

**MINUTES OF THE
SENATE COMMITTEE ON TRANSPORTATION**

**Seventy-Seventh Session
April 1, 2013**

The Senate Committee on Transportation was called to order by Chair Mark A. Manendo at 9:04 a.m. on Monday, April 1, 2013, in Room 2135 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412 of the Grant Sawyer State Office Building, 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 Mark A. Manendo, Chair
Senator Kelvin Atkinson, Vice Chair
Senator Pat Spearman
Senator Joseph P. Hardy
Senator Donald G. Gustavson

GUEST LEGISLATORS PRESENT:

Senator Pete Goicoechea, Senatorial District No. 19
Assemblyman Tom Grady, Assembly District No. 38

STAFF MEMBERS PRESENT:

Jered McDonald, Policy Analyst
Darcy Johnson, Counsel
Jennie F. Bear, Committee Secretary

OTHERS PRESENT:

Robert E. Lang, Ph.D., Director, Brookings Mountain West, University of Nevada, Las Vegas
Chris Giunchigliani
Brian McAnallen, Las Vegas Metro Chamber of Commerce
Maureen Schafer, Executive Director, Council for a Better Nevada
Lisa Foster, City of Boulder City
Stephanie Allen, Focus Property Group

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Michael Sullivan, Whittlesea Bell Transportation
Jeanette K. Belz, The Associated General Contractors of America, Inc., Nevada Chapter
Mary C. Walker, Douglas County
Rudy Malfabon, P.E., Director, Nevada Department of Transportation
Paul J. Enos, CEO, Nevada Trucking Association
Kristina L. Swallow, P.E., Engineering Program Manager, City Engineer Division, Department of Public Works, City of Las Vegas
Robert E. Roshak, Executive Director, Nevada Sheriffs' and Chiefs' Association
Terri L. Carter, Administrator, Management Services and Programs Division, Department of Motor Vehicles

Chair Manendo:

I will open the hearing on Senate Bill (S.B.) 322.

SENATE BILL 322: Revises provisions concerning the membership of the Board of Directors of the Department of Transportation. (BDR 35-1075)

Robert E. Lang, Ph.D. (Director, Brookings Mountain West, University of Nevada, Las Vegas):

I support S.B. 322. In addition to being a professor of urban affairs at the University of Nevada, Las Vegas (UNLV), I direct the Lincy Institute and Brookings Mountain West branch of the Brookings Institution at UNLV. Previously, I was a professor at Virginia Polytechnic Institute and State University and a senior fellow at the Brookings Institution in Washington, D.C. My specialty is metropolitan policy. Three years ago, I chaired the Nevada Vision Stakeholders Group that was created through S.C.R. No. 37 of the 75th Session. Furthermore, I am one of the three principal authors of an economic development agenda for Nevada published in 2011 by the Brookings Institution, Brookings Mountain West and SRI International. I wrote many of the sections on logistics and transportation in that study. Land-use policy, regional governance, economic development, demographic change and regional geography are my areas of expertise. I have written extensively on transportation policy, including coauthoring *Megapolitan America* and *Boomburbs*. Two examples of "boomburbs," or fast-growing suburbs, are Henderson and North Las Vegas.

Nevada needs to pass S.B. 322. This State can be compared to "South Dakota attached to a metropolis of 2.25 million people." On February 28, 2013, the

Bureau of the Census, U.S. Department of Commerce, combined southern Nevada with Mojave County, Arizona, in a new combined statistical area (CSA). This means people from northern Arizona—Bullhead City, Lake Havasu City, Kingman—are commuting to Nevada. The region is bigger than the Las Vegas Valley. I predicted in *Megapolitan America* that, by 2040, Las Vegas will become a tri-state region including Washington County in southwest Utah, which includes St. George. It is evident already that a “Greater Mojave Region” exists in terms of medical services usage, airport usage, FedEx deliveries and so on. This is a substantial, globally connected metropolis.

Senate Bill 322 is important because the State did not anticipate the scale of development of a metropolis of this size. Regions competing with us include the areas around Phoenix, Salt Lake City and Denver. They have grown because their states assumed the largest cities were the main engines for development. The assumption of Arizona’s investment, policy and governance, for instance, is that central Arizona has nearly 5 million people living and doing business there. In Utah, the Wasatch Front has a couple of million people. In Colorado, the front range of the Rocky Mountains has 3 million people. The Las Vegas region has not been built on similar assumptions, in transportation and other policies. This has created a structural disadvantage in governance.

Furthermore, Nevada is last in federal formula-based aid to the states. Such aid includes funds for transportation, education, health and much more. For several reasons, Nevada is disadvantaged. Soon, the Lincy Institute will be issuing a report on this subject. Unlike Nevada, other states have organized their governance, or created a structure, to take advantage of as much federal funding as they can.

Las Vegas continues to grow and outpace the rest of the State. According to the Census Bureau, Las Vegas will exceed 75 percent of Nevada’s population in the near future. While the city is particularly successful in attracting convention and other tourist business, people must wait an hour for a taxicab at the Las Vegas Convention Center. The surface transportation for tourism is in a crisis of congestion. Getting to the city is relatively smooth. We have so many elements working well—a global, high-capacity airport; huge convention spaces; multiple hotels of all sizes; excellent food and beverage apparatus. The crisis requires creative urban-based solutions that reflect the size, scale and intensity of use at the region’s core. We are constrained, unlike Orlando—one of our

greatest competitors for tourism services. That city and its region are working more aggressively on solutions, especially for surface transportation.

To solve the problems, the Nevada Department of Transportation (NDOT) needs a larger Board of Directors with more nonpolitical representation, especially from the southern part of the State. Another need is proper regional representation to reflect the current and future scale of growth. The current composition of the Board includes representatives from three regions of the State and four elected officials without transportation expertise. Most of the elected officials are lawyers. This is an opportunity to appoint skilled, knowledgeable Board members. Some of them will have contacts with external funders to improve the situation in Las Vegas. The current system does not reflect the distribution and demand of the population or revenue generation. Tremendous revenue is created in southern Nevada, not just from the people living there, but also from the scale and intensity of the tourist industry. An 11-member board weighted to reflect these factors would be an improvement. Even if the board's composition is weighted for population, tourism is not taken into account.

Tourism brings at least 100,000 people per day to the region. At times, it is more intense. At its peak, the number of people coming into the region is similar to adding the residents of Reno to those of Las Vegas. As a resident of Las Vegas, I see the influx and the critical weakness for expanding the industry. One of the points of the 2011 study we conducted with SRI International is that the tourism industry in southern Nevada has not stopped growing. Events and more tourism niches can expand further. The backbone of the industry is conventions. They bring national experts in every field to our community. Growth opportunities exist in certain sectors, such as medical instruments and consumer electronics, as we have in the furniture industry. A permanent apparatus in the World Market Center reflects the competitive advantage we have in hosting shows of this scale.

If we do not create a smooth-flowing infrastructure to address that demand and opportunities in these key sectors, we will continue to have difficulties. We also have opportunities across the State, such as in the logistics field. Interstate 11 (I-11) is not just a road to Phoenix. It also is a road used by commuters to Las Vegas. Census Bureau analysts have reported this phenomenon. The Las Vegas region has picked up a 200,000-person county—Mojave County, Arizona—because at least 15 percent of that county exchanges with the region through daily commuting. This is not to mention how many people come from

Kingman, Arizona, and St. George, Utah, for the annual rodeo in Las Vegas. We do not know the commuting patterns yet for that event.

To conclude, we need the proposed governing shift that reflects and serves the whole State and incorporates the large urban element. This element is missing from the current structure of the Board. All of this is needed for expert input to help solve our transportation problems.

I have discussed transportation matters with the mayors of Phoenix, Tucson, Boise, Denver, Salt Lake City and many other large cities competing with Las Vegas. All of them are jealous of the success of the global reach of McCarran International Airport in Las Vegas. Phoenix, for example, is receding from the global network, while Las Vegas is adding routes to Europe and Latin America. Brazil has become one of its new markets. The recent addition of the international terminal at the airport has provided a capacity to process foreign tourists second in the southwest to Los Angeles International Airport.

What the mayors do not like is the delay in surface transportation from the airport. The management problems in this area constitute a risk to the regions' competitive advantage. Scott Smith, Mayor of Mesa, Arizona, told me that he flies to Las Vegas in 40 minutes but has to wait an hour or more for a cab to drive him to the Mandalay Bay Resort and Casino, to which he could walk if not for security fences around the airport. Furthermore, Salt Lake City and Denver have light-rail and other surface-transportation improvements. The mayors of these cities note that we in the Las Vegas region are not even having conversations to address our surface transportation problems. Tourists experiencing delays getting to and from sites rightfully wonder if Las Vegas has outstripped its ability to operate at such a large scale. While they can reach the city easily from anywhere in the world, it should not be so time-consuming to travel to a restaurant for dinner, for example, once they have arrived in the city. An 11-member Board, with 8 members with diverse expertise specifically charged with addressing the big city dynamics of southern Nevada, will help remedy this situation.

Chair Manendo:

Can you tell us your assessment of why it has taken so long for the I-11 project to be discussed seriously?

Dr. Lang:

Historically, Las Vegas was not large enough in the 1950 Census to warrant a major interstate directly linking it to Phoenix. The Sunbelt did not exist at that time when the federal government was creating the national interstate system. Western cities were "under linked." Denver was politically powerful enough to demand a route through the Rocky Mountains, which became Interstate 70. Phoenix has a business plan to become the "Atlanta of the Southwest." The new interstate is a component of Arizona's goal to connect its capital to Mexico and Las Vegas. Arizona must build the majority of I-11, about 250 miles, and has been saving money for years for this purpose. It already has built the section from Kingman to the Nevada border. All that is needed is a bridge into Nevada and completion of the 12-mile section in Nevada to connect Phoenix to Las Vegas. The main delay has been funding. Confusion also exists about the location of the interstate through Boulder City.

Another concern is that Arizona controls Interstate 15 (I-15), as it could ask the federal government to make the portion of I-15 through Mojave County a toll road. If a toll road is installed, the southern Nevada region will have missed an opportunity for economic output. This would create a barrier between southern Nevada and the fastest-growing county in Utah.

Interstate 11 has been misunderstood in Nevada. The State should view it as an entitlement for our commuters. The highest and best use of infrastructure investment is to smooth the path between people who live in one place and work in another. If it is efficient, the region's gross metropolitan product enlarges. This interstate already is transforming Mojave County, which now is part of the Clark and Nye County CSA. Therefore, it will transform southern Nevada.

Chair Manendo:

In the 1980s, I attended a meeting in Las Vegas at which I-11 was mentioned, as was the concept of a high-speed train. The I-11 project seems to have been a low priority for decades. Some people in our State still see it as a low priority. As a resident of southern Nevada, I view I-11 as not only good for the Las Vegas region but also for the whole State. It will bring commerce to Nevada. For years, I have been bewildered and frustrated about why I-11 is not seen in this light. People in the business community who commute to Phoenix have spoken with me about the need. Our priorities are backwards.

Dr. Lang:

The Arizonans are amused. Mayor Smith told me he thinks Arizona will finish its 250-mile portion before Nevada finishes its 12-mile portion. This is concerning because these are our peers. Las Vegas is an “emerging Phoenix.” Tucson and Reno also are similarly scaled.

The priority of the I-11 project will help Reno because of its emergence as a logistics center. This is due to the deepening of the port in Oakland, which takes overflow from the port in Los Angeles. Sparks and Reno have raised issues about the capacity of Interstate 80 (I-80). The people in all parts of Nevada must think more strategically. My worry is that we will alienate Arizona in the process and miss ground-based transportation and goods exchange opportunities in Las Vegas. A toll road on the Arizona portion of I-15 will limit expansion to southwest Utah. The airport in Las Vegas cannot be used for goods because of limited space and the priority for passenger travel. The airport’s cargo capacity can only be doubled. Furthermore, it is used for luxury goods, food and consumable products flowing to Las Vegas. Las Vegas and North Las Vegas, with its warehouses, would be ideal for ground-based logistics because they are at the junction of I-15 and I-11.

Interstate 11 will bring more tourism to northwest Arizona and Phoenix. It also will help our regional partners. Phoenix, Las Vegas and Los Angeles are connected to the global economy as a unit. Increased business with Chinese markets in Las Vegas resulted from expansion of Los Angeles firms. Phoenix is a natural partner on green technology and is a center for that emerging industry. It seeks to be for green energy what Texas has been for carbon-based energy. Arizona and Nevada share a common border with California, which will need alternative energy from both states.

Arizona is ready to see I-11 come to fruition, but people there worry that Nevada might make its 12-mile section a toll road to help pay for its portion of the project. Nevada could become the “Delaware” of the west. The 17-mile segment of federal highway through Delaware is a toll road. The toll does not help trade and distorts movement of people and goods because many drivers divert through Pennsylvania instead of paying the toll. I recommend if Arizona builds its portion of I-11 as a “freeway,” Nevada do the same.

Senator Gustavson:

We do have ground transportation problems in Nevada, especially in the south. Senate Bill 322 proposes to remove three elected officials from the Board and replace them with experts in the field of transportation. If this were done, why would we need to increase the number of members from 8 to 11?

Dr. Lang:

One reason is we need a Board with enough members to capture representation. If the number of members on the Board is too large, then the less-populated parts of the State will be overrepresented. Eleven is a common number for commissions and boards. The Commission on Tourism has 11 members. The Nevada System of Higher Education board has 13 members with statewide representation that is working well. Increasing the number of members to 11 will allow opportunities for appointments of people from metropolitan planning organizations and others expert in delivering the product and managing big-city problems. The larger number will be more representative of the State's regional distribution.

Senator Gustavson:

Your answer does not satisfy my curiosity. Making the Board larger does not mean we could not have such expertise with fewer people. The representation proposed in the bill does not seem to be proportional for the northern part of the State. If the bill proceeds, I want to see more representation from northern and rural counties, unless you can give me more confidence about this point.

Dr. Lang:

Reno and Carson City are in one CSA of about half a million people. Las Vegas has about 2 million people. The rural counties contain about 250,000 people. This translates into one representative for approximately every 250,000 people. Eight members would come from the south; two members, from the north; and one member, from the rural areas. This configuration will match the State's population distribution closely.

Senator Gustavson:

By population, this does reflect the areas fairly well. Returning to the transportation problems in the south, a monorail system in Las Vegas does not connect to the airport. Buses connect with the airport. If we were to implement a light-rail system, connecting it to the airport would be important. The politics in Clark County may prevent some ideas from being implemented and affect the

taxi and limousine business. I wonder if additional members on the Board can resolve this problem.

Dr. Lang:

The NDOT is powerful and can provide leadership in that area. Reform must start somewhere. You are right. We must do this together. States succeeding in this kind of planning are working on many issues simultaneously. Nevada must begin to do the same as its population nears 3 million. We are the size of Kansas and Mississippi. Nevada contains one of the top 30 metropolitan areas in the United States. The Las Vegas metropolitan area is bigger than it seems because of its global connections. It has an international brand similar to that of Google Inc. We have to be careful stewards of this status. Increasing the size of the Board is a beginning step. It will not be the final answer, but will produce additional voices ready to work with the State, especially in securing funding and applying best practices.

Chris Giunchigliani:

There are times for opportunities for the regions in our State to examine if our structures should be realigned. When I first heard about S.B. 322, I realized this is one of those times. We need to look at equal representation on the Board. Tying the number of members to population is a fair standard. The locus of 75 percent of the people and the funding should be represented proportionately. Through its governance structure, NDOT manages or oversees the funding programs approved by the Board. All this bill envisions is a regional balance instead of one representative from each of the three regions—south, north and rural. This is something southern Nevadans can support without hurting people in the rest of the State. Because I served in the Legislature, I have an appreciation for the needs in the northern and rural parts of Nevada. The bill will give a voice to Nevadans statewide in directing transportation projects. Las Vegas is a metropolitan community with an opportunity to diversify the State's economy. The entire State will benefit as we make more money, transport more goods, create more jobs and expand more industries. The bill will bring needed expertise to the Board and minimize the politics while representing the population of Nevada.

Brian McAnallen (Las Vegas Metro Chamber of Commerce):

The status quo no longer is acceptable. The time for this bill has come. Moving to a population-based Board will allow voices to be heard that have been silent for a long time. Arizona's counterpart operates similarly to what is proposed in

this bill. The governor of Arizona appoints the members who represent the population of their state. Nevada needs this kind of composition of its Board to move forward in addressing its needs. The Las Vegas Metro Chamber of Commerce believes in strong infrastructure investment. We need to continue working together to address our State's needs, and we support S.B. 322. It is critical for Nevada, especially southern Nevada.

Maureen Schafer (Executive Director, Council for a Better Nevada):

The Council for a Better Nevada is a group of 23 business, labor and community leaders based in southern Nevada. Our purpose is to focus on infrastructure issues that enhance the quality of life for all Nevadans. Transportation is one of the issues in which we have been involved during the 8 years of the group's existence. We support S.B. 322, believing the expansion of the number of members of the Board will encourage a more informed and engaged citizenry. It will have a positive impact on NDOT operations. Specifically, we are encouraged by proposed enhancements in three areas—the application process, representation based on population and language similar to that in other states. The application for appointment will seek people with experience in fields such as civil engineering, construction and finance. A population basis will be more inclusive. A larger transportation board has been tested and accepted in other states by government and the populace. Arizona has this structure, and it is successful there.

The importance of transportation in our State cannot be overstated. It is key, not only in travel decisions affecting residents and tourists, but also as an economic development tool for Nevada. The expansion of the Board to accommodate these considerations will assist NDOT in addressing the challenges with greater clarity and representation from the State.

Chair Manendo:

Can you summarize the interests of your organization and describe how it works?

Ms. Schafer:

Our organization was founded in 2005 by Terry Wright, Terrence J. Lanni, Phil Satre, James Rogers and others, some of whom were from northern Nevada. While they have moved on, numerous business leaders in southern Nevada have become active. Our group has an executive committee and subcommittees on topics including public education, water and economic

development. Ad hoc community members also are involved in the subcommittees. I will send each Committee member our annual report in the next few weeks.

Lisa Foster (City of Boulder City):

The City of Boulder City supports S.B. 322. It will benefit the City and the entire State. As Nevada's population in certain regions has grown, so have the unique transportation needs of these regions. A board whose composition is based on population is the most efficient approach to ensure decisions are made with a true, firsthand understanding of the needs. With financial plans being studied and developed for the I-11 project, which includes the Boulder City Bypass, city officials are concerned that the current Board may give the same level of importance for this project as it does for other projects. They consider connecting Phoenix and Las Vegas to be important for all Nevada's economic development needs, especially as investments are being made in seaports on the Gulf of Mexico. The credibility of NDOT in prioritizing major projects is critical. The best ways to enhance that credibility is to remove the appearance of politics and to reflect the population's needs.

Stephanie Allen (Focus Property Group):

We support S.B. 322.

Michael Sullivan (Whittlesea Bell Transportation):

I will read my prepared testimony ([Exhibit C](#)) in support of S.B. 322.

Jeannette K. Belz (The Associated General Contractors of America, Inc., Nevada Chapter):

I have been working on transportation issues in Nevada for more than 10 years. Everything said here is true. We are in dire need. Our Highway Fund is under attack. Bills are being proposed that will divert money from that Fund. The time to address these issues is now.

The Nevada Chapter of the Associated General Contractors of America, Inc. is against S.B. 322. This bill will not help us reach the solutions our State needs. The Nevada Department of Transportation is the keeper of Nevada's roads. I have provided a one-page handout ([Exhibit D](#)) from the "2012 Nevada Transportation Facts and Figures," published by NDOT. Specifically, I refer to the chart showing the miles of improved road by county. Rural roads comprise approximately 80 percent of the roads maintained by NDOT. The current

structure of the Board addresses this fact. If the Board were composed based on maintained road miles, the composition would be weighted more to the rural areas of Nevada. Additionally, the Constitutional State Officers on the Board contribute other expertise and a "big picture" perspective of what is occurring in the State, primarily budget development.

Ultimately, the change in the Board's membership will do nothing to create more funds for transportation in Nevada. The chair of the Senate Committee on Legislative Operations and Elections is on this Committee. Her committee is the one in charge of interim studies and interim committees. It is time to start thinking about studying transportation issues more seriously. Dr. Lang discussed all the connections between transportation infrastructure and other critical developments in our State. Keeping all of this in the forefront is essential. Several bills are detracting from this point. However, some bills are attempting to address these concerns. Nevada has several long-term problems. For example, the use of hybrid and alternative-fuel vehicles will affect the amount of tax revenue for our State. We are doing nothing about finding more funding for our transportation infrastructure.

While we oppose this bill, we favor the discussion this Committee is having and want to share the discussion with the other Legislators.

Chair Manendo:

Do you know the number, by county, of vehicles that travel on the roads? I presume there would be at least ten times more vehicles on Clark County roads than all roads in the other counties.

Ms. Belz:

I only speak to the number of miles of roads that need to be maintained by NDOT. Many roads such as U.S. Highway (U.S.) 93 and U.S. 95 are important to Nevada for many reasons, especially transporting goods to the far-flung areas where people live.

Chair Manendo:

Is it correct that the majority of the traffic is not in those places?

Ms. Belz:

I am not arguing that point.

Mary C. Walker (Douglas County):

Douglas County is opposed to S.B. 322. However, we are not opposed to more money for road improvements in southern Nevada. While we appreciate the statewide perspective of the current Board with its four public officials, we are concerned about the lack of representation for rural counties, particularly in terms of number of miles of roads maintained by NDOT. As noted in the chart Ms. Belz provided, Elko County has 718 miles and Clark County has 756 miles. Using population only to comprise the Board's membership may not be the best methodology. Local governments distribute fuel-tax revenues through several different mechanisms. Some of these are population, assessed value, area in square miles, miles of roads and vehicle miles of travel. Likewise, the basis for determining the Board's membership might include considerations other than population.

Chair Manendo:

Do you know how many other boards in our State have the State Controller, Lieutenant Governor, Attorney General and Governor included in their memberships?

Ms. Walker:

The State Board of Examiners has three of them, but I am not sure of the composition. There could be other boards.

Rudy Malfabon, P.E. (Director, Nevada Department of Transportation):

The NDOT is opposed to S.B. 322. The four Constitutional State Officers have the responsibility to hold a statewide perspective. Our Board is engaged in NDOT's work. Never before have I seen the level of interest and introspection this group has had. The Board approves all contracts over \$300,000 and the annual work program, the 4-year Statewide Transportation Improvement Program and the long-range plan. In practice, the Board accepts the plans from the metropolitan planning organizations without changes. As an example, this means the Board approves the plan as submitted from the Regional Transportation Commission of Southern Nevada (RTCSN). To clarify the composition of the State Board of Examiners, the elected officials on that body are the Governor, Secretary of State and Attorney General. All legal settlements involving NDOT—tort claims, imminent domain settlements and personnel claims—are heard by that body. Our Board functions in a transparent manner with posted agendas and time for public comment at meetings. Most of NDOT expenditures are in the capital program. The Board has formed a construction

working group to consider how the agency administers construction contracts, handles construction claims, closes projects on schedule and so on. This group is chaired by Len Savage, a contractor who does not do business with NDOT. The State Controller, Kim R. Wallin, serves on this group as does Frank Martin, another contractor. The Board is taking measures to focus on how NDOT works and to give us direction.

During the last 5 years, NDOT has spent 64 percent of its capital program budget in Clark County. Eleven percent has been spent in Washoe County and 25 percent in nonurban areas. Although we know Clark County has many needs, we must maintain a statewide perspective so that rural highways are maintained properly. Additionally, we rely on the regional transportation commissions to bring us their plans and priorities. The NDOT adopts their plans.

Regarding the issue at the airport in Las Vegas, we have been involved in discussions with the Las Vegas Convention and Visitors Authority, RTCN and Clark County Departments of Aviation and Public Works. Connecting tourists with the airport and the rest of the region requires money. Paradise Road is not a safe road anymore. The beltway airport connector is maintained by NDOT, but is owned by Clark County Department of Aviation.

The I-11 project now is in phase 1 of construction. We have the environmental approvals to build the project, but funding is needed. The Legislature approved phase 2 of the project to study the toll road option.

In short, we must maintain a statewide system for which funding is limited. Project selection often is driven by the local agencies whose plans are approved by NDOT. The Board is involved in directing NDOT and operates in a transparent manner. Our system is working, so we oppose changes to the existing Board.

Senator Spearman:

Are there any aspects of the bill that you are more against than other aspects? Do you see anything in the bill that could be salvaged through a compromise?

Mr. Malfabon:

I need to investigate this before answering. I understand the interest in geographic weighting for population, but the Board is interested in the needs of southern Nevada. In the Governor's State of the State speech, he mentioned

Project Neon. This is a huge construction project on I-15 in Las Vegas. I will look more closely at the bill and respond later.

Paul J. Enos (CEO, Nevada Trucking Association):

The Nevada Trucking Association (NTA) is neutral on S.B. 322. The idea to have more representation from Clark County on the Board is understandable. Each day when I travel to Carson City, I drive on Interstate 580. When that project was being developed, it did not have a positive cost-benefit ratio. The political will existed to approve the project, however. People in southern Nevada might look at that and think their needs are being ignored. Assembly Bill No. 595 of the 74th Session required NDOT to prepare a written analysis of costs and benefits of each proposal for a highway project costing \$25 million or more. With such analyses, Nevadans have data for each new project to understand factors such as saving commute time, saving lives, mitigating environmental impact from traffic and more.

I agree with Mr. Malfabon that a statewide perspective is necessary for the Board. All communities in the State are interdependent. We need a network for exchange of goods and movement of people. The bill does attempt to achieve a geographic balance. I also agree with Dr. Lang that we might look at bringing more expertise to the Board. We can identify various stakeholders with transportation expertise in addition to that of the Constitutional State Officers on the Board.

One of my frustrations has been the determination of where money is spent. On occasion, local agencies make commitments of State assets. State personnel must find the resources. Pyramid Highway, in northern Nevada, is an example of my concern. Fifteen years ago, it was a fine two-lane State road. When the local government decided to build thousands of homes along that road in Spanish Springs, the State asset needed an investment of half a billion dollars to make it functional. The NDOT needs to communicate better with the metropolitan planning organizations to define how costs will be shared.

The possibility of a toll road on the Arizona section of I-15 concerns the NTA. That section is 21-miles long and is only accessible from Utah and Nevada. It is an essential link from the port of Long Beach, California, to I-80 in Utah. We are opposed to a toll on this portion of I-15. The Federal Highway Administration, U.S. Department of Transportation, recently allowed only three pilot slots for toll roads on existing interstates. They were awarded to Virginia, North Carolina

and Missouri. The Missouri pilot program may not continue, so Arizona conceivably could be selected to replace that slot.

Having a broad approach and more transportation expertise on the Board are important elements. If this bill moves forward, I would like to work with the bill's sponsor and other stakeholders to examine the relationships between the State and the metropolitan planning organizations.

Kristina L. Swallow, P.E. (Engineering Program Manager, City Engineer Division, Department of Public Works, City of Las Vegas):
The City of Las Vegas supports S.B. 322.

Dr. Lang:

Good points have been raised. The State has an interest in fixing the situation. Las Vegas is not to Nevada as Phoenix is to Arizona or Denver is to Colorado. The advantage our regional competitors have is that they are working closely together. In the Wasatch Front, for instance, a single metropolitan planning organization is emerging in the area from Ogden to Provo. The area has a rail system integrated with regional railroads and connected to the international airport in Salt Lake City. They are advancing. My fear is that despite Nevada's assets, which are numerous, delays in fixing our problems will hurt our economic development.

Chair Manendo:

I agree. My intention is to process a bill this Session. We have studied these topics for some time. It is clear action needs to be taken in less than 2 weeks. I will close the hearing on S.B. 322 and open the hearing on S.B. 343.

SENATE BILL 343: Makes various changes relating to off-highway vehicles.
(BDR 43-630)

Senator Pete Goicoechea (Senatorial District No. 19):

Senate Bill 343 is meant to be enabling legislation. It stems from activities occurring in the rural counties. Drivers of off-highway vehicles (OHV) are using secondary county roads more and more. Many of the vehicles being driven now are larger than the standard OHVs that are under the jurisdiction of the Commission on Off-Highway Vehicles. The larger vehicles can carry four passengers and can go up to 50 or 55 miles per hour. People driving these vehicles have higher liability if they are in accidents, with or without passengers

onboard. Additionally, even if the vehicles are insured, the insurance may not be valid if the OHVs are not registered. Without registration, driving the vehicle is illegal. We want to require owners of these vehicles to display a tag on their vehicles showing they are registered and insured. This tag would look different from those approved by the Commission for smaller OHVs.

Each board of county commissioners must adopt by ordinance county roads approved for OHV travel. This bill will allow people to drive OHVs legally on the approved secondary roads with registration and insurance. The idea for this bill came to me from a group of my constituents in southern Nye County where OHV use is prevalent. People are driving on secondary roads throughout Nevada now. I want to make it legal.

Chair Manendo:

Are you saying this kind of vehicle can drive on the highways?

Senator Goicoechea:

They are not allowed on state or federal highways. We are talking about county roads only.

Chair Manendo:

What purpose do these vehicles serve?

Senator Goicoechea:

They are popular with sportsmen and recreationists. Each one weighs more than 1,000 pounds. They have large engines, 500 cubic centimeters or more, and are expensive vehicles.

Assemblyman Tom Grady (Assembly District No. 38):

People are driving OHVs much more now than ever. It used to be we would see only a handful of them in my district. Now they are almost everywhere, especially on frontage roads along the highways. Some people are commuting to work with them. An example of where many are seen is along U.S. 50 between Silver Springs and Carson City on the frontage roads. This activity needs to be controlled. While each county has the option to designate which of its roads will be open to OHV travel, we feel someone needs to do something before people are hurt. The OHV drivers probably are not wearing helmets either.

Chair Manendo:

Are they required to wear helmets?

Senator Goicoechea:

It is recommended. Another benefit of the bill will be to give police officers authority to ticket offenders. Now they are turning a blind eye on the activity because it can be difficult to determine if an OHV was on the edge of the road or out in the brush. Officials could incorporate this authority into their local ordinances if it were clarified. We need to enable local law enforcement personnel to declare that it is illegal to drive an OHV on the highway. People are driving them on highways.

Senator Hardy:

Would insurance cover an accident with one of these vehicles if it occurred on a county road?

Senator Goicoechea:

Most of the vehicles are uninsured at this point, although some of their owners carry liability coverage. I would like to hear from insurance industry personnel on your question. Technically, insurance will not cover someone who is breaking the law, whether by not being registered or driving on an unapproved road. This bill is an effort to give OHV users the opportunity to have a registration and insurance and for counties to designate areas for people to drive these vehicles.

Senator Hardy:

When you say "county road," I envision a dirt road that is "maintained." Is that what you mean?

Senator Goicoechea:

Yes. In rural Nevada, most of the roads are official county roads maintained at least once per year. We have thousands of miles of these county roads. Unregistered and uninsured drivers of these vehicles who are in accidents, with or without injuries, will be held responsible for damages.

Senator Hardy:

Is there another state that has figured out how to handle the insurance and registration matters?

Senator Goicoechea:

I do not know of one. Every state is struggling with these issues. I did not research this question, but I know Idaho is working on the subject. Utah likely has the same questions. Senate Bill 343 might be draft legislation for other states.

Senator Hardy:

Could we take our vehicles to other states such as Utah and Arizona and drive them there without registering them?

Senator Goicoechea:

Technically, they are not to be driven on a road.

Senator Hardy:

Are all of these vehicles technically off-road vehicles?

Senator Goicoechea:

Yes—OHVs.

Robert E. Roshak (Executive Director, Nevada Sheriffs' and Chiefs' Association):

We support S.B. 343. It will help us clarify enforcement issues.

Terri L. Carter (Administrator, Management Services and Programs Division, Department of Motor Vehicles):

The Department of Motor Vehicles (DMV) is neutral on S.B. 343. We want to work with Senator Goicoechea on a few provisions of the bill. One of these is the wording of section 4, which potentially allows off-highway vehicles to be registered under *Nevada Revised Statutes* 482. This would put them in the same classification as a "vehicle." We have researched off-highway vehicles extensively. None of them meets current federal safety requirements for on-road use. The manufacturers have provided letters to this effect. Each OHV has a label clearly stating it is not for on-road use. These vehicles are manufactured and intended for off-road use. As Senator Goicoechea mentioned, people use them to pass from one kind of roadway to another. This can be done legally provided the roads are designated for OHV use. I want to research the insurance requirements in more detail and work with Senator Goicoechea for a solution to this issue.

Senator Goicoechea:

The Commission was supposed to testify on the bill today. It supports the bill. I will work with the DMV and supply the amendment to the Committee shortly.

Senator Hardy:

There may be misunderstanding among the people who buy these vehicles. When I think of off-road vehicles, I think of driving them off a primary road. They may think of it as "off pavement." It seems we have an educational issue for this activity in our tri-state area.

Senator Goicoechea:

Typically, what happens is people drive along the highway and find an interesting secondary road. They then unload their OHVs and explore the wilderness. The roads they choose to explore usually are official county roads. In these cases, the people are as liable as if they were driving cars on primary roads.

Senator Hardy:

I drove by Christmas Tree Pass in Clark County in both directions and saw people doing what you have described. They unloaded their OHVs and went up the county road.

Senator Goicoechea:

By giving the counties the opportunity to designate which roads can be used by drivers of OHVs, we could be enhancing economic development of the counties. I want to lessen the liability of the OHV drivers.

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Chair Manendo:

I close the hearing on S.B. 343. Having no other business, I adjourn the Committee meeting at 10:36 a.m.

RESPECTFULLY SUBMITTED:

Jennie F. Bear,
Committee Secretary

APPROVED BY:

Senator Mark A. Manendo, Chair

DATE: _____

<u>EXHIBITS</u>				
Bill	Exhibit		Witness / Agency	Description
	A	1		Agenda
	B	4		Attendance Roster
S.B. 322	C	2	Michael Sullivan	Written Testimony
S.B. 322	D	1	Jeannette Belz	Page 33 of 2012 Nevada Transportation Facts and Figures