

Assemblyman Goedhart:

Was the intent of the bill originally to reduce it from seven days to two working days? Now we are going back to seven working days?

Marjorie Paslov Thomas:

Yes, it was, but it was seven days before. This makes it seven working days. As it was introduced, it was reduced from seven days to two working days and then testimony indicated that it was better for the courts to do seven working days.

Assemblyman Goedhart:

This would actually increase the amount of time?

Marjorie Paslov Thomas:

Yes.

Assemblyman Goicoechea:

Once you file an action for an improper tow, you could be compensated and definitely not be paying storage and that would be part of your action. The extension and time frame would not bother you because you would have a civil action pending and be able to recover it.

THE MOTION PASSED. (ASSEMBLYMAN CARPENTER WAS ABSENT FOR THE VOTE.)

Assembly Bill 594: Creates a Class A certification designation for certain body shops. (BDR 43-451)

Marjorie Paslov Thomas, Committee Policy Analyst:

Assembly Bill 594 would create a Class A certification designation for certain body shops ([Exhibit V](#)). There are no proposed amendments; however, the Chairman wanted me to bring up for discussion that there was testimony that suggested making a definition for collision body shops. The Chairman did not receive anything in writing.

Assemblyman Cobb:

I have in my notes that it was felt that the automobile dealers who had shops would feel the necessity to have this type of certification even though they already rise to that level. It would be an added regulation and cost to their everyday functions. I will be voting no on this bill.

ASSEMBLYMAN GOICOECHEA MOVED TO DO PASS ASSEMBLY BILL 594.

ASSEMBLYWOMAN GERHARDT SECONDED THE MOTION.

THE MOTION PASSED. (ASSEMBLYMAN COBB VOTED NO.

ASSEMBLYMAN CARPENTER WAS ABSENT FOR THE
VOTE.)

Chair Atkinson:

Meeting adjourned [4:14 p.m.].

RESPECTFULLY SUBMITTED:

Christine Henricksen
Recording Secretary

Rachelle Myrick
Transcribing Secretary

APPROVED BY:

Assemblyman Kelvin Atkinson, Chair

DATE: _____

EXHIBITS

Committee Name: Committee on Transportation

Date: April 12, 2007

Time of Meeting: 1:30 p.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
A.B. 595	C	Edgar Roberts, Department of Motor Vehicles	Prepared text
A.B. 595	D	Edgar Roberts, Department of Motor Vehicles	Outline of Statutory changes
A.B. 595	E	Edgar Roberts, Department of Motor Vehicles	Mock-up of bill with explanations
A.B. 595	F	Karen Winchell, Department of Motor Vehicles	Prepared Text
A.B. 595	G	Karen Winchell, Department of Motor Vehicles	Sample of application form
A.B. 595	H	Assemblyman Kelvin Atkinson, District No. 17	Prepared Text
A.B. 595	I	Brenda Erdoes, Committee Counsel	Amendments
A.B. 595	J	Jeremy Aguero, Applied Analysis	Presentation
A.B. 595	K	Terry Graves, Henderson Chamber of Commerce	Letter
A.B. 595	L	Paul Enos, Nevada Motor Transport Association	Charts
A.B. 595	M	Ray Bacon, Nevada Manufacturers Association	Letter
A.B. 584	N	Ginny Lewis, Department of Motor Vehicles	Prepared Text
A.B. 584	O	Ginny Lewis, Department of Motor Vehicles	Proposed changes to Commercial DUI Sections
A.B. 584	P	Ginny Lewis, Department of Motor Vehicles	Proposed changes to Real ID
A.B. 240	Q	Marjorie Paslov Thomas, Committee Policy Analyst	Work Session Document
A.B. 278	R	Marjorie Paslov Thomas, Committee Policy Analyst	Work Session Document

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A.B. 311	S	Marjorie Paslov Thomas, Policy Analyst	Work Session Document
A.B. 321	T	Marjorie Paslov Thomas, Committee Policy Analyst	Work Session Document
A.B. 489	U	Marjorie Paslov Thomas, Committee Policy Analyst	Work Session Document
A.B. 594	V	Marjorie Paslov Thomas, Committee Policy Analyst	Work Session Document