

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

**Seventy-Eighth Session
April 9, 2015**

The Committee on Transportation was called to order by Chair Jim Wheeler at 3:27 p.m. on Thursday, April 9, 2015, in Room 3143 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/App/NELIS/REL/78th2015. In addition, copies of the audio or video of the meeting may be purchased, for personal use only, through the Legislative Counsel Bureau's Publications Office (email: publications@lcb.state.nv.us; telephone: 775-684-6835).

COMMITTEE MEMBERS PRESENT:

Assemblyman Jim Wheeler, Chair
Assemblywoman Jill Dickman, Vice Chair
Assemblyman Nelson Araujo
Assemblyman Richard Carrillo
Assemblywoman Victoria A. Dooling
Assemblywoman Michele Fiore
Assemblyman Edgar Flores
Assemblyman Brent A. Jones
Assemblywoman Marilyn K. Kirkpatrick
Assemblyman P.K. O'Neill
Assemblyman Stephen H. Silberkraus
Assemblywoman Ellen B. Spiegel
Assemblyman Michael C. Sprinkle
Assemblywoman Melissa Woodbury

COMMITTEE MEMBERS ABSENT:

None



GUEST LEGISLATORS PRESENT:

Assemblywoman Robin L. Titus, Assembly District No. 38

STAFF MEMBERS PRESENT:

Michelle L. Van Geel, Committee Policy Analyst
Melissa N. Mundy, Committee Counsel
Henri Stone, Committee Secretary
Trinity Thom, Committee Assistant

OTHERS PRESENT:

Buzz Harris, representing Tahoe Transportation District
Carl Hasty, District Manager, Tahoe Transportation District
Paul J. Enos, Chief Executive Officer, Nevada Trucking Association
Richard (Skip) Daly, Business Manager, Local 169, Laborer's International
Union of North America
Wayne Seidel, Administrator, Motor Carrier Division, Department of Motor
Vehicles
Sean Sever, Communications Director, Communications Division,
Department of Transportation
Will Adler, representing Commission on Off-Highway Vehicles

Chair Wheeler:

[Roll was called. Protocol and procedures were explained.] We will open the hearing on Assembly Bill 450. We will then work session every bill, including A.B. 450.

[Assemblyman Silberkraus assumed the Chair.]

Assembly Bill 450: Creates the Interstate 11 Toll Road Project. (BDR S-1086)

Assemblyman Jim Wheeler, Assembly District No. 39:

As you have heard before in this Committee, the intent of Assembly Bill 450 is very different from the bill that came out. We gutted the bill and changed it. In my opinion, the original bill is still very different from the new bill that came out. I would like to propose a conceptual amendment (Exhibit C) to the bill rather than the amendment that is here, and give you the intent of the bill, except for its last portion.

The first part of the bill is for southern Nevada. What it should entail is what we call "hot lanes" for the Interstate 11 (I-11) project and any other project that the Department of Transportation (NDOT) thinks should be used there. That would be a private-public partnership between NDOT and the people of Nevada and private industry to build high-occupancy vehicle toll lanes alongside free lanes. That is the intent of the bill. Doing that would relieve traffic congestion through those areas, and we would be able to raise revenues. Building some of those new freeways would be less expensive.

In return, since that is a southern Nevada project, we were looking at doing something in northern Nevada. All studies have shown that the U.S. 50/South Shore Community Revitalization Project at Lake Tahoe would bring a huge economic boom to the Lake Tahoe area. For that part of the bill, I will turn the meeting over to Mr. Harris, who will explain the project.

Buzz Harris, representing Tahoe Transportation District:

We appreciate the sponsor of this bill including the Tahoe Transportation District in the U.S. 50/South Shore Community Revitalization Project. It has been discussed for several years, and we appreciate it being included in this bill and the opportunities that may be available. I will turn the presentation over to Carl Hasty with the Tahoe Transportation District.

Carl Hasty, District Manager, Tahoe Transportation District:

I appreciate your time today and the interest in this project. This is a bistate project of great interest to the business community and Douglas County. It is important to the revitalization of the South Shore area of Lake Tahoe. We are talking about realigning a one-mile section of U.S. 50 around the south Stateline area. We are working on the California side as well.

I will tell you a little bit about the project and why it is called the Community Revitalization Project. This project is the keystone to redeveloping the South Shore/Stateline area. As to the outcome of this project, our economic analysis shows that as much as \$1 billion of private sector investment in adjacent properties will occur, as well as a retail revenue increase in sales of \$16 million to \$25 million a year. It will remake the South Shore of Lake Tahoe as a destination resort, and will allow the pass-through traffic to go through without impacting the heavily used tourist corridor, as happens at the South Shore right now.

Buzz Harris:

The magnitude of this project is above and beyond just the economic development side of it. It also impacts the environmental side, as this is a very sensitive area of Lake Tahoe. It would incorporate the safe-access policies of

the National Complete Streets Coalition. Those of you who have been on this Committee for a couple of sessions have heard a lot about Complete Streets. Just in that area, private investments are in the range of \$300 million to \$400 million, so there is a very strong investment that is being made by the private sector as well.

Assemblyman Wheeler:

We will open this up for questions.

Acting Chair Silberkraus:

Just to clarify, you are saying that the hot lanes for projects will be new construction, not conversions of existing lanes?

Assemblyman Wheeler:

Yes, that is the intent.

Assemblyman Sprinkle:

I want to understand the conceptual amendment, but I want to get specifically to Lake Tahoe. Is this going to be for the U.S. 50 bypass?

Carl Hasty:

This is for the Nevada side of the bistate project. Right now, we are working in the state of California where the largest cost of the project will be. This is relevant to the Nevada portion of that project.

Assemblyman Sprinkle:

I have two questions. How is this going to apply with the massive number of tourists that typically are going to be using that area? Will they not be allowed to utilize these lanes? Second, the whole point of putting the bypass in was to relieve some of that congestion, but now we are limiting which lanes can be used. How is that going to benefit the overall project plans?

Carl Hasty:

In this project we are not proposing hot lanes. We are realigning U.S. 50 around the Stateline area.

Assemblyman Wheeler:

I think I may have confused you. The hot lane project in southern Nevada is a separate project. The South Shore Community Revitalization Project is not a hot lane project. What we are doing and what we intend with this bill is that the savings and the money made from the hot lane project in the south would pay for some of the project in the north. That is simply a road that bypasses the casinos and connects to the California side. The area between the casinos

up there will be a much more Aspen-like look with a single lane going through. You will still be able to drive it, but it will be much more pedestrian-friendly and an upgrade from that 1960s or 1970s look.

Assemblyman Sprinkle:

Thank you. I am very much in support of the bypass project.

Assemblywoman Spiegel:

I have some questions related to the intent of the hot lanes. In prior legislative sessions, we have had discussions of hot lanes for Interstate 15 (I-15) down in Clark County where, based on some of the reports I have looked at, the toll could have been exorbitant. There was never any discussion about having it be limited to something that was a livable kind of toll. Would the variable toll portion have parameters for a maximum? What would the maximum be? What would the minimum be? How would it work?

Assemblyman Wheeler:

Obviously, it cannot be an exorbitant toll. The intent is to leave that pretty much up to NDOT in the public-private partnership. They are very well aware as to what is sustainable and what is not.

Assemblywoman Spiegel:

In the past, NDOT wanted a toll of \$10 or \$15 to drive five miles during rush hour, which I personally view as exorbitant and am opposed to. I would vote no on the bill if that were the intent.

As a follow-up question, will the bill contain parameters for the percentage of revenues received from Clark County that are sent to Douglas County to fund this project?

Assemblyman Wheeler:

That has not been defined yet. To get back to your first question, \$10 or \$15 to go 10 or 15 miles is ridiculous. This body would be able to change that if it were exorbitant. They also have to be able to pay for constructing the road, make a profit, et cetera. As far as the amount that would go toward the revitalization project, it seems logical to me that it would be what is left over. It gives us a start. It may take us five to ten years with additional funding from other sources. This gets us started on that revitalization project. That is what we are looking for—something that puts it on the radar, gets it going, and gets California to move a little faster because we have started.

Acting Chair Silberkraus:

Looking down the road after that project is completed, what would be the intended placement for those funds?

Assemblyman Wheeler:

My intent would be to keep it in roads in southern Nevada or throughout the state. Most of the roads are in southern Nevada, so that is where most of the money will go for maintenance, et cetera.

Assemblyman Flores:

Have we done any studies so far or had any conversations with regard to eminent domain and who will lose property?

Assemblyman Wheeler:

There are some people here from NDOT who could answer that. Regarding the I-11 project, I am not sure they have finalized where it will go. Eminent domain is beyond my expertise. The intent is that if we were going to build, say a highway with four lanes in each direction, we would build five or six lanes. Part of that would be by private construction or private financial participation. The money from the tolls would go into these funds.

Assemblyman Jones:

Is this a situation where it would be either the I-11 project or the Tahoe project? Is this a solution where we can get both of them or is this just an expansion of I-11 to make it bigger?

Assemblyman Wheeler:

The intent is to get both of them: to relieve traffic in southern Nevada—every time I go down there, I feel like I am in Los Angeles again—and to get the project started in the north with what is basically savings given to the state by private funds.

Assemblyman Jones:

If we did not have the tolls, could we start both of the projects?

Assemblyman Wheeler:

I am sure there are other avenues where we could eventually find the funding for the revitalization project. At this point, there are no known avenues. We have not started the funding that I know of. My intent is to get that funding started.

Carl Hasty:

We are always in the hunt for money. Any funding source that would be applicable we pursue. We do have some private partnership money in this project. Edgewood Companies has committed to donating part of that right-of-way, which is helpful in pursuing dollars. We can leverage that. Tahoe's situation is such that it largely depends on discretionary funding sources in order to accomplish the projects it needs to accomplish.

Acting Chair Silberkraus:

Are there any other questions?

[Assemblywoman Dickman assumed the Chair.]

Assemblyman Sprinkle:

The language in the original bill talked about opening this idea up for future projects. Is that the intent with this conceptual amendment, that this money could be used not only for I-11 but also future projects in Nevada?

Assemblyman Wheeler:

You bet. In my opinion, we should try it on one section of road and see how it works. We have all heard stories of other public-private partnerships that did not work out very well. We have also heard of the State Route 91 project southeast of Los Angeles that worked out extremely well. In the beginning it did not, but they changed a few things, and it worked out well. Now all the roads down there are maintained pretty much with these funds. Yes, I would like to see that we are conceptually open to any project where NDOT can work with a private contractor and say, We are building four new lanes on this highway, two in each direction. Do you want one? Can you pay for both?

Assemblyman Sprinkle:

I would like to understand this public-private funding a little better. How is it determined what percentage of funds will go to the private partner in this relationship versus what percentage will be going to the state?

Assemblyman Wheeler:

I asked Geoff Lawrence to come to give some exact numbers, but he was not sure he could make it. Conceptually, the details of the contract will have to be worked out with NDOT. Even what we call "the savings" in the last section of this bill is going to have to be worked out with NDOT through an audit to find out exactly how much they save. It is going to be the same thing with the percentage; it will be contractual. The NDOT engineers and the NDOT auditors will say that they can make the project work or they cannot make the project work. That is what we hire them to do.

Assemblyman Sprinkle:

Is it possible that future projects could be 100 percent toll projects?

Assemblyman Wheeler:

It is not the intent of this bill to make total and complete toll projects where a road only goes somewhere by toll. That is ridiculous. I am not going to tell someone they cannot go somewhere unless they pay. There need to be free lanes and toll lanes.

Assemblyman Araujo:

I would like to get more clarification on how we got to this specific project being the one we would use for the first option. Was there a vetting process? Did we look at other potential opportunities within the entire state? I am looking at the proposed amendments for the potential aftermath project that we would use the toll funds for. We are talking about B before A. I understand why, but I am curious to know what led up to this being identified as the potential project that would benefit from the proposal.

Assemblyman Wheeler:

I am very close to the project at Lake Tahoe—it is in my district—but I felt it could add a whole lot of revitalization to the South Lake Tahoe and Stateline area. Our gaming revenues have been dropping off, as have our room nights. A lot of that is because gaming is not the main reason people come to Lake Tahoe anymore—they are coming for the resort. I think we need the aesthetics and the tourist-friendly plan that this project is promoting. I think we will see more revenues coming back to the state in the room tax when we finish this project. Mr. Hasty told me that it was close to \$1 billion in revenue.

Carl Hasty:

Our economic analysis for this project is in terms of what it would do for the South Shore. It has been said in the past that South Lake Tahoe is a good museum for 1960s and 1970s architecture. It does not play well in terms of a resort community anymore. The project itself, the flow-through traffic, becomes the keystone in making this a destination resort. We have a gondola that comes down to the Stateline area right now that alleviates a lot of traffic, providing the kind of destination resort people are looking for. We are looking to catalyze \$1 billion in adjacent property investments, as well as a retail sales increase of \$16 million to \$20 million per year. It is the number-one project for Douglas County.

Assemblywoman Spiegel:

Is it your intent to require legislative oversight of the tolls that NDOT would charge in the hot lanes for the I-15 project, and is it also your intent to put a limit on the percentage of revenues that could be diverted from the I-11 project for other uses?

Assemblyman Wheeler:

That is a very good idea. We do need to have oversight on it.

Assemblywoman Kirkpatrick:

We have had this discussion in the past. My number one concern is making sure the partner puts up their money first. We can speak hypothetically all day long and get nothing done. I did not see where that section was in here and also to ensure that there is still some oversight by NDOT and the Legislature.

Assemblyman Wheeler:

As you know, we took the original language from A.B. 450 and replaced it with this language. When I looked at this language, it was nothing like what I wanted either. What we are doing now is going over a conceptual amendment that will replace this language. Then I will ask this Committee, due to the deadline, to rerefer this to the Assembly Committee on Ways and Means without recommendation so that we can sit down with NDOT and say this is what we want. At that point, we will send it over there with a bill that we think is clean. I brought Mr. Harris and Mr. Hasty up to talk about the South Shore Community Revitalization Project, since there is a lot of money in this bill going to that. It was my intent to start getting some money going toward that and get this jump-started.

Assemblyman O'Neill:

I really like this idea. I like the idea of public-private partnerships utilizing their monies so they have skin in the game. We can get projects started faster and provide necessary services to our community. All the major contracts go before the Board of Directors of the Department of Transportation for approval anyway. There would be oversight to ensure that.

Assemblyman Wheeler:

I believe any kind of toll would go before the Board; however, I have to agree with Assemblywoman Spiegel that if this legislative body is going to put something new into the state, like hot lanes, we need to be involved in it. We should have some legislative oversight beyond that board.

Assemblyman O'Neill:

Since we only meet every two years, could they come before the Interim Finance Committee (IFC) for review?

Assemblyman Wheeler:

Of course there is the avenue of going through IFC to change anything that happens. As far as policy, the Assembly Committee on Legislative Operations and Elections will be hearing a bill in the next few days that will create an interim transportation committee as well as a standing committee. The policy could go through that committee if they accept the bill that we wrote. We will have two avenues of oversight even during the interim. I believe the Legislature should be involved, at least at the beginning, to make sure that things are being done the way we, as elected officials, have determined.

Assemblyman O'Neill:

This is really exciting to me. It is something that I strongly support, and I appreciate your work on this.

Assemblyman Carrillo:

On the public-private partnerships, what is the fallback position if this does not work? There is a public-private partnership for the Las Vegas Monorail. That has had some financial issues because they expected a lot of people to come out and utilize it but that did not happen. In different parts of the country they have done this in anticipation of making money and did not. If it costs more to operate, and we are not getting a financial benefit from it, would we call it bankrupt and eliminate it? These partnerships have been used before. We would all like to think they are profitable, but there are no guarantees. What would be your exit plan if this does not produce the results you anticipate?

Assemblyman Wheeler:

As with anything, something unanticipated could happen—like a recession, as happened with the monorail project. They expected a lot of people to come to Las Vegas. We were building like crazy with cranes everywhere, and all of a sudden people quit coming because they did not have the money. Anything like that could happen. I believe that at that point, the taxpayers would have to pick up the maintenance of the road, but I am sure that NDOT could continue with the toll part of it or just make it free again. That could and should be written into any contract.

Vice Chair Dickman:

Are there any more questions from the Committee? Seeing none, we will move to anyone who would like to speak in support of the bill. [There was no one.] Is there anyone who wishes to speak in opposition to the bill?

Paul J. Enos, Chief Executive Officer, Nevada Trucking Association:

We are here to testify in opposition to A.B. 450, although in listening to the conceptual amendments the Chair brought up, I believe there are some good things there. I want to focus on those. We need more funding, and I appreciate the recognition of that need, especially for I-11 in southern Nevada, which could become a new artery of commerce down to the southwest and, potentially, a connector from southern Nevada to northern Nevada. The road at Lake Tahoe is one of the jewels in this state. To be able to better move commerce, to protect the environment, and to protect the clarity of Lake Tahoe is a great project. These are some admirable things.

I agree that this should be only on new construction and not on existing roads. That is something I think this Legislature should require. We should not be converting a road that has already been paid for through fuel tax dollars or through bonds. We should not be converting already existing free roads into paid routes. If we are going to give up right-of-way to private partners, we need to make sure they will be compensating the state at a fair market value.

I appreciate the Chair and the sponsor of this bill seeing the need to move it to the Assembly Committee on Ways and Means so we can have a broader discussion. We can talk about what some of the parameters are going to be. I have heard some good questions from the Committee today about how we can ensure that the state of Nevada is protected.

In the case of revenue tests, we need to make sure that the Legislature is involved. Is charging \$10 or \$15 for driving five miles a reasonable and direct cost for those roads? I think we want to put some of these parameters into law. We also want to make sure that these private partners have some skin in the game. We have submitted exhibits on toll roads and high-occupancy toll lanes, including an article from *The Weekly Standard* ([Exhibit D](#)). This has become one of my passions—looking at highway financing. How do we fund it and how do we do it well? The best way to fund our roads is a fuel tax increase. Barring that or indexing, let us take a look at some of these other alternative funding methods, but let us make sure that the state and our taxpayers are protected.

They have been able to put noncompete agreements in a lot of public-private partnership agreements. No offense to NDOT; we have a lot of people there who do an excellent job of building, engineering, and maintaining our roads, but many times when we are negotiating projects, we have engineers negotiate with some of the best security lawyers from companies like Goldman Sachs or Macquarie Capital, and we are outgunned. What happens? They say, Hey, we are going to put a noncompete agreement in this contract, which means you cannot maintain or build a free alternative route. What happens? With State Route 91 down in Orange County, California, all the roads in a five-mile radius went to pot, so you do not want use those roads. They were trying to get more people on the toll roads.

Let us look at revenue sharing. We must make certain that if we are going to be sharing in the revenue with these public-private partnerships that it begins on day one. One of the things we see that I include in my exhibit is the example of Macquarie. Macquarie is an Australian financing company that funds a lot of these toll roads and owns roads like the Chicago Skyway and the Indiana Toll Road, which went bankrupt. What they do is say that they will share revenue when they are profitable. Then through very complicated financial structures and intercompany transfers with multiple companies under one parent, they will transfer that revenue and then bankrupt those various companies so they show profitability will never occur. I want to make sure that if we are going to have revenue sharing with the state and these public-private partners, it begins on day one.

Also let us make sure that these partners have skin in the game, and that there is a substantial investment in these roads. What we see is that a lot of these private companies will get government-secured bonds from the state or NDOT, using that as their private investment. I want to make sure that if we are going to have these public-private partnerships, these folks have their own money in the game, not money from us, the taxpayers.

If we are going to have privately owned roads, will they be subject to property tax? That is a provision that you may want to consider. Free alternative routes, the involvement of the Legislature—those are very good things that the Chair brought up. We need to have a limitation on the number of years these public-private partnerships can exist on a road. The partnership on the Chicago Skyway is 100 years old; the Indiana Toll Road is 75 years old. In Spain, where these were conceived, the partnership is limited to 40 years. We put a limit of 50 years in Assembly Bill No. 485 of the 77th Session. I think that we want to have some kind of constraint on the time. If you think about Las Vegas 40 or 50 years ago, it looked much different than it does today.

My last point is that we want to have electronic tolling. We have seen places on the East Coast where they have some electronic tolling, and then they have a tollbooth where the lines are backed up for miles. We want to make sure that we are employing technology so that these roads are used efficiently.

Assemblyman O'Neill:

What I hear you saying is not so much opposition. You like the concept and have exciting ideas as to how to improve upon it. You sound more neutral than opposed. Am I misinterpreting you?

Paul Enos:

We oppose the bill as it was originally proposed. We have issues with what we saw in the amendment. Regarding what we heard Assemblyman Wheeler talking about conceptually, I think we can put in some parameters to make sure that the state and our taxpayers are protected. I would appreciate being able to work with the Chair and other interested parties to make sure we have these parameters of the contract in law.

Assemblyman O'Neill:

I agree with you. I think that is what we are all trying to work for. I appreciate your testimony.

Richard (Skip) Daly, Business Manager, Local 169 Laborer's International Union of North America:

I am all in favor of building roads and increasing capacity to meet the needs of the people of the state. However, when it comes to the bill as originally written, this version and some of the issues with the conceptual amendment, the real concern is about the use of the public-private partnership, especially when it concerns the "finance, operate, and maintain" portion of it. The design and build portion is not a problem, but the finance, operate, and maintain part creates concerns, many of which Mr. Enos pointed out. The most recent example where the state contemplated going for it was on Project NEON, a \$1.5 billion project on I-15 in Las Vegas. It was originally put out to bid as a design, build, finance, operate, and maintain. After some questions from the Interim Finance Committee, they figured out that it was a more expensive delivery method. The only potential benefit was that perhaps it would be completed a bit sooner.

We start to lose some of our bargaining leverage if we want it so bad that we are willing to make whatever deal is necessary because we want to have it right now. They were proposing to finance that project over the course of 30 years. They had to put language into the request for proposal that this is contingent upon future Legislatures appropriating dollars that may not be available either

through current funding or through the tolls because NDOT could not authorize the expenditure of money; only the Legislature could do that. That is part of the reason they scrapped it. When they drop the finance, operate, and maintain and the public-private partnership, they are just going forward with the design and build.

When you look at how you have to finance it, you have to have the funds to build the road. If part of the money to build the road is going to be coming from tolls, and it pencils out and you can pay for the project with tolls and a combination of gas tax or whatever, why do you need the public-private partnership? Why do you need the middleman who also pays for the cost of construction? You pay interest whether you get bonds off those tolls through the state or bonds through the public-private partnership, but the thing that you do not pay is profit ongoing for the oversight, operation, and maintenance of the roads. In order for NDOT to make the Project NEON on I-15 pencil out, they were not just going to operate and maintain the portions of the road in that interchange. They were going to have to give them an additional 60 lane miles of other road not associated with the project, which was where they make their money. We would be spending more money over the course of the 30 years to finance it with the public-private partnership just because they fronted the money. So the only thing you gain is a little bit of time in the beginning, but you end up paying more.

When we talk about savings that will help pay for a project up in Lake Tahoe, there would not be any savings over the course of time. If the state is going to do tolls, which I am not advocating, the state should collect the toll, sell bonds on the toll if it pencils out, build the project themselves, and then when the project is financed, end the tolls. The only way you are going to have money for Tahoe is if you take money out of southern Nevada and spend it up in the north. There is not going to be a savings if you are paying for that middleman profit center.

I am all in favor of building roads and transportation facilities. I do not believe public-private partnerships—design, build, finance, operate, maintain—are beneficial to the state. We have recent experience with Project NEON that bears that out.

Vice Chair Dickman:

Are there any questions for Mr. Daly? Seeing none, we will now move to testimony in the neutral position.

Wayne Seidel, Administrator, Motor Carrier Division, Department of Motor Vehicles:

I provided written testimony to the Committee yesterday afternoon ([Exhibit E](#)), which I will summarize. Last session, I was a part of the Assembly Bill No. 485 of the 77th Session discussions dealing with the Boulder City Bypass Toll Road Demonstration Project. We did have a fiscal note on that of 1,817 hours at our current rate of \$106 an hour, which works out to \$193,000. That programming would build an information technology portal. In the discussions, there was going to be a contract with a public-private partnership with the Department of Motor Vehicles for us to develop that and for them to access our registration data as well as the plate information. Also in the discussion was that we do not have any agreements in place to collect or gain registration of vehicle plates from the other continental states; we only have the Nevada registration and plate data. The cost to do that link was \$193,000 based on the discussions in last session. We have not been approached for a fiscal note.

Sean Sever, Communications Director, Communications Division, Department of Transportation:

We are neutral on the bill and willing to work with the bill sponsor.

Vice Chair Dickman:

Is there anyone in Las Vegas who is opposed or neutral? [There was no one.] Seeing no one, we will close the hearing on A.B. 450.

We are now in recess [at 4:19 p.m.].

[The meeting reconvened at 4:34 p.m.]

Chair Wheeler:

We will take the work session out of order, beginning with Assembly Bill 146 and then Assembly Bill 326.

Assembly Bill 146: Revises provisions governing motor vehicle licensing.
(BDR 40-15)

Michelle Van L. Geel, Committee Policy Analyst:

Assembly Bill 146 was heard in this Committee on February 24, 2015. It makes various changes related to the frequency of required emission inspections on certain vehicles. The bill also increases certain fees charged by the Department of Motor Vehicles (DMV). Assemblywoman Kirkpatrick has offered an amendment starting on page 2 of the work session document ([Exhibit F](#)), which would remove all of the current provisions in A.B. 146 and

replace them with language eliminating emission testing of vehicles manufactured before 1996. The amendment provides for a fee, equal to the amount of the fee for a form certifying emission control compliance, for the first issuance of a license plate for a vehicle that is not required to have an emission test under the provisions of this amendment.

Chair Wheeler:

I will take a motion to amend and do pass.

ASSEMBLYWOMAN DICKMAN MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 146.

ASSEMBLYMAN SILBERKRAUS SECONDED THE MOTION.

Assemblywoman Kirkpatrick:

I would like to clarify the bill for even my own members with whom I did not speak. Currently anyone can get a classic plate. Less than 4 percent of the total plates across the state are affected by this, and that number goes down every year. This puts a cap on the date, but it also allows classic vehicle owners to purchase a classic license plate so that they can maintain the integrity of their vehicles. There has been some discussion and concern about Environmental Protection Agency standards. I spoke to the DMV at great length. They have about \$800,000 in a fund so they can enforce those vehicles that should not be on the road. They wanted to put the language in regarding On-board Diagnostic II emissions testing, but it was not germane to this bill.

This is the only avenue available to address the growing problem we have with people trying to get a classic vehicle plate. This preserves the integrity of the classic vehicle, it puts a hard cap on it for the long term, and it allows those folks who are currently not getting the smog test to get a regular license plate. It is a balance and will give the DMV the ability to do the budget process to enforce this mechanism.

Chair Wheeler:

I want to thank Assemblywoman Kirkpatrick for sitting down and working with us. This is a classic example of bipartisan cooperation. I had a bill that we were not going to use, and she needed one. We were able to work this out. Are there any further questions? [There were none.]

THE MOTION PASSED UNANIMOUSLY.

Assemblywoman Kirkpatrick will take the floor statement. We will now move on to Assembly Bill 326.

**Assembly Bill 326: Revises provisions governing motor vehicle registration.
(BDR 43-1052)**

Michelle Van L. Geel, Committee Policy Analyst:

As previously mentioned, Assembly Bill 326 goes hand in hand with the amendment just made on Assembly Bill 146 ([Exhibit F](#)). Assembly Bill 326 revises provisions relating to special license plates for classic vehicles by allowing for the issuance of such special license plates only for a passenger car, thus excluding light commercial vehicles, and requiring that the owner provide proof satisfactory to the Department of Motor Vehicles (DMV) that the owner (1) drives the passenger car solely for personal use and not more than 5,000 miles during an annual registration period, and (2) has another passenger car or motorcycle registered with the DMV during the entire registration period of the passenger car for which the special license plates are sought. The measure also reduces the amount of governmental services taxes due annually by increasing the amount of depreciation allowed and decreases the minimum tax to \$6.

With that being said, the amendment takes most of that out. There is a mock-up starting on page 2 of the work session document ([Exhibit G](#)) that deletes most of section 1 and all of section 3 of the bill relating to the special plates for the classic vehicles. The amendment changes one of the specifications to qualify as a classic vehicle from "manufactured at least 25 years before the application is submitted to the Department" to "manufactured before 1996." That is the piece that goes hand in hand with the amendment just adopted with Assembly Bill 146. The provisions in the bill concerning governmental services taxes are retained.

Chair Wheeler:

I will take a motion to amend and do pass A.B. 326.

ASSEMBLYMAN ARAUJO MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 326.

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

Is there any discussion on this bill?

Assemblyman Carrillo:

I just wanted to give kudos to everyone who worked hard on getting this cleared up. The classic vehicle community and other car enthusiasts will appreciate this. I think that this addresses all of the issues that were brought up from many emails that the Committee members received. Of course, we realize that we are trying to protect a hobby that many people enjoy and will continue to enjoy in the years to come.

Chair Wheeler:

Is there any further discussion? [There was none.]

THE MOTION PASSED. (ASSEMBLYWOMEN FIORE AND KIRKPATRICK WERE ABSENT FOR THE VOTE.)

I will assign the floor statement to Assemblywoman Fiore even though she is not here.

Assembly Bill 385: Revises provisions related to tow cars. (BDR 58-967)

Michelle L. Van Geel, Committee Policy Analyst:

Assembly Bill 385 prohibits the operator of a tow car from towing a vehicle, or seeking authorization from the owner or operator of a vehicle to tow the vehicle, to a location other than a vehicle storage lot designated by the insurance company that provides coverage for the vehicle. The bill also imposes civil penalties on an operator of a tow car who fails to tow certain vehicles to vehicle storage lots designated by an insurance company. This bill requires the operator of a tow car to make a good faith effort to determine the identity of the insurance company that provides coverage for the vehicle if the law enforcement officer does not communicate that information to the operator. Finally, the bill requires an operator to record the insurance company of each vehicle towed, if such information is known.

Two amendments for consideration are on page 2 of the work session document ([Exhibit H](#)). The first amendment was offered by Lorne Malkiewich, representing E&E Vehicle Solutions, during the hearing on Assembly Bill 385. The second amendment is offered by Assemblywoman Kirkpatrick. It addresses various issues that were discussed during the hearing, mainly by Mr. Malkiewich and Scott Scherer, representing Quality Towing, and offers three additional changes that are supplemental to the amendment provided by Mr. Malkiewich on Tuesday.

The proposed amendments combined would make the following changes. First, in addition to prohibiting the operator or tow car from urging an owner or operator of a vehicle to divert the towing to another location, Mr. Malkiewicz's amendment prohibits the operator of the tow car from soliciting or marketing third-party services. Second, the amendment provides that if a vehicle is towed to a location other than the designated vehicle storage lot, the services do not thereby become consensual. Third, the owner or operator of the vehicle can direct that a vehicle be towed to a different location other than a different storage lot. The operator of the tow car is required to obtain and retain documentation that such a diversion was not based upon improper solicitation. The next sentence, "An operator facing disciplinary action for diverting a tow may use such documentation to defend against the action," is removed by the subsequent amendment. The fourth item in that explanation list (page 3, ([Exhibit H](#))) is also removed with the subsequent amendment. Finally, the fifth item states if a document indicating the identity of the insurance company that provides coverage for the vehicle is provided by law enforcement at the time the vehicle is towed, the amendment requires the operator of the tow car to provide a copy of the document to the vehicle storage lot upon delivery of the vehicle to the lot.

Going back to the three changes in Assemblywoman Kirkpatrick's amendment the first says, "Do not provide that a good faith effort to determine the insurer for a vehicle includes an examination of the front passenger area." That was coming out. It also changes the penalty provisions. In section 3, subsection 3 of the bill, it removes the provision as far as suspending the certificate of public convenience and necessity of the operator, and it changes those penalties so that a first offense would be not more than \$5,000, increasing to not more than \$10,000 for a second offense, not more than \$15,000 for a third offense, and not more than \$20,000 for a fourth offense within the two-year period. The last change reads, "Remove the provision shifting the burden of proof. The requirement to document diversions should address concerns regarding proof of an offense."

Chair Wheeler:

I will accept a motion to amend and do pass.

ASSEMBLYWOMAN SPIEGEL MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 385.

ASSEMBLYWOMAN DICKMAN SECONDED THE MOTION.

THE MOTION PASSED. (ASSEMBLYWOMAN KIRKPATRICK WAS
ABSENT FOR THE VOTE.)

Chair Wheeler:

Assemblywoman Woodbury will take the floor statement. We will take a short break. [The meeting recessed at 4:46 p.m.]. [The meeting resumed at 4:48 p.m.]

Chair Wheeler:

We will now move on to Assembly Bill 450.

Assemblywoman Kirkpatrick:

I would like to make a motion that we send the conceptual amendment and conversation to the Assembly Committee on Ways and Means without recommendation. I want to clarify for many folks that were listening that it was not your intent to take any savings from across the state and only put them in the Lake Tahoe project. I think it should go to Ways and Means, as I think further discussion is needed.

Chair Wheeler:

That is correct. All the funds will not go to Lake Tahoe. I will accept that motion to amend, without recommendation, and rerefer to the Assembly Committee on Ways and Means.

ASSEMBLYWOMAN KIRKPATRICK MOVED TO AMEND, WITHOUT RECOMMENDATION, AND REREFER ASSEMBLY BILL 450 TO THE ASSEMBLY COMMITTEE ON WAYS AND MEANS.

ASSEMBLYMAN SILBERKRAUS SECONDED THE MOTION.

THE MOTION PASSED. (ASSEMBLYWOMEN DICKMAN AND FIORE WERE ABSENT FOR THE VOTE.)

We will move on to Assembly Bill 217.

Assembly Bill 217: Revises provisions governing off-highway vehicles.
(BDR 43-994)

Michelle L. Van Geel, Committee Policy Analyst:

Assembly Bill 217 was heard in this Committee on March 24 and was sponsored by Assemblywoman Titus and others. The bill removes the requirement for certain off-highway vehicles to register with the Department of Motor Vehicles. The bill authorizes the Commission on Off-Highway Vehicles to seek and receive grants, gifts, and donations, and it requires the Commission to report such information to the Legislature. Additionally, the bill makes various

changes concerning persons who are licensed to sell or lease off-highway vehicles and licensees who operate large all-terrain vehicles. [Read from work session document ([Exhibit I](#)).]

Two amendments are being proposed on the bill, one by Assemblywoman Titus and one by Assemblyman Ellison. Those are put together in a conceptual amendment. Both amendments can be adopted by the Committee. They can work together. Rather than reading all of it, because I understand there are some changes from the sponsor, I will make that clarification and let everybody else read what the conceptual amendment was.

Chair Wheeler:

Assemblywoman Titus will introduce the bill.

Assemblywoman Robin L. Titus, Assembly District No. 38:

We have gone full circle on this bill. My first desire was to eliminate the program entirely. With a lot of discussion and excellent points being made by the folks behind me, we are going to make it easier for people to get their registration. We are going to change some of that language so registration will be put in the hands of the sheriffs, if they are willing, and the dealers, if they are willing. This will give them a couple of years to fix the program. Believe me, I will be back in two years if this does not work.

Will Adler, representing Commission on Off-Highway Vehicles:

We have worked with Assemblywoman Titus at length on the bill. It is now, in her amended form, a very productive addition to the off-highway vehicle program in Nevada. It maintains registration for all off-highway vehicles, not just large ones. This will please the police because they will be able to track down these smaller vehicles with their vehicle identification numbers in a record. It will help the Department of Wildlife, public lands agencies, and ranchers because they will be able to identify those who are violating their lands since the registration program will be for all vehicles. We like the ease of access to acquire these registrations because they will be available at dealerships and sheriffs' departments. Certain people will be able to give out these registration stickers. We like the fact that they took away the late fee, which was a barrier to entry for some people because the late fee was actually more than the annual renewal of their registration. The program seems improved now. We fully support her amendment with the bill.

Chair Wheeler:

I will take a motion to amend and do pass with both amendments.

ASSEMBLYMAN SPRINKLE MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 217.

ASSEMBLYWOMAN DICKMAN SECONDED THE MOTION.

Is there any discussion?

Assemblyman Sprinkle:

I want to say to my colleague that I am extremely impressed with the way you have taken the advice from what was a rather difficult hearing and have come up with something that works for everybody. You do not always see that in this building. I just wanted to say congratulations—you did a good job.

Assemblyman Jones:

I have concerns that the bill has evolved from its original intention, but I will vote yes and reserve my right to vote no on the floor.

Chair Wheeler:

I am going to vote it out of Committee, but I want to sit down with you and go over it before I vote on the floor.

THE MOTION PASSED. (ASSEMBLYWOMAN FIORE WAS ABSENT
FOR THE VOTE.)

Is there any public comment either here or in Las Vegas? Seeing none, we are in recess until call of the Chair [at 4:56 p.m.].

[The meeting was reconvened at 12:19 p.m. on April 10, 2015, behind the bar of the Assembly, and adjourned at 12:19 p.m.]

RESPECTFULLY SUBMITTED:

Henri Stone
Recording Secretary

Joan Waldock
Transcribing Secretary

APPROVED BY:

Assemblyman Jim Wheeler, Chair

DATE: _____

EXHIBITS

Committee Name: Assembly Committee on Transportation

Date: April 9, 2015

Time of Meeting: 3:27 p.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
A.B. 450	C	Assemblyman Wheeler	Proposed Amendment Mock-up
A.B. 450	D	Paul J. Enos, Nevada Trucking Association	Report and Magazine Article on Toll Roads
A.B. 450	E	Wayne Seidel, Department of Motor Vehicles	Written Testimony
A.B. 146	F	Michelle L. Van Geel, Committee Policy Analyst	Work Session Document
A.B. 326	G	Michelle L. Van Geel, Committee Policy Analyst	Work Session Document
A.B. 385	H	Michelle L. Van Geel, Committee Policy Analyst	Work Session Document
A.B. 217	I	Michelle L. Van Geel, Committee Policy Analyst	Work Session Document