

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

**Seventy-Ninth Session
June 2, 2017**

The Committee on Taxation was called to order by Chair Dina Neal at 1:27 p.m. on Friday, June 2, 2017, in Room 4100 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/79th2017.

COMMITTEE MEMBERS PRESENT:

Assemblywoman Dina Neal, Chair
Assemblywoman Irene Bustamante Adams, Vice Chair
Assemblywoman Lesley E. Cohen
Assemblyman Edgar Flores
Assemblyman Al Kramer
Assemblyman Jim Marchant
Assemblyman Keith Pickard
Assemblywoman Ellen B. Spiegel

COMMITTEE MEMBERS ABSENT:

Assemblyman Paul Anderson (excused)
Assemblywoman Teresa Benitez-Thompson (excused)
Assemblyman Jason Frierson (excused)

GUEST LEGISLATORS PRESENT:

Senator Julia Ratti, Senate District No. 13
Assemblywoman Robin L. Titus, Assembly District No. 38

STAFF MEMBERS PRESENT:

Michael Nakamoto, Deputy Fiscal Analyst
Tina Nguyen, Committee Manager
Gina Hall, Committee Secretary
Olivia Lloyd, Committee Assistant



OTHERS PRESENT:

Mary C. Walker, representing Carson City, Douglas County, Lyon County,
and Storey County
Paul J. Enos, Chief Executive Officer, Nevada Trucking Association
Mendy Elliott, representing City of Fernley
Dagny Stapleton, Deputy Director, Nevada Association of Counties
Wes Henderson, Executive Director, Nevada League of Cities and Municipalities
Alexis Motarex, Government Affairs Coordinator, Nevada Chapter, Associated
General Contractors of America, Incorporated.
Cheryl Blomstrom, Interim President, Nevada Taxpayers Association
Janine Hansen, State President, Nevada Families for Freedom

Chair Neal:

[Roll was taken and Committee rules and protocol were reviewed.] Our first and only order of business today is Senate Bill 439 (2nd Reprint). I will open the hearing on S.B. 439 (R2). I would like the presenters to come to the table.

Senate Bill 439 (2nd Reprint): Authorizes certain local governments to increase diesel taxes under certain circumstances. (BDR 32-1002)

Mary C. Walker, representing Carson City, Douglas County, Lyon County, and Storey County:

Senator Ratti wanted to be here to support the bill but was delayed. I would first like to thank Senator Ratti for sponsoring the bill, as a committee bill of the Senate Committee on Revenue and Economic Development. I also want to thank Senators Goicoechea and Ford who spent a lot of time—in a bipartisan manner—in regard to this bill.

Senate Bill 439 (2nd Reprint) relates to a county that has a population less than 100,000. The board of county commissioners may, by ordinance, impose a tax on diesel fuel sold in the county in an amount not to exceed 5 cents per gallon with a vote of the people. The board of county commissioners may impose it with the two-thirds vote of the board, but only after the people have approved it. The tax would be distributed to the county and cities within the county, which provide road maintenance, according to the Regional Transportation Commission distribution.

Why is S.B. 439 (R2) needed? We believe it brings parity between the counties. Currently, Washoe County and Clark County are able to enact a fuel tax on diesel through the indexing mechanism. Washoe County's diesel tax, as of January 2017, was 27 cents. The rural counties are not able to enact any tax on diesel. It is zero.

It also brings parity between the taxpayers. Local governments currently tax gasoline, but not diesel. Therefore, owners of gasoline vehicles pay for road construction and maintenance for local roads while diesel vehicle owners do not. In rural Nevada, the total local gas taxes equal 15.35 cents while in rural Nevada local diesel taxes are zero.

In addition, 5 cents of the 15.35-cent gas taxes are a local option and enacted by the elected board of county commissioners. The current law does allow the board of county commissioners to exact a 5-cent gas tax, but not a diesel tax.

We also believe this will provide critical funding for rural county roads. Our rural county roads are in critical need of repair and maintenance. Some rural counties are actually discussing ripping out some street pavement and replacing it with dirt roads because it will be cheaper to maintain. We also had flooding in Lyon County this past winter. There is \$5 million worth of flood damage to our roads and bridges, and in Humboldt County, there is about \$3.5 million of flood damage to their roads and bridges. Without immediate funding, roads will deteriorate further.

It is also important for rural economic development. Funding for streets and roadways is one of the most critical needs of our rural counties, particularly when trying to attract economic development. Commerce needs roadways. Economic development in the rural counties will suffer if adequate funding is not provided to properly repair and maintain these roads.

One last thing that is unique in regard to S.B. 439 (R2) is, perhaps for the first time, not just in Nevada but in the nation, it provides for up to 10 percent of the proceeds of the tax to go for truck parking for counties that generate over 10 million gallons in diesel fuel sold. This would include Humboldt County, Elko County, and Lyon County—the counties along Interstate 80. They have a lot of truckers who stop at the truck stops. We are talking about taking 10 percent of the tax generated and putting it toward truck parking. That is important because of new federal requirements. They are going to be automating how long of a distance these drivers are driving, instead of using written logs. They will start keeping track of that. There are about 1,500 truck parking spaces needed just along Interstate 80 alone.

We believe that this truck parking would also provide an economic stimulus for our rural counties. For example, by providing the 10 percent to go toward truck parking, it could attract more truckers to our areas. It is really kind of a public-private partnership. Those are my comments. [Senator Ratti arrived during Ms. Walker's testimony.]

Chair Neal:

Senator Ratti, do you have any comments to add?

Senator Julia Ratti, Senate District No. 13:

I apologize for being late. There are a lot of moving pieces in the building right now. As an introductory comment, I wanted to say I was approached by several representatives of small rural communities at the beginning of the session, asking if we would bring this forward as a Senate Committee on Revenue and Economic Development bill. I was happy to do so.

Certainly, with the increasing miles of roads that need attention and the limited funding sources, any opportunity the local governments want to pursue to ask their elected representatives to solve some of these challenging issues around infrastructure in the rural communities is an important thing to examine. The bill originally came out empowering the county commissions and local governments to put this forward. With the amendment, it does now require a vote of the people. I think that made it much more palatable in the Senate, and I stand in full support. We do not have enough solutions for our rural communities, and infrastructure is a huge need.

Chair Neal:

We have a series of questions.

Assemblyman Flores:

I am confused by the federal requirement you are talking about for parking—1,500 spaces. When do we need to be in compliance with the federal requirement, and what is the anticipated cost for those 1,500 parking spaces?

Mary Walker:

Paul Enos is the one who is the most knowledgeable about this. As I understand it, by the end of this calendar year they are supposed to have the electronic logs. Per the Department of Transportation (NDOT), I believe they were thinking it was about \$11 million needed for the truck parking. In the last five years, NDOT has only set aside about \$200,000 each year—about \$1 million. If this bill passes and goes into effect for those three counties, it would be about \$250,000 per year. Over a five-year period, it is about \$1.25 million. We are actually going to put in more money from our three little counties than NDOT has in the last five years.

Assemblyman Flores:

If we knew we were going to need \$11 million, and if we implement this now, we are not going to have nearly that amount. I am confused; why are we just now trying to address an issue we knew was coming down the road? Was this federal law something that went into effect without our knowing about it? Why are we trying to address it now, at the eve of it being required?

Senator Ratti:

The bill, as it originally came forward, did not seek to address that. It sought to address the infrastructure needs in our rural counties, specifically around our roads. That portion was added through the process of creating legislation over the course of the session. The three counties were amendable to saying they really did need to solve these two problems—the infrastructure problem and the parking project problem.

I would suggest we should be pointing fingers right back at ourselves as to why we did not choose to solve that earlier. In this case, I commend the local counties for bringing forward this request to solve that problem while we are solving the infrastructure problem. This question is probably more appropriate for NDOT. I want to put on the record they have been a great partner, and the Legislature ourselves, for why we have not gotten to this before.

Assemblyman Flores:

At some point you can tell us that you warned us, and we did not do anything about it. Is that the case? I am just trying to figure out why this is coming now, and why we did not do anything about it before.

Chair Neal:

I would like Mr. Enos to come to the table.

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

I am here today in support of S.B. 439 (R2). The issue that is occurring right now, which makes truck parking much more acute, is in December 2017. There is going to be a law that goes into effect requiring every truck to have an electronic logging device. Right now, every truck driver is required to keep a log book. It can be on paper. I do not want to say they are breaking the law or fudging it, but if someone is running out of hours, there is room to be able to find a space to park that truck and not necessarily be in violation of federal law or have that shown. With an electronic logging device, there is no more room for fudging. If you are breaking the law, as a trucker, you could be subjected to a \$1,100 fine on each occurrence, up to a total of \$11,000 for violating this. This is something that is going to happen in 2017.

Truck parking has always been a big issue, and with more and more freight in the state of Nevada, 92 percent is moved by truck. With more demands on freight, the way we purchase things, and the increased truck traffic happening, not just in Nevada but across the country, we saw an opportunity.

Traditionally, local governments do not tax special fuels. It is something that first happened in the state of Nevada in 2009, with fuel tax indexing, first in Washoe County and then Clark County. That is something we worked on with many folks in this room. I remember when Assemblywoman Bustamante Adams was the chair of the Assembly Committee on Taxation, and we worked on a process and a mechanism to create fairness and parity for those trucking companies that were buying fuel at a local level, getting taxed at that local level, and then not getting their reimbursements out of state. That is something we did in 2013 to correct some inequities that we had, and quite frankly, we still have in places like Washoe County. We do have that piece in the bill.

Ms. Walker is absolutely right; we would be the first state in the country to have a dedicated source of funding for truck parking. That is something we have worked with NDOT on, as part of the Nevada Freight Plan. We are out of parking spots for trucks.

I see this happen all across jurisdictions in our state. In Clark County—in Las Vegas, in North Las Vegas—a lot of people are upset because they have trucks parking in their neighborhoods, blocking driveways and blocking views. Truckers who run out of hours at a certain time, who are out there looking for places to park, will park at a park or at a Walmart, or in a neighborhood—places where we really do not want them to be.

They will park in unlit parking lots. That is something federal law addressed a few years ago—in the Fixing America's Surface Transportation (FAST) Act—after a truck driver in South Carolina was murdered after parking in an unlit parking spot. They passed Jason's Law. This is a topic that is going to become more of an issue when we see that federal mandate come into place. It is something we have known about. It is something that is going to get worse.

With S.B. 439 (R2) I am proud to say Nevada is going to take an innovative approach to provide dedicated funding to address the issue. It is an overall issue with how we build and design systems. When we talk about transportation, we unfortunately only think about little pieces of it, one at a time, instead of at the broadscale and how it all comes together. That has been one of my frustrations in this job—that I have had for the last 11 years—when we talk about how we bring all these things together. I am very happy to say we are not just talking about roads, which are important to all of us, but we are talking about how we can make sure those people who are delivering our medicine, food, clothes, and books to our schools have a safe place to park those vehicles as they deliver 92 percent of our state's freight.

Assemblyman Flores:

My concern is the bill started out with trying to address infrastructure, and now we are splitting that pot. There was a plan before, and now this was seen as an opportunity to take a little bit away from that.

Mary Walker:

I totally understand what you are talking about. One of the things we see, as rural counties, is we will take economic development wherever we can get it. We believe putting in the truck parking is going to attract more truckers to our rural areas. They will eat more at our restaurants, stay at our hotels, game—those types of things. I personally hope that if we could do this public-private partnership, what we are going to gain is perhaps even more fuel being sold than what would have otherwise been. It is also the right thing to do because this is a safety issue on our highways. Our citizens are driving on those highways. If there is not a safe place for these truckers to pull over when they are tired, that is an unsafe situation. It is also a workplace situation. We are very happy to support this. We think it is the right thing to do.

Assemblywoman Spiegel:

Can you bond against the anticipated receipts for the purposes of the parking?

Mary Walker:

This would be a dedicated funding source we provide to NDOT. They would be able to potentially match it with federal resources. Because it would be a dedicated resource, they would be able to bond using that.

Assemblywoman Spiegel:

Could you go over the process for how this would be implemented—how it gets on to the ballot and the two-thirds vote versus a majority vote? Which comes first?

Mary Walker:

In section 1.7, subsection 2 [page 4, line 4 of the bill] what the bill requires is we have a plan in place—this would be our regional transportation plan—that we can impose a tax by ordinance not to exceed 5 cents per gallon. An ordinance takes two public hearings. It would first have to be approved by a two-thirds majority of the board of county commissioners, and it cannot be adopted until the voters say it is okay. Basically, it is the board of county commissioners who can put it on the ballot. It goes to the voters. If they do enact it, it comes back to the board of the county commissioners, through an ordinance, in another two years, and it has to have a two-thirds vote. There are a lot of checks and balances in there.

Assemblywoman Bustamante Adams:

What would the tax be on diesel?

Paul Enos:

Currently the tax on special fuels statewide is 27 cents in counties where they do not have an index—counties we are talking about in S.B. 439 (R2). Diesel is the lion's share of that source. If you add an additional 5 cents on that, it could be up to 32 cents.

Assemblywoman Bustamante Adams:

Are Humboldt, Elko, and Lyon Counties mainly interested in the bill?

Mary Walker:

This actually is for all 15 rural counties, but those three are the counties that are most interested.

Assemblywoman Bustamante Adams:

I would like to believe—even though the logging is manual—all truckers do not fudge their logs. I am not sure how much more revenue you think you are going to get because it is going to become electronic. I think they are actually doing their job now. What I thought I heard you say is you think this electronic format is going to possibly increase revenue coming into these counties.

Senator Ratti:

I think we may have mixed the dialogue up a little bit. We have an issue with parking today, regardless of whether they are doing the paper or the electronic log. Today, we put truckers in a position of struggling to follow the law. My husband and I are into Airstream trailers and spend quite a bit of time on Nevada's back roads. You have to be very precise where you get your fuel because there are not very many options. If you make a mistake, you will find yourself short of fuel before you get to your next stop. There are not very many options now. The parking associated with those options is limited. This is a problem truckers and recreational vehicles are facing today. We do believe the electronic logging piece may bring that challenge to the attention of those in higher management, to the firms, and that may change some of the ways schedules, rules, and things are created.

I think more to the point is what Ms. Walker testified to. We have the safety problem, and this issue is putting our trucking professionals in an awkward position. We also have the opportunity to provide an amenity that may change how they think about where they stop, and then they provide the economic benefit to that community. Maybe they will stop where there is sufficient parking and a restaurant and use some of things that go along with it.

Yes, the law is pending, and there probably will be some management decisions that will be different because of that. We really should not be putting our trucking professionals in the awkward position of having to make these decisions anyway. The amenity will drive economic development.

Assemblywoman Bustamante Adams:

Your explanation helps me greatly. I appreciate your clarifying the narrative. It actually makes sense to me now. In section 1.5 of the bill it adds, "highway truck parking," but it also states you could use this for alleys, streets, and avenues. The intention is highway truck parking, correct?

Mary Walker:

Yes. How this is going to be established is it is going to be up to 10 percent of the revenue generated would go toward truck parking. The other 90 percent would go toward the streets and roads. They are primarily larger arterial roads, which trucks also use. That is what we are talking about.

Assemblywoman Bustamante Adams:

If the structure is put up, will it then be a public structure that the state would own—that NDOT would own? How does that work?

Mary Walker:

The funding for the truck parking would go to NDOT. They would work with the county on where it would be located. We are hoping it could be located in areas near the truck stops because they could go into the truck stop, get showers, use restrooms, get food, and buy fuel.

It is really the best thing for them. That is one option. Another option is for NDOT to have some land and they would then develop that land. The plan of where it would be located would be a discussion between the county and NDOT.

Assemblywoman Bustamante Adams:

Is one of the truck stops still Pilot?

Mary Walker:

Yes, Pilot is one of the large truck stops.

Assemblyman Pickard:

I think this is the right way to approach a tax increase, which is take it to the voters and let them decide if they want to be taxed. Mr. Enos, is the Nevada Trucking Association supportive of this measure?

Paul Enos:

Yes, we are supportive of S.B. 439 (R2).

Assemblyman Pickard:

Assuming you will be giving supportive testimony, I do not want to take away from that. Regarding the 5-cent cap, generally speaking I try to be market friendly and let the market do what it needs to do. In this case we are capping the potential tax that might be added. Why 5 cents? How did you get to that number? How much will this generate for any county on average?

Mary Walker:

Where the 5 cents came from is in existing law. The board of county commissioners of each county has the ability to enact up to a 5-cent gas tax. All we are trying to do is replicate that for diesel. Owners of gas vehicles are paying for local roads, but owners of diesel cars are not. There is a taxpayer equity issue here. That is where it came from. For clarification, this does not affect the red diesel for agriculture.

For the counties along Interstate 80—Lyon, Humboldt, and Elko Counties—it would be a lot more because they have the interstate truckers, and interstate truckers are going to be paying the majority of it. Elko and Lyon Counties are in about the \$2 million range per year. Humboldt County is roughly in the \$1 million range per year. The rest of the rural counties are much smaller. For example, Carson City and Douglas County are only about \$200,000 per year, and that is because we do not have truck stops. There is a full range.

Chair Neal:

Do the members have any additional questions? [There were none.] My first question is from page 6 of the bill. Interest is going to be accrued, and it excludes that. I assume it goes back to the county. How much interest do you expect to accrue off of the money? I was looking at the tables provided in the Senate Committee on Revenue and Development hearing on this bill ([Exhibit C](#)). What is that amount?

Mary Walker:

The Department of Motor Vehicles would be best to determine that. If we were able to implement this, this bill also implements what is called the International Fuel Tax Agreement (IFTA), which is a federal compact. For example, if you have an interstate trucker who fills up in Lyon County but is going through many states—actually using the fuel in Nevada, possibly California, or even Utah—what will happen is they can then come back and ask for a reimbursement for the fuel that is being used in the other states. This is how IFTA is established. The Department of Motor Vehicles (DMV) runs all the numbers. It is in place for the 27-cent diesel for the state, but it is also in place for Clark County's indexing.

Chair Neal:

I understand that. Let me clean my question up. On page 6, lines 28 through 31. I understand the reimbursement part, ". . . the Department shall use money deposited by the Department into such a trust account for a county, excluding the amount of any accrued interest" What is the amount of accrued interest you expect to get? That seems to be sectioned off, and it leads me to believe it is going to revert back somewhere else, which will not be used as part of the reimbursement.

Mary Walker:

I think the best thing we could do is have DMV tell us. They are the ones that manage IFTA and how this interest is divvied out. There are federal restrictions and federal laws on how IFTA is actually calculated and then submitted back to the truckers. The Department of Motor Vehicles would have to answer that. It is not in our control.

Chair Neal:

My next question relates to section 3, subsection 5, paragraph (c) on page 7, the pro rata basis for the reimbursement and how that will work if the amount exceeds the amount of money deposited in the trust account. What is not clear to me is how many instances this has already occurred. It is also not clear how many trucks go in and out of the state that are then eligible for the reimbursement. There are no clear numbers.

In your chart ([Exhibit C](#)), it shows the 1-cent levy and 5-cent levy, but what is the traffic we are talking about in the other counties? It would be good to know how much the counties are going to receive, how much they will not receive because there is reimbursement, and how many have exceeded in the existing counties that have this.

Mary Walker:

The International Fuel Tax Agreement is only going to apply to those counties that have over 10 million gallons of diesel fuel sold. It would only apply to Humboldt, Elko, and Lyon Counties. The reason for that is that DMV did not want to set up a trust account for \$400 from a county like Esmeralda County. The International Fuel Tax Agreement, for a local option, besides Clark County, has not been used before, but we are putting it here.

When we sell diesel in those three counties, DMV will withhold 20 percent, and they do not distribute it to anything until the end of the year. That 20 percent is held back, and then you have the truckers coming in and asking for reimbursement. Dawn Lietz from DMV in Clark County has stated that it is only about 1 or 2 percent of the funding that is actually going back in reimbursements. It is not a lot.

We believe that what is going to happen is it will be similar. It will be a very low percentage that would go toward the reimbursement. If 20 percent is set aside and 2 percent comes in from IFTA that you are reimbursing back, then you have 18 percent left. Up to 10 percent of the receipts are going to go toward the IFTA reimbursement and for the truck parking. The other 10 percent that was withheld then goes back to the county. That is basically how it works.

Chair Neal:

In your chart ([Exhibit C](#)), the counties that are not Humboldt, Lyon, and Elko, the International Fuel Tax Agreement does not apply here, so that means all the money is going to go to the county. You are expecting to pay for the truck parking out of that money, a potential match from NDOT with federal resources, and potential bonding. It will make the money grow if you get the matching dollars. That is not a lot of money. It is \$213,020 for Churchill County, \$217,993 for Carson City, \$32,681 for Eureka County, \$179,818 for Lander County, and we might as well not even talk about Esmeralda County [\$3,153]. That seems to be just the right amount to maybe get what you need done.

Senator Ratti:

I think the thing to remember is that this is an option we are making available to all counties, but we do not anticipate that every county will choose to go through the process of putting it on the ballot and getting the two-thirds vote of their county commissioners. Particularly when you look at some of the dollar amounts, those county commissioners are going to have to make a calculation, based on their road needs in their communities, and whether that amount of money makes sense for them. If it does, then like many small communities, what they are going to have to do for most projects is save for a couple of years, and then build a project; save for a couple of years and then build a project.

Certainly the option to have it flow through DMV and the ability to leverage federal dollars does make that dollar amount go significantly further, but that is why we put it on the county commissioners in each jurisdiction to make that decision. You are absolutely right, for some of those smaller communities where the dollar amounts are insignificant, and particularly, for those not on the Interstate 80 corridor that do not have a lot of trucking, the calculation at the end of the day may not make sense. It may be more hassle than it is worth. For those that are on the Interstate 80 corridor and do have a significant trucking volume, you start talking about some real money, where you can start to see some significant roads projects every year. That is the frank analysis, but it is intentionally left in the hands of the county commissioners to make that decision on a county-by-county basis.

Chair Neal:

Members, do you have any additional questions? [There were none.] We will now take testimony in support of S.B. 439 (R2).

Senator Ratti:

I did forget to mention one important piece, which is that I have worked very closely with Senator Pete Goicoechea on this particular piece of legislation. He was instrumental in bringing the amendment forward to make sure it was a vote of the people.

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

I sat before you a month or so ago for my bill, Assembly Bill 311, for my county and for the City of Fernley because of the issues that this bill addresses, which is not enough money for infrastructure.

I want to thank Senator Ratti for championing it and bringing it forward along with Senator Goicoechea. Rural counties are in desperate need of additional funding for highways in particular. Helping with some of these truck and transportation issues in our county and looking for alternative funding is critical. The key component of this bill I can get behind is it goes to a vote of the people, and it will only go to a vote of the people after two-thirds of the county commissioners say they need to do this. Indeed, if the county wants some infrastructure support, this is a kind of policy I can get behind and support. I hope you do too.

Mendy Elliott, representing City of Fernley:

We want to thank Senator Ratti and Senator Goicoechea for bringing this effort forward. We also want to thank Assemblywoman Titus for her support of this effort. On behalf of the mayor and the city council, we were here before you on A.B. 311, talking about the specific taxes and how in need the city is. We are on the Interstate 80 corridor. We are home to Pilot and Love's Truck Stop. Because of the agreement that we intend to work out with Lyon County, it is anticipated there will be an interlocal agreement representing approximately \$800,000 per year to the City of Fernley to assist with our roads and infrastructure needs.

In 2010, our population was approximately 19,000. It is anticipated in 2020 that Fernley will have a population of approximately 30,000. It is growing every day with the effects of the Tahoe-Reno Industrial Center. The City of Fernley represents 160 square miles, and as you can imagine, this type of opportunity is critical to our success, not only for economic development but for the current citizens in the community.

If we get your support, we have already reached out to the Chamber of Commerce, putting them on notice that we are going to need their assistance to make this bill and this opportunity successful. It is going to take a lot of citizens to get the word out on what this exactly is. As you can imagine, Lyon County is somewhat conservative, and for us to pass a tax increase is going to be a challenge. With the help of Assemblywoman Titus, Senator Goicoechea, and Senator Settlemeyer, we will be able to articulate the exact

improvements that need to happen. We already have a white paper that is being put together and are hopeful that with an educational process we will have a positive vote once it goes through the protocols that have been established in the bill. We thank you for your time. On behalf of the City of Fernley, we know we always come crying to you that we need money. This is an opportunity for us to actually put an effort forward to help the citizens and help the community.

Dagny Stapleton, Deputy Director, Nevada Association of Counties:

We are in support of S.B. 439 (R2) on behalf of our rural county members. There is a serious need in rural counties for funding for road repairs and maintenance, and as Ms. Walker mentioned, due to recent flood damage to roads across rural Nevada, this need has only increased. In Humboldt County, for example, they recently determined there was \$3.5 million in damage to their roads from flooding, and they currently do not have the funds in their relatively small budget to be able to take care of those repairs. Elko County is also currently assessing similar damage to their roads from flooding. In addition to those counties, a number of our rural members have expressed interest in using the mechanism that is laid out in the bill to raise additional revenue.

Wes Henderson, Executive Director, Nevada League of Cities and Municipalities:

We too are in support of this bill. We appreciate the fact that it does have to go to a vote of the people. I anticipate lobbying county commissioners to put it on the ballot.

Alexis Motarex, Government Affairs Coordinator, Nevada Chapter, Associated General Contractors of America, Incorporated:

We are here in support of the bill.

Chair Neal:

Is there anyone else speaking in support of S.B. 439 (R2)? [There was no one.] I will now take testimony in opposition of S.B. 439 (R2). [There was no one.] I will now take testimony from those who are neutral on S.B. 439 (R2).

Cheryl Blomstrom, Interim President, Nevada Taxpayers Association:

I am here today, neutral on the bill. We would like to thank all the people who have worked so hard on this bill to actually put it to a vote of the people. That is a proposal we made in the Senate that was not accepted. I really appreciate that it has happened at this point. Ms. Walker talked about parity between Clark and Washoe Counties and the rest of the state. In fact, in Clark and in Washoe Counties, when they implemented the fuel tax indexing, that was done through a vote of the people—in Washoe County as an advisory question before it came here for authorization, and in Clark County, after two years of being implemented, that was another proposal we initially asked them to put in the bill, which they did not. At any rate, we appreciate the work that has been done on this bill and are here to answer questions as needed.

Janine Hansen, State President, Nevada Families for Freedom:

In the Senate we opposed this bill. We are now in neutral because we are very happy there will be a vote of the people.

Chair Neal:

Members, do you have any questions? [There were none.] Is DMV here to get my question answered? [It was indicated they were not at the meeting.] I will ask the bill sponsor back to the table for closing remarks.

Senator Ratti:

Again, I want to take the time to express the gratitude for the many people who stayed involved in this process. There have been iterations of folk who were not happy on the other side who you may make happy today. I appreciate that. We have had good input throughout the process.

The other piece I want to bring to your attention is I do think that this need becomes a little bit more urgent. With the weather problems we have had in the north, we are seeing accelerated degradation of some of this infrastructure, particularly with some of the flooding. I know there is an emergency management way some of this can be addressed, but I think it becomes a more and more pressing issue for our communities. I appreciate your support.

Chair Neal:

I want to move S.B. 439 (R2) out of Committee today. Are there any members who have problems or feel discomfort in voting on the measure today? [There were none.] That does not mean that my DMV question will not be answered. I will make sure I get an answer. I will entertain a motion to do pass S.B. 439 (R2).

ASSEMBLYMAN FLORES MADE A MOTION TO DO PASS
SENATE BILL 439 (2ND REPRINT).

ASSEMBLYMAN KRAMER SECONDED THE MOTION.

Is there any discussion on the motion?

Assemblyman Marchant:

I have to vote no on this because it violates the tax pledge. I confirmed it with somebody recently. I would really like to vote for it. I hope you understand.

THE MOTION PASSED. (ASSEMBLYMAN MARCHANT VOTED NO.
ASSEMBLYMEN PAUL ANDERSON, BENITEZ-THOMPSON, AND
FRIERSON WERE ABSENT FOR THE VOTE.)

Chair Neal:

I will assign the floor statement to Assemblyman Kramer. I will close the hearing on S.B. 439 (R2). I will now open the meeting for public comment. [There was none.] I will close public comment. We are adjourned [at 2:18 p.m.].

RESPECTFULLY SUBMITTED:

Gina Hall
Committee Secretary

APPROVED BY:

Assemblywoman Dina Neal, Chair

DATE: _____

EXHIBITS

[Exhibit A](#) is the Agenda.

[Exhibit B](#) is the Attendance Roster.

[Exhibit C](#) is a chart showing the diesel tax revenue overview by county, regarding Assembly Bill 392 (2nd Reprint), submitted by Mary C. Walker, representing Carson City, Douglas County, Lyon County, and Storey County.