

**MINUTES OF THE
SENATE COMMITTEE ON ENERGY, INFRASTRUCTURE AND
TRANSPORTATION**

**Seventy-fifth Session
April 10, 2009**

The Senate Committee on Energy, Infrastructure and Transportation was called to order by Chair Michael A. Schneider at 8:51 a.m. on Friday, April 10, 2009, in Room 2135 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to the Grant Sawyer State Office Building, Room 4412E, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Michael A. Schneider, Chair
Senator Maggie Carlton, Vice Chair
Senator John J. Lee
Senator Shirley A. Breeden
Senator Randolph Townsend
Senator Barbara K. Cegavske
Senator Dennis Nolan

STAFF MEMBERS PRESENT:

Matt Nichols, Committee Counsel
Scott Young, Committee Policy Analyst
Josh Martinmaas, Committee Secretary

OTHERS PRESENT:

Farrokh Hormazdi, Deputy Director, Department of Motor Vehicles

CHAIR SCHNEIDER:

We have an energy article titled, "Study examines savings for owners of energy-efficient homes" ([Exhibit C](#)). A builder in New Hampshire built some 1,450-square-foot, energy-efficient townhouses. They were found to save \$200 per month or \$2,400 a year in utilities. That is \$72,000 over a 30-year mortgage. With no inflation, the factor for fuel would be \$340,000 of savings

over 30 years assuming about a 4-percent inflation rate. What you would save on your energy bill is about the amount the mortgage would cost to pay off.

We will open the work session on Senate Bill (S.B.) 312. This is Senator Mathews' bill. This bill will be amended into Assembly Bill (A.B.) 21, but Senator Mathews wants to keep S.B. 312 alive in case something happens. We have the agreement to do pass her bill. She agrees with the Assembly bill, but has one portion in her bill that she wants to move forward.

ASSEMBLY BILL 21 (1st Reprint): Revises provisions governing the verification of motor vehicle liability insurance policies by the Department of Motor Vehicles. (BDR 43-437)

SENATE BILL 312: Revises provisions governing uninsured motorists. (BDR 43-286)

SCOTT YOUNG (Committee Policy Analyst):

This bill slightly changes the time frames for the Department of Motor Vehicles (DMV) to notify people if their insurance has lapsed so they do not get penalized for not having their insurance. Martha Barnes, Administrator of the Division of Central Services and Records for the DMV, was present when Senator Mathews presented the bill and indicated that DMV was okay with this. The one thing DMV wanted was a change in the date. We can do that in A.B. 21, which is already in Committee; we have just not scheduled it yet. There is no problem with passing S.B. 312 other than the deadline.

CHAIR SCHNEIDER:

We will close the hearing on S.B. 312 and open the work session on S.B. 394; off-highway vehicles. This is Senator Rhoads' bill. He is in agreement with the amendment.

SENATE BILL 394: Makes various changes to provisions relating to off-highway vehicles. (BDR 43-501)

MR. YOUNG:

The Committee voted to amend and do pass S.B. 394 on April 7. More time was requested to review the amendment because it was 41 pages and brought to the Committee the morning of the hearing. The amendment

Senate Committee on Energy, Infrastructure and Transportation
April 10, 2009
Page 3

([Exhibit D](#), original is on file in the Research Library) is still the draft presented by Leah Bradle. The Legal Division is converting it to an official amendment. Since the Committee asked for additional time to review Mrs. Bradle's proposal, in case there were any concerns, we brought it back today. The amendment also includes Senator Lee's amendment ([Exhibit E](#)). Senator Lee's amendment was adopted along with Mrs. Bradle's.

SENATOR CEGAVSKE:

Could someone explain to me what the fiscal note consists of, and why they brought that forward?

FARROKH HORMAZDI (Deputy Director, Department of Motor Vehicles):

The fiscal note is for \$419,107. This entire amount is for start-up costs. A project like this requires start-up costs. As for the contract programming part, \$276,750, we will need a year ahead of time to get all the programming done. For the employee cost part, we are looking at around three to six months ahead of time. The rest of it we could receive a few days before we go into commission.

SENATOR CEGAVSKE:

Is your fiscal note based on the new amendment?

MR. HORMAZDI:

That is correct.

SENATOR CEGAVSKE:

When we had the last hearing and they had just presented the amendment, you said there was a fiscal note. You knew the fiscal note before the amendment?

MR. HORMAZDI:

We were requested by the Committee to work with Mrs. Bradle and Jeremiah L. Drew to help with the amendment. The goal of that amendment was to reduce the fiscal note; that is what we did and that is how we knew ahead of time.

SENATOR CEGAVSKE:

The Commission consists of 11 members; are those paid members? Is there any additional cost or fiscal note on your amendment, Senator Lee?

SENATOR LEE:

I do not have an answer to that. There are three people who are rock crawlers, but there were a lot of people with organizations that were not represented by specific user groups. This amendment gives them a place at the table over those rock crawlers. We inserted another member with a larger base of people who use off-highway vehicles. These are people who do trail maintenance and a lot of other things, but they do not have an association with a particular type of users. These are associations like the Backcountry Hunters and Anglers.

SENATOR CEGAVSKE:

Is this Commission a voluntary group?

SENATOR LEE:

That is how I understand it.

MATT NICHOLS (Committee Counsel):

Senator Cegavske, if you will turn to page 3 of Senator Lee's proposed amendment, [Exhibit E](#), it explains that if there is money available from the fees that are collected by DMV and distributed to the Commission, the members of the Commission can get the usual per diem and travel expenses for state officers when they are conducting the work of the Commission.

And if there is money, the Commission could employ an executive secretary, but there is no appropriation to this Commission from the Legislature. All of their funding would be provided through the amount of the fees DMV collects that DMV is able to transfer to the Commission.

SENATOR CEGAVSKE:

I assume this goes to the Senate Committee on Finance. Hopefully, with the bills we are sending out of this Committee, somebody is compiling what we are asking for. We have no money to pay for what we have now, and we are sending more and more bills to Finance with fiscal notes. I do not disagree with the policy. I am concerned about the fiscal notes we keep sending to the Finance Committee which have no funding.

CHAIR SCHNEIDER:

Senator Rhoads sits on Finance and this is his bill, so he can argue his case for it over there.

SENATOR CEGAVSKE:

Because of the fiscal note, I support the policy but not the funding. I had abstained from the previous vote on this bill so I want to clarify that. I am voting for the policy to send it out, and only to refer it to Finance because of the fiscal note.

CHAIR SCHNEIDER:

We will now move to S.B. 358 ([Exhibit F](#), original is on file in the Research Library).

SENATE BILL 358: Revises provisions related to energy. (BDR 58-1146)

SENATOR TOWNSEND:

There are two issues we should address with this bill before we make a motion. One issue, brought forward by Renny Ashleman of the City of Henderson and Judy Stokey from NV Energy ([Exhibit G](#)), is to work on language already in the bill as amended. They have cleaned it up, and we should address it when the bill comes back.

Second, in analyzing the bill and knowing what will be coming from Senator Horsford and his working group, I recommend we add an individual to the Office of Energy. Finance will have to review and authorize the funding for it. This individual should, at the very least, be either an expert in finance, engineering or economics. The individual would act as a liaison between the required portfolio standards in this State and the Office of Energy. The portfolio standard is the 20-year plan that says to the public and Public Utilities Commission of Nevada (PUCN), "Here is the policy we are taking and the direction we are taking based on State law; this is what is available to us."

The liaison person would analyze policy from the Office of Energy, apply it and have input to the resource plan as it goes through the process of the PUCN. The person would also relate to the Office of Energy what the utility has put in their plan, what they are doing, etc. Finance would have to authorize that either as an appropriation or a scraping of the mill tax. Once they make that determination, we will deal with it as we move forward.

SENATOR TOWNSEND MOVED TO AMEND AND REREFER S.B. 358 WITH THE AMENDMENTS LABELED EXHIBIT F AND EXHIBIT G AND FOR AN ADDITIONAL PERSON FOR THE NEVADA STATE OFFICE OF ENERGY.

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

CHAIR SCHNEIDER:

The bill will be sent to Finance. We have a large amendment coming, and Finance will more than likely send it back here for this Committee to handle. We have that agreement with Senator Horsford. We will now move to S.B. 395.

SENATE BILL 395: Makes various changes regarding renewable energy and energy efficiency and alters the composition of the Commission on Economic Development. (BDR 58-1219)

MR. YOUNG:

The Governor's office presented an amendment; it is the 27-page color amendment prepared by the Governor's staff (Exhibit H, original is on file in the Research Library). There is a similar amendment in your work session document, but it is superseded by this one.

CHAIR SCHNEIDER:

This is a complicated bill with a lot of detail we have not fully vetted. It is something we have to work on.

SENATOR TOWNSEND:

While this amendment, Exhibit H, is clean and understandable, we have not vetted these issues. We will want this bill for future discussion. The Office of Energy is facing a serious problem we need to deal with. We keep putting more responsibilities with the Office of Energy to do regulations, but we give them no money. Yes, it is a single-person agency, which should keep the cost down, but this stuff usually requires workshops, hearings and postings, which we have never funded. Given the importance of energy this Session, I recommend taking

the proposed amendment from the Governor's office, dated April 9, adopt it and rerefer it to Finance with an appropriation of \$25,000 for the purpose of the Office of Energy to hold hearings currently required and being put forward by a number of bills. A great number of these bills are likely to survive. They have been deemed important by a vast majority of the Legislators and the public.

SENATOR TOWNSEND MOVED TO AMEND AND REREFER S.B. 395.

SENATOR CEGAVSKE SECONDED THE MOTION.

SENATOR LEE:

Section 6, subsection 3, paragraph (d) on page 10 states, "Two members who are residents of any county in Nevada" in [Exhibit H](#). I wanted to make sure those two members, who would be on the Commission on Economic Development, are Nevadans and not some people from out of state who are not coming to their meetings.

SENATOR CARLTON:

There are differences between this language and some of the abatement issues we talked about in Senate Committee on Taxation yesterday. Waste heat and some other issues are in here as well. Is this coming back so we can delve into these things?

CHAIR SCHNEIDER:

Yes.

THE MOTION CARRIED UNANIMOUSLY.

SENATOR TOWNSEND:

We have some troublesome jurisdictional issues. Taxation had two bills last night that could have gone before this Committee. Given the importance of transportation and energy, we should bring them into one committee. One of the bills affected the energy working group Chair Schneider is chairing, and it had the same abatement issues. The Highway Fund deficit issue used to be under the purview of this Committee to better understand it. Having this bifurcated is troublesome because there are four members on this Committee who only hear part of the testimony.

Senate Committee on Energy, Infrastructure and Transportation
April 10, 2009
Page 8

CHAIR SCHNEIDER:

We will now go back to S.B. 312. By passing this bill we are going to take A.B. 21 and put it together with S.B. 312. We will handle Senator Hardy's concern as well.

SENATOR CARLTON MOVED TO DO PASS S.B. 312.

SENATOR TOWNSEND SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

With there being no more business before the Committee, I will adjourn the Senate Committee on Energy, Infrastructure and Transportation at 9:23 a.m.

RESPECTFULLY SUBMITTED:

Josh Martinmaas,
Committee Secretary

APPROVED BY:

Senator Michael A. Schneider, Chair

DATE: _____