

**MINUTES OF THE
SENATE COMMITTEE ON TRANSPORTATION AND HOMELAND SECURITY**

**Seventy-fourth Session
May 3, 2007**

The Senate Committee on Transportation and Homeland Security was called to order by Chair Dennis Nolan at 2:41 p.m. on Thursday, May 3, 2007, in Room 2149 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 in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Dennis Nolan, Chair
Senator Joseph J. Heck, Vice Chair
Senator Maurice E. Washington
Senator Maggie Carlton
Senator John J. Lee
Senator Joyce Woodhouse

COMMITTEE MEMBERS ABSENT:

Senator Mark E. Amodei (Excused)

GUEST LEGISLATORS PRESENT:

Assemblyman Moises Denis, Assembly District No. 28
Assemblyman Joe Hardy, Assembly District No. 20
Assemblyman Ruben Kihuen, Assembly District No. 11

STAFF MEMBERS PRESENT:

Wes Henderson, Intern to Senator Nolan
Nicholas Marquart, Intern to Senator Nolan
Matthew Pritchard, Intern to Senator Carlton
Matt Szudajski, Committee Policy Analyst
Sharon Wilkinson, Committee Counsel
Lynette M. Johnson, Committee Secretary

OTHERS PRESENT:

Ron Levine, Nevada Motor Transport Association

Michael W. Lawson, Traffic Information Division Chief, Nevada Department of Transportation

Tim Tetz, Executive Director, Office of Executive Director for Veterans' Services, Office of Veterans' Services

Susan Fisher, Nevada Powersport Dealers Association; City of Reno

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

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

Crystal D. Soderman, Nevada Chapter, Associated General Contractors

CHAIR NOLAN:

We will open the hearing on Assembly Bill (A.B.) 118.

ASSEMBLY BILL 118 (1st Reprint): Requires the Department of Transportation to erect advisory signs on certain highways designating the lane in which certain larger vehicles should travel. (BDR 43-762)

ASSEMBLYMAN MOISES DENIS (Assembly District No. 28):

I received an e-mail from a constituent wanting to keep large trucks out of a highway's "fast lane." In the transportation industry, it is referred to as lane number one. The large trucks would travel in designated truck lanes, on controlled access roadways, through metropolitan areas. Other states have similar truck lane designations. This bill allows the Nevada Department of Transportation (NDOT) to erect roadway signs designating the lanes to be used by larger vehicles. Penalties would not be assessed under this legislation. I worked closely with the Nevada Motor Transport Association on this legislation.

CHAIR NOLAN:

I agree with your intent, which is to get large vehicles in the middle lanes so motorists can plan their commute routes. We have heard similar legislation in the past; however, it directed the trucks into the far right lane, hindering merging traffic. Some people testified that if the trucks were in the middle lanes, smaller cars could not maneuver across the freeway. What feedback did you receive from industry?

ASSEMBLYMAN DENIS:

This legislation is advisory in nature. Industry was included in the negotiations and we discussed this matter. Most large trucks leave space between them, which would allow vehicles to safely switch lanes.

RON LEVINE (Nevada Motor Transport Association):

We support this bill and we agree with the amended language. The roadway must have at least three lanes in one direction on a divided highway for this bill to apply. Originally, the bill had the trucks traveling in the right lane, which, as mentioned, would have been a problem for merging and exiting traffic. With three lanes, the trucks can travel in the center or the right lane, also known as number two and number three lanes, respectively. It is not as if they are channeled into one lane as in a parade or convoy.

CHAIR NOLAN:

Did the NDOT provide input on this bill?

MICHAEL W. LAWSON (Traffic Information Division Chief, Nevada Department of Transportation):

We worked with Assemblyman Denis to amend the bill changing it to advisory language by removing the penalties. The NDOT is comfortable with the amended bill. We will be evaluating our freeway systems in terms of operational characteristics to determine how we can best serve the people.

ASSEMBLYMAN DENIS:

In discussions with the NDOT, they thought the first trial section would be on the Interstate 15 between Tropicana Avenue and Sahara Avenue in southern Nevada.

CHAIR NOLAN:

Have other states or municipalities implemented something similar?

MR. LAWSON:

Yes, other states have similar regulations. Lane management is an evolving strategy as urban freeways become more congested. It can be used to manage large trucks as well as passenger vehicles. We are using this strategy throughout the State advising passenger vehicles to travel in the right- or left-hand lanes.

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SENATOR CARLTON:

Assemblyman Denis, is the language "may" acceptable to you? Are you comfortable that the NDOT will erect signs on roadways?

ASSEMBLYMAN DENIS:

Yes. The NDOT has the ability to implement the signage within the next few months.

SENATOR CARLTON MOVED TO DO PASS A.B. 118.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR AMODEI WAS ABSENT FOR THE VOTE.)

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CHAIR NOLAN:

We will open the hearing on A.B. 278.

ASSEMBLY BILL 278 (1st Reprint): Requires the Commission on Special License plates to study the feasibility of the design, preparation and issuance of special license plates for use on motorcycles. (BDRS-1191)

ASSEMBLYMAN RUBEN KIHUEN (Assembly District No. 11):

I present this legislation on behalf of Nevada veterans. Assembly Bill 278 requires the Commission on Special License Plates (Commission) to study the feasibility, design, preparation and issuance of special license plates for motorcycles. At present, the Department of Motor Vehicles (DMV) allows special license plates on passenger vehicles but does not offer them for motorcycles. This bill initially required the DMV to issue special veterans' license plates for motorcycles but was amended for two reasons. First, the Assembly is sending all special license plate requests to the Commission. Hopefully, this will not prevent veterans from ever having special license plates for motorcycles, since a different route must be taken through the Commission. Secondly, the DMV was going to incur a fiscal impact of \$50,000 to purchase a new machine, thereby diminishing the chances of passing this bill. Veterans have risked their lives to preserve our country and the freedom we enjoy. They have placed themselves in harm's way for the good of our country. The least we can

do is grant their request for special license plates for their motorcycles. Passing this bill will show that we honor their sacrifice.

TIM TETZ (Executive Director, Office of Executive Director for Veterans' Services, Office of Veterans' Services):

The veterans are here to urge your support for A.B. 278. I am reminded of a quote by Hubert Humphrey, "The Senate is a place filled with goodwill and good intentions, and if the road to hell is paved with them, then it's a pretty good detour." The intention, as Assemblyman Kihuen mentioned, was to allow veterans to take care of veterans by purchasing and displaying special license plates on their motorcycles. We have been successful with the special license plates for automobiles. Unfortunately, we learned that these specialty plates must be pursued through the Commission. With the leadership and input from the DMV and Assemblyman Atkinson, we have changed the bill to create an interim study. There was tremendous support from the Assembly and the veterans' community. The veterans' support the process and the bill in its current form.

CHAIR NOLAN:

Thank you for amending the bill and directing it through the Commission. I currently Chair the Commission; however, Assemblyman Atkinson will resume that responsibility. This is a worthwhile cause and I am sure this Committee will consider it favorably. The Commission already receives requests through the DMV. I hope this legislation will not require the Commission to enter into a study for all requests. The Commission has an established review process for all applications, and I do not think that this motorcycle license plate would be precluded from that process. I will have staff look into the matter.

SUSAN FISHER (Nevada Powersport Dealers Association):

The motorcycle industry is one of the fastest growing industries in North America and the world. It is flourishing in Nevada because of our weather. The Nevada Powersport Dealers Association supports legislation allowing for the issuance of special license plates for motorcycles.

MARTHA BARNES (Administrator, Central Services and Records Division, Department of Motor Vehicles):

For the record, "We did submit a fiscal note on this bill in its original form. Since it has been changed, that has now no affect on this bill."

SENATOR LEE:

Do you issue handicapped plates for motorcycles?

Ms. BARNES:

We are starting to manufacture handicapped plates that have the insignia for motorcycles. We previously used stickers for the motorcycle license plates. Our current motorcycle plates only allow for six characters. Several of the special license plate designs do not allow for six characters. This amended bill will allow the DMV to develop a means to emboss them with six characters.

SENATOR LEE:

Do motorized tricycles and snowmobiles have to be licensed?

Ms. FISHER:

The State does not license off-highway vehicles at this time, but there is proposed legislation requiring them to be licensed.

CHAIR NOLAN:

Ron Gutzman and Robert Acheson have signed in as in favor of this bill. We will have the record reflect your support.

SENATOR HECK MOVED TO DO PASS A.B. 278.

SENATOR CARLTON SECONDED THE MOTION.

SENATOR CARLTON:

I want to thank the sponsors for discussing it with me and for amending it. The Commission will review it from a public policy point of view.

THE MOTION CARRIED. (SENATOR AMODEI WAS ABSENT FOR THE VOTE.)

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CHAIR NOLAN:

We will open the hearing on A.B. 39.

ASSEMBLY BILL 39 (1st Reprint): Revises the definition of "special mobile equipment." (BDR 43-619)

ASSEMBLYMAN JOE HARDY (Assembly District No. 20):

This bill proposes to exclude three types of vehicles from the designation of special mobile equipment (SME). These vehicles are concrete pumpers, cranes and drill rigs that have evolved from rolling tracks and off-road tires that operate exclusively off-road, to modern vehicles on highway-rated tires that travel on controlled access highways. By updating the SME statutes, these three types of vehicles will no longer be exempt from registration fees and fuel taxes.

EDGAR ROBERTS (Administrator, Motor Carrier Division, Department of Motor Vehicles):

The DMV supports A.B. 39 and I will read from prepared testimony ([Exhibit C](#)). I have also provided a handout for the Committee's review ([Exhibit D](#)). Tab B, of [Exhibit D](#), shows the revenue loss for the SMEs listed in our database. It is an annual loss of \$336,000. The breakdown is as follows: average motor carrier registration fees of \$1,360, which is allocated to the State Highway Fund and average Governmental Services Taxes (GST) for the Motor Carrier Division of \$1,190, which is distributed to the counties. Together, that equals \$2,550 a vehicle for the 100 listed in the DMV database for a total loss of \$255,000 annually. The SMEs are exempt from fuel taxes. To calculate the average annual loss from fuel taxes, we estimated their annual mileage at 15,000 with a rate of 5 miles a gallon and an estimated fuel usage of 3,000 gallons a vehicle. The special fuel tax rate is 27 cents, which equates to an \$810 loss for each vehicle. Again, considering the 100 SME vehicles in our database, this equals an annual loss of \$81,000 in fuel taxes. Therefore, the total annual loss for registration and fuel tax equals \$336,000 as shown on tab B.

SENATOR CARLTON:

Are SMEs currently using dyed fuel?

MR. ROBERTS:

Correct. Special mobile equipment under the *Nevada Revised Statute* 366.200 is exempt from fuel taxes.

SENATOR CARLTON:

Will they use regular fuel if this bill passes?

MR. ROBERTS:

Correct. Also, at present, they are not assessed registration fees or the GSTs.

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SENATOR CARLTON:

Do you know how many SMEs this will impact?

MR. ROBERTS:

The DMV has 100 listed in our database. These SMEs travel into other states; therefore, they are required to have a license plate and designation document.

SENATOR CARLTON:

Does the State own any SMEs and will they be exempt if they do?

MR. ROBERTS:

The DMV currently does not have any state-owned vehicles in the database. If the State has any SMEs, they would be considered exempt.

CHAIR NOLAN:

We will show the Nevada Motor Transport Association in favor of A.B. 39.

CRYSTAL D. SODERMAN (Nevada Chapter, Associated General Contractors):

The Associated General Contractors supports A.B. 39 and we appreciate the DMV including us in the negotiations.

CHAIR NOLAN:

We will have the record reflect that the NDOT supports this bill.

SENATOR CARLTON:

This topic has previously been discussed in other committees and I feel we should include it in the record. Will it be considered a tax increase if we remove the tax exemption on this bill? If so, will the bill need a two-thirds majority vote to pass? I think this is something the Committee should consider and discuss.

CHAIR NOLAN:

As currently written, the bill does not indicate that a two-thirds majority is required. Also, it came from the Assembly without a two-thirds majority requirement.

ASSEMBLYMAN HARDY:

This bill was not heard by the Assembly Committee on Ways and Means, which should address your concerns. The Assembly passed it unanimously, which is more than a two-thirds majority. You could extend this scenario to an individual

who moved into the State and now has to pay sales tax. This would be an extension of an individual who was exempt from sales tax before and now has to pay sales tax. That is how I would look at this bill.

SENATOR CARLTON:

No, I would not agree with you, Assemblyman Hardy.

CHAIR NOLAN:

I will ask Ms. Wilkinson for her opinion regarding Senator Carlton's concern.

SHARON WILKINSON (Committee Counsel):

I believe the answer would be no, but I am still researching the matter.

CHAIR NOLAN:

We will give staff some time to conduct their research. I do not think this is going to be an issue; however, we will wait for staff to complete their research. We will close the hearing on A.B. 39.

SENATOR CARLTON:

Staff's finding is not going to change my opinion. I support the bill. We should address it now in case it becomes an issue on the Senate Floor. As we move forward, these issues are going to come up. If we are going to pick a path, I think we need to be consistent.

CHAIR NOLAN:

Thank you, Senator Carlton. After further discussion, we will take action on the bill. If staff's finding causes us concern, we can rescind our action and have additional discussion.

SENATOR HECK MOVED TO DO PASS A.B. 39.

SENATOR CARLTON SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR AMODEI WAS ABSENT FOR THE VOTE.)

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CHAIR NOLAN:

We will open the hearing on A.B. 297.

ASSEMBLY BILL 297 (1st Reprint): Makes various changes to provisions relating to special license plates. (BDR 43-979)

SUSAN FISHER (City of Reno):

Assembly Bill 297 was requested by the City of Reno's (City), Parks, Recreation and Community Services Department (Parks Department) to issue a special license plate to raise funds without imposing a tax. It would be a way for people to show their community pride, while helping a worthy cause. All proceeds would go to the Parks Department for capital improvements. The City's public safety budget represents about 60 percent of the City's budget. Approximately \$4.4 million of the Parks Department's budget goes toward capital improvements, which is out of their total budget of \$23 million. The pools, parks and ballparks are old and in disrepair. The funds would primarily benefit the older parks as the new parks are funded by new development. The specialty plate would be something that celebrates the Truckee River and the white-water park ([Exhibit E](#)). It was amended in the Assembly to close the loophole so that special license plate requests are heard in the Commission first. The amended language clarifies that an organization cannot request special license plates during a legislative session.

CHAIR NOLAN:

You were in the audience for my earlier comments on this issue. I think this plate will fall into the queue with the other requests to be considered by the Commission. I do not think this bill requires the Commission to do anything different with this plate. I do not see any problems with the amended bill. We will discuss having entities come directly to the Legislature to review special license plates outside of the established mechanism.

SENATOR CARLTON:

Does the bill specify that it will be placed into the queue or would it get priority over the other requests? Was it your intent that it would go into the queue like every other request?

MS. FISHER:

Our intent was to be placed into the queue like any other applicant. We will have to fulfill the same requirements as any other applicant.

SENATOR CARLTON:

What is the purpose for this bill?

MS. FISHER:

As amended, this bill clarifies that every organization has to go to the Commission rather than the Legislature.

SENATOR CARLTON:

I am sorry, but you cannot tie the hands of the Legislature.

MS. FISHER:

The intent was to encourage the City and potential applicants to apply through the Commission.

CHAIR NOLAN:

After application has been made, the Commission reviews every application and the proponents testify to the purpose of their request. There may be several application requests and only a couple of openings for new plates. The requests are granted to successful applicants in chronological order. We should verify that the City's request does not usurp the other applicants.

MS. BARNES:

I can provide information regarding the discussion in the Assembly Committee on Transportation. They were concerned that this request might be given priority since it came from the Legislature. That is the discussion I remember from that meeting.

SENATOR LEE:

Ms. Fisher, you testified that the money would be for the older parks but I do not see that established in the bill. The bill references the City's programs. What is the definition of programs? Are programs plays, musical events, or other such events?

MS. FISHER:

The bill did not outline how every dollar was going to be spent. The financial support is needed for the older parks.

SENATOR LEE:

Did you refer to them as capital improvements?

MS. FISHER:

Yes, they will use the money for capital improvements.

SENATOR LEE:

How are programs considered to be a capital improvement?

MS. FISHER:

The word is used universally; it was not meant to signify plays or performances; however, these events are held in various parks throughout the City.

SENATOR LEE:

I do not like this bill because I think the City of Reno's City Council is not doing their job. The councilman for the area is not fighting for their parks and that is part of their job.

CHAIR NOLAN:

Our intent is to get all proposed legislation into the Commission and out of the Legislature. At least the Commission should review these matters first. I want to hold the bill for a friendly amendment to have all these issues heard in the Commission before being heard in the Legislature. This is my true intent for this bill so we hold it until the amendment is drafted. We will close the hearing on A.B. 278.

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CHAIR NOLAN:

There being no further comments or business, this meeting of the Senate Committee on Transportation and Homeland Security is adjourned at 3:35 p.m.

RESPECTFULLY SUBMITTED:

Lynette M. Johnson,
Committee Secretary

APPROVED BY:

Senator Dennis Nolan, Chair

DATE: _____