

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

**Seventy-fifth Session
April 15, 2009**

The Senate Committee on Energy, Infrastructure and Transportation was called to order by Chair Michael A. Schneider at 9:14 a.m. on Wednesday, April 15, 2009, in Room 2135 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to the Grant Sawyer State Office Building, Room 4412, 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

GUEST LEGISLATOR PRESENT:

Assemblyman Kelvin Atkinson, Assembly District No. 17

STAFF MEMBERS PRESENT:

Matt Nichols, Committee Counsel
Scott Young, Committee Policy Analyst
Patricia Devereux, Committee Secretary

OTHERS PRESENT:

Andy MacKay, Chairman, Nevada Transportation Authority, Department of
Business and Industry
Paul J. Enos, Chief Executive Officer, Nevada Motor Transport Association
Michael Geeser, Media/Government Relations, California State Automobile
Association, AAA Nevada

Senate Committee on Energy, Infrastructure and Transportation
April 15, 2009
Page 2

CHAIR SCHNEIDER:

We have two bills assigned to us that need to be rereferred. Assembly Bill (A.B.) 180 should go to the Senate Committee on Government Affairs, and A.B. 414 should go to the Senate Committee on Natural Resources.

ASSEMBLY BILL 414: Makes various changes to the requirements for emissions inspections of certain vehicles (BDR 40-821)

ASSEMBLY BILL 180 (1st Reprint): Designates Engine No. 40 of the Nevada Northern Railway as an official state locomotive of the State of Nevada. (BDR 19-734)

SENATOR TOWNSEND MOVED TO REREFER A.B. 414.

SENATOR CARLTON SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

SENATOR TOWNSEND MOVED TO REREFER A.B. 180.

SENATOR CARLTON SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

CHAIR SCHNEIDER:

Committee Policy Analyst Scott Young has given us two articles pertaining to renewable energy (Exhibit C). "Reid flips switch on state's first wind turbine" talks about U.S. Senator Harry Reid inaugurating a small wind farm at the International Brotherhood of Electrical Workers Local 357 and the Joint Apprenticeship and Training Committee of Southern Nevada's training facility.

"Molten salt boosts solar power's capacity factor" talks about an Arizona solar plant that uses molten salt to increase energy production by seven to eight hours per day. When the sun stops shining, energy is still produced. This

process allows solar to perform slightly below the capacity of natural gas or coal. This refutes the belief that solar only works when the sun shines.

We will open the hearing on A.B. 172 with a presentation by its sponsor, Assemblyman Kelvin Atkinson.

ASSEMBLY BILL 172: Requires certain charitable organizations which receive proceeds from special license plates to provide additional organizational information annually to certain entities. (BDR 43-366)

ASSEMBLYMAN KELVIN ATKINSON (Assembly District No. 17):

This bill was requested by the Commission on Special License Plates, of which I am Chair. It requires organizations that receive revenue from special license plates to submit annually a list of officers' mailing addresses and telephone numbers to the Commission and the Nevada Department of Motor Vehicles (DMV) on or before September 30. If an organization fails to do so, DMV may suspend collection of fees for the production of the plate.

In the 74th Session, the Legislature passed a bill requiring charitable organizations that receive revenue from special license plates to submit a balance sheet and bank statement to the Commission providing evidence of adequate funds submissions, proper financial practices and other relevant information.

If the Commission determines an organization has not submitted the necessary statements or has engaged in improper financial practices, it will notify the organization. The organization may request a hearing to refute the Commission's findings, but if upheld, the Commission may direct DMV to suspend production of the plate and collection of fees.

In the process of contacting organizations for financial information, the staffs of the Legislative Counsel Bureau and DMV noticed groups often make changes to officers' addresses or phone numbers that have not been reported to the Commission or DMV. It was also noted that some organizations sponsoring special plates received thousands of dollars annually from them, which makes it critical that DMV or the Commission have accurate information. Organizations' plate revenue is suspended until officers can be contacted, so this bill seeks to rectify that situation.

Senate Committee on Energy, Infrastructure and Transportation
April 15, 2009
Page 4

CHAIR SCHNEIDER:

Did you have problems with the Las Vegas or Nevada Arts specialty license plates?

ASSEMBLYMAN ATKINSON:

Usually large organizations like those are more stable. Smaller groups move around and change officers frequently, and that is the problem.

SENATOR NOLAN MOVED TO DO PASS A.B. 172.

SENATOR BREEDEN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

CHAIR SCHNEIDER:

We will close the hearing on A.B. 172. We will open the hearing on A.B. 169.

ASSEMBLY BILL 169: Makes various changes concerning the regulation of motor carriers. (BDR 58-870)

ASSEMBLYMAN ATKINSON:

Representatives from the motor carrier industry approached me during the interim to discuss changes to legislation concerning tow operators.

ANDY MACKAY (Chairman, Nevada Transportation Authority, Department of Business and Industry):

This goal of this simple bill is to close a loophole concerning illegal tow operators. All passenger vehicles used point-to-point within Nevada must be impounded if the carrier is not certificated. The State does not have the permissive authority to impound an illegal tow operator's vehicle.

The most important facet of the problem is that noncertificated carriers—tow operators, household-goods movers or passenger vehicles—generally have no or inadequate insurance. Drivers of noncertificated vehicles usually have not been

subjected to required preemployment drug testing or may be essentially unqualified to operate the tow car.

This bill adds the category of household-goods movers to the list of affected operators. The State currently has permissive authority to impound the vehicle of a noncertificated household-goods mover, but that is referenced in another statute, *Nevada Revised Statutes* (NRS) 706.756, subsection 4. When the Nevada Transportation Authority (NTA) conducts an impound hearing, that NRS must be referenced, which can create confusion for the respondent. Effectively, this bill clearly delineates all authorities that need to be certificated by the NTA. We exist to protect the safety of the traveling and shipping public, and A.B. 169 improves our ability to do that.

PAUL J. ENOS (Chief Executive Officer, Nevada Motor Transport Association):
We support A.B. 169. A year ago, the tow truck industry was the subject of numerous articles in the Las Vegas newspapers about "tow sharks": illegal tow operators who take business away from legal carriers and tow vehicles then charge exorbitant fees to the owners.

This was giving our industry a black eye, so we got together with NTA to discuss how to fix the problem. Chairman MacKay said NTA would like to have the authority to impound illegal operators. Now, the NTA can issue a citation, and offenders have the option to show up in court.

We do not know where to find these people, so if we could obtain the authority to impound the vehicles of illegal operators, we can better protect the public by ensuring that drivers are not right back on the street committing the same offenses.

We asked Assemblyman Atkinson to bring forward this measure. It will help legal carriers who are at a competitive disadvantage because they have to get insurance and meet a higher standard to maintain certification and stay in business. Giving the NTA the authority to impound illegal carriers' vehicles protects the industry and the general public.

MICHAEL GEESER (Media/Government Relations, AAA Nevada):
We support this bill as a way to get some of the "bad actors" off the road. The only time AAA would bring a noncertificated truck into the State is if we were asked to do so during a natural disaster.

We would simply work that out with the NTA by letting it know which drivers are where and when. Other than that, I cannot see why there would be a situation in which we would have some type of noncertificated, out-of-state trucking. That is why this is a good bill.

CHAIR SCHNEIDER:

We will close the hearing on A.B. 169. Senator Carlton has a question, so we will reopen the hearing on A.B. 169.

SENATOR CARLTON:

Would there be a logical reason why someone would have an illegal truck in the State and not be required to have a certificate to operate?

MR. MACKAY:

That situation occurs because drivers do not want to follow the rules.

SENATOR CARLTON:

Is there a legitimate reason why a tow operator would be here yet not have to be certificated? Is there preemption under a federal provision that could allow noncertificated drivers to be in the State?

MR. MACKAY:

"No, ma'am."

SENATOR CARLTON:

Does that not exist in this area? That is where we usually run into trouble when drivers think they are regulated by the federal government.

MR. MACKAY:

Absolutely. As the Committee is aware, tow car operators are partially deregulated by the federal government; however, states still have the permissive authority to regulate tow and charter bus operators in safety and insurance areas. In nonconsensual tows—when a vehicle is towed without the owner's permission—states have the authority to regulate the rates. A state's ability to regulate tow operators is intact as it relates to safety and insurance.

CHAIR SCHNEIDER:

When someone's vehicle breaks down just over the California side of Interstate 80 or Interstate 15 and a tow truck takes it to Las Vegas, does the

tow operator have to have some sort of reciprocity or certificate to tow the vehicle to Nevada?

MR. MACKAY:

In terms of reciprocity, no, but if a car is picked up right over the California border and pulled into southern Nevada, that is an intrastate situation. Operators would have to have intrastate authority from the federal government.

CHAIR SCHNEIDER:

That is not those tow operators' primary business, so they do not really have to be licensed in Nevada. Is that correct?

MR. MACKAY:

Not necessarily. Often, the majority of the tow operators within Nevada have intrastate authority specifically for that circumstance. They also have authority to operate point-to-point in Nevada.

SENATOR TOWNSEND MOVED TO DO PASS A.B. 169.

SENATOR NOLAN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

CHAIR SCHNEIDER:

We will close the hearing on A.B. 169.

SENATOR TOWNSEND:

Mr. Young gave us an article I found in *Forbes* or *Fortune* magazine on Polhemus wave-energy systems that generate 750 kilowatts of electricity. The article pertains to Chair Schneider's bill proposing to install such a system at the base of Hoover Dam. When some people see these renewable-energy bills, they think we are dreaming. This is real stuff, being done now all over the world. Whichever renewable technology is chosen, it can and is being done, and is useful to people.

Regarding today's article about molten-salt storage for solar power, this is a significant advancement. It provides eight hours of extra electricity storage for a

50-megawatt plant. When we make this personal and look at it from a Las Vegas point of view, if the sun goes down in August at 8 p.m., it still has a huge heat barrier until 4 a.m.

This shaves southern Nevada's serious problem: peak energy-use hours. That is paid for dollar-for-dollar, if you buy it on the open market, whether it is the short-term, long-term or spot price.

The federal government pumped \$25 million into the U.S. Department of Energy to help car companies retool to manufacture hybrid cars. Hybrids are not the problem; energy storage is the problem, and that includes the auto industry. We might want to consider a letter or resolution encouraging the federal government to reconsider where some of that money goes, as opposed to just to car companies. It could go to our university system and to entities studying long-term storage to create a "Manhattan Project" on the topic.

In terms of reducing our carbon footprint and the direction in which the nation is moving toward energy independence, storage for wind and solar generation is going to make Nevada a renewables leader. If a plant can add eight hours to eight hours of sunshine, that is nearly a base-load component. When the State starts to grow again, we will need more base load, which cannot come strictly from fossil fuels.

The closer we get with wind and solar to a base load, and the more we do to tie northern Nevada's tremendous geothermal resources into transmission lines for the south, the better we will manage our problem.

We are on the cusp of something seen once in a lifetime. People complain about all presidential administrations, but this one has taken a positive direction with regard to energy. Maybe this Committee can help President Barack Obama's staff to think clearly on the issue of renewables' storage so we can maximize Nevada's potential.

CHAIR SCHNEIDER:

It is a good idea to send our Congressional Delegation a letter on that topic.

Senate Committee on Energy, Infrastructure and Transportation
April 15, 2009
Page 9

CHAIR SCHNEIDER:

If there is no more business to come before the Senate Committee on Energy, Infrastructure and Transportation, I will close this hearing at 9:45 a.m.

RESPECTFULLY SUBMITTED:

Patricia Devereux,
Committee Secretary

APPROVED BY:

Senator Michael A. Schneider, Chair

DATE: _____