

**MINUTES OF THE  
SENATE COMMITTEE ON GROWTH AND INFRASTRUCTURE**

**Eighty-first Session  
April 7, 2021**

The Senate Committee on Growth and Infrastructure was called to order by Chair Dallas Harris at 3:31 p.m. on Wednesday, April 7, 2021, Online. [Exhibit A](#) is the Agenda. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

**COMMITTEE MEMBERS PRESENT:**

Senator Dallas Harris, Chair  
Senator Chris Brooks, Vice Chair  
Senator Pat Spearman  
Senator Scott Hammond  
Senator Keith F. Pickard

**GUEST LEGISLATORS PRESENT:**

Senator Roberta Lange, Senatorial District No. 7  
Senator James Ohrenschall, Senatorial District No. 21  
Assemblywoman Sarah Peters, Assembly District No. 24

**STAFF MEMBERS PRESENT:**

Susan Scholley, Policy Analyst  
Eileen O'Grady, Counsel  
Debbie Shope, Committee Secretary

**OTHERS PRESENT:**

J.D. Decker, Administrator, Division of Compliance Enforcement, Department of Motor Vehicles  
Christian Robinson, Specialty Equipment Market Association  
Emily Walsh, Nevada Conservation League; League to Save Lake Tahoe  
Greg Esposito  
Arielle Edwards, City of North Las Vegas  
Carl Hasty, District Manager, Tahoe Transportation District  
Julie Regan, Deputy Director, Tahoe Regional Planning Agency

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Jim Lawrence, Deputy Director, State Department of Conservation and Natural Resources  
Stephanie Mullen, Executive Director, Public Utilities Commission of Nevada  
Barry Gold, AARP  
Angie Dykema, Southwest Energy Efficiency Project  
Elspeth Cordua, Sierra Club  
Ernest Figueroa, Consumer's Advocate, Bureau of Consumer Protection, Office of the Attorney General  
Dylan Sullivan, Natural Resources Defense Council  
Dylan Keith, Vegas Chamber  
Matt Morris, Nevada Resort Association  
Mathew Walker, Motional  
Susan Fisher, PeopleForBikes

CHAIR HARRIS:

We will begin with the hearing on Senate Bill (S.B.) 315.

**SENATE BILL 315**: Revises provisions relating to mufflers on motor vehicles.  
(BDR 43-993)

SENATOR JAMES OHRENSCHALL (Senatorial District No. 21):

Senate Bill 315 originated from requests and complaints I received from neighbors, neighborhood associations and constituents who are concerned about late night drag racing and loud sounds from those vehicles. The bill does not address the issue of street racing or drag racing. It addresses the deliberate modifications to the muffler and exhaust system on a vehicle to produce more noise than the original configuration of the vehicle. It can be harmful to people's hearing and disruptive to their quality of life.

In research for this legislation, I learned of a connection when these modifications are made to increase the volume and sound produced by either modifying or bypassing the muffler completely or having no muffler on the vehicle. The connection is with air pollution and emissions control. Many of these vehicles modified to make this increased sound will no longer pass an emission test. They will pollute at an unacceptable level.

I searched other states to see what policies were available to draft this legislation. There are different models around the country. The Department of Motor Vehicles (DMV) has been a resource. We have J.D. Decker, Administrator

of the Division of Compliance Enforcement at DMV. He is a resource to the issues which arise when modifications made to the vehicle result in pollution. He will discuss how issues are handled now and how they could be handled at DMV if this legislation were to pass.

Additionally, we have Christian Robinson from the Specialty Equipment Market Association (SEMA) in Washington, D.C. This organization represents automotive enthusiasts. He submitted a letter for the Committee ([Exhibit B](#)). He is a resource on legislation similar to S.B. 315 around the Country.

I have a proposed amendment ([Exhibit C](#)) which intends to amend the legislation to allow a 45-day grace period to make repairs to the muffler and exhaust system. A fine would then not be imposed. In addition, I have had discussions with other stakeholders about allowing DMV to set any other regulations to the appropriate maximum decibel level. I am open to suggestions.

J.D. DECKER (Administrator, Division of Compliance Enforcement, Department of Motor Vehicles):

We are the State agency tasked with regulating motor vehicle emissions. We generally find that the exhaust system performance modifications often defeat, bypass or alter the factory exhaust system and lead to compromising vehicle emission standards. Gains in performance are generally accomplished in this way.

This bill will be a great tool for DMV to use in enforcing the emission standards in Nevada to help us identify vehicles being modified and likely violating emission standards. The penalty structure is set up with our administrative process for handling smoking vehicles and emission violators.

CHRISTIAN ROBINSON (Specialty Equipment Market Association):

Our association is made up of 7,500 members, mostly small businesses, of which 117 are based in Nevada. Our member companies manufacture, market and sell specialty automotive parts including exhaust components, restoration and appearance parts or anything having to do with performance, comfort, convenience or technology for motor vehicles.

Senator Ohrenschall mentioned one of the trends seen nationwide this year. Automotive laws will be dealing with illegal street racing and modifications to vehicles making them unnecessarily loud. This stems from the quarantine

periods due to Covid restrictions. Roads were clear, people behaved badly, and more people were at home working. People are more attuned to the noises in their neighborhoods. I have a 15-month-old child at home. This is the same issue I have been dealing with as well here in Maryland, the suburbs of D.C.

These bad actors give a black mark to true enthusiasts, and this activity is not something SEMA condones. Often these people have modified their vehicles to what is called a straight pipe exhaust. They have deleted the muffler and the emission components such as the catalytic converter and O2 sensors to make the vehicle obnoxiously loud. It can almost sound like gunfire.

I have provided Senator Ohrenschall feedback with concerns on the bill. In discussions with the Senator, it is clear we are in close agreement on what are the aims of the bill. A reasonable solution can be reached through the regulatory process.

Our biggest concern was with the blanket modification ban; in reality, not all mufflers are created equal. A Honda Civic puts out 75 decibels (dB), and a Porsche 911 GT3 puts out over 95 dB. An enthusiast might want to modify his exhaust system legally with emission components still in place. He may modify his Honda Civic up to 85 dB, but it would be rendered illegal. A much-louder vehicle which has not been modified would still be legal because it is in the same configuration as when it left the dealership.

We like California's model. As mentioned in my letter, [Exhibit B](#), it sets an upper limit for exhaust noise. It then has a compliance system in place to have a test and a fix-it system to make sure vehicles are brought into compliance. California has a method to have tickets dismissed if vehicles are found in compliance. California's model uses the Society of Automotive Engineers (SAE) International previously known as Society of Automotive Engineers, standards. This can be worked out through the regulatory process.

SENATOR OHRENSCHALL:

After conversations with Mr. Decker and Mr. Robinson, the statutory scheme in California seems to work in terms of giving people a chance to correct the problem and avoid fines or have their vehicle registration suspended. What might be done different is leave any maximum decibel level for vehicle noise up to DMV to set by regulation rather than statute. In California, the Vehicle Code limit is set at 95 dB. Placing it in regulation is something Mr. Robinson and I

agree on. It is a workable solution in California to deal with vehicle noise. In Nevada, the problem is not so much the enthusiasts who are modifying their vehicles, it is the people who are completely bypassing the muffler.

SENATOR PICKARD:

We are talking about a sizable industry. Glasspack mufflers have been around since I was young. They are common. I have never put a glasspack muffler on my vehicle. I find them annoying, but they are legal.

There are statutes in place to prohibit the kinds of issues described in terms of sustained loud noises in neighborhoods, particularly late at night. There are noise ordinances in both Henderson and Clark County. I assume the other local jurisdictions have those also.

Police do not respond for these matters. They have more important things to do unless offenders are street racing or there has been a crash.

Have we talked to law enforcement to see if they are inclined to do this? How do we train the officers? Do we give them a noise meter device so they can determine if the vehicle is above the threshold? How do we implement and enforce this plan?

SENATOR OHRENSCHALL:

There are ways citizens can report smoking vehicles which causes pollution. I do understand that law enforcement has so much to worry about. However, there are negative effects of this both in terms of people's quality of life and in air pollution.

Nevada is one of the few states that does not set any maximum decibel level on vehicle noise nor do any State statutes regard modifying or bypassing the exhaust system. It creates a problem for us. Certainly, there are local ordinances in local jurisdictions for noise. If someone is given a ticket or reported to DMV, there would be a way to have the vehicle brought in for an inspection to make sure the muffler and exhaust system has not been modified, and then ensure the vehicle does pass an emission test. The effort to make the vehicle loud has also made it a vehicle emitting air pollution.

There are ways to implement this. States around the Country have done it. Both our constituents and the environment can benefit. Mr. Robinson or Mr. Decker

may explain what is happening in other states or what is done with emissions enforcement.

MR. DECKER:

Senator Pickard, you bring up an excellent point. It is a similar point we have in enforcing vehicle emissions standards, generally. Not many other law enforcement agencies are writing tickets for smoking vehicles, even though it is illegal. We try to educate or work with agencies in targeting street racing and associated violations. We have established the Smog Spotter program which allows members of the general public and law enforcement agencies to report smoking vehicles or emissions violators. The complaint goes through the administrative process, and the vehicle is sent for inspection by the Emissions Lab at DMV. It would work the same way for noise complaints on vehicles.

MR. ROBINSON:

In California and several other states, if an officer suspects a vehicle has surpassed the 95 dB limit, he or she issues a ticket to the motorist directing them to a referee or an emission inspection station. There they will carry out a SAE inspection to determine if the vehicle has gone over the 95-decibel limit. It is scientific.

The SAE has been around for over 100 years. It takes into account ambient noise, wind and weather conditions, and prescribes the angle of revving the engine. It will determine if the vehicle is over 95 decibels. If the vehicle is under the 95 decibels, you are given a certificate of compliance. It allows the ticket to be dismissed. If the vehicle is found to be too loud, you have 30 days to bring the vehicle into compliance and have it rechecked.

There have been proposals in other states to equip officers with decibel readers. The problem with this is you would run into issues with roadside noise potentially skewing the test. We have seen other states that do this check with their annual safety inspection on the vehicle.

SENATOR PICKARD:

I cannot imagine this is a tiny industry or a huge industry either. If you are here in support of this, the industry does not have a big presence in your organization or will not after this. How many people are we putting out of business by not allowing these modifications?

MR. ROBINSON:

I describe our position as neutral on this bill and hope to work out something with Senator Ohrenschall. The SEMA itself is a \$46 billion trade association in terms of annual sales, and exhaust manufacturers are one of our primary segments. That segment is not the largest, it is approximately \$2 billion.

SENATOR PICKARD:

Anytime someone gets up as part of the presenting crew, that spokesperson will be viewed as supportive, if not officially. I am fascinated by this. I have not seen this kind of active effort to curtail a potential problem.

SENATOR OHRENSCHALL:

I am open to a potential conceptual amendment if the Committee is interested. It would mirror California's Vehicle Code 27150.2 on noise. The only issue is not to put any maximum dB level in statute but allow DMV to set that by regulation where it has the expertise. In California, it is set at 95 dB; enthusiasts are allowed to make modifications as long as they are in the maximum decibel level range. It would be a good compromise. It would protect automotive enthusiasts but not allow the complete bypass or deletion of the muffler and exhaust system. It is hard on our constituents, on their quality of life, on their hearing and on our clean air. As we heard, it often leads to bad emission control.

SENATOR PICKARD:

I do not want my comments to sound like I am asking for any modifications to this. I am surprised because of the magnitude, and I am concerned about the cost. Whether we are doing this at an inspection station or the Emissions Lab, it sounds like we will be adding equipment to do these tests. I imagine there will be a fiscal impact if not to the State but to the individuals charged to do this. I am supportive of the concept.

SENATOR OHRENSCHALL:

In conversations I have had with Mr. Decker, we have an option of requiring a new emission test once the motorist has tried to repair the muffler and exhaust system. An emission test is the actual check needed rather than purchasing sound level meters. If the muffler and exhaust system are not working, the vehicle will not likely pass an emission test.

MR. DECKER:

The DMV has Emissions Labs with trained technicians. To adjudicate administrative emission citations or complaints to the smog spotters, the vehicle is brought to the Emissions Lab. A technician will determine whether the vehicle is in violation.

SENATOR SPEARMAN:

I heard something about the environment. Is it the physical environment regarding the air quality around places such as low-wealth communities?

SENATOR OHRENSCHALL:

I found out with this bill when someone either modifies, bypasses or deletes the muffler and exhaust system the emission controls which should be controlling air pollution from that vehicle are often defeated. The vehicle is now putting out much more air pollution, beyond that allowed for a typical emission test. There is a connection between the loud noise and air pollution. When I was first contacted, I was unaware of that connection.

MR. DECKER:

Exhaust modifications have a high potential for defeating or bypassing emission control devices to increase performance or increase the sound of the vehicle. The noise pollution from an illegally modified muffler for performance reasons is excessively loud and emitting exhaust impacts the physical environment, our clean air, and violates emission standards. Overall, the impact is high to both the people residing where these vehicles might be racing on the street or driving past an open-air restaurant on The Strip.

SENATOR SPEARMAN:

Many of the people who live in low-wealth communities also live near high-traffic areas. We know about the direct correlation between emissions from vehicles traveling around those communities and asthma. A study approximately three to four years ago looked at incidents of asthma with children who lived in suburbs with little traffic around their homes. Then it looked at children who lived in densely populated areas which also had high traffic.

If it is contributing at all to illnesses that make people susceptible and the results were found more fatal for Covid-19, it is something we should pursue. I am concerned because we keep talking about the environment; it is not just the



air but what pollution does to people. If this were to pass, is there a cost avoidance we could reclaim and use somewhere else such as health care?

SENATOR OHRENSCHALL:

I do not know how much it contributes to asthma or other respiratory issues people have. My guess is it probably would if vehicles are polluting more than allowed under the Environmental Protection Agency's (EPA) guidelines.

The bill is carefully crafted, ensuring any fine would only be a civil fine, not a criminal offense and not a moving violation. The California Vehicle Code that Mr. Robinson discussed would be a good model. Its model does away with any fines and gives the right to repair or the inability to reregister the vehicle if the muffler and exhaust system is not brought back to what is allowable under California law. I cannot quantify how much air pollution or what health effects are related to this, but it contributes. The more we can ensure vehicles are compliant with emission standards, the better we all are.

SENATOR HARRIS:

Is there a violation of the law now that occurs when you modify your vehicle and circumvent the emission system?

SENATOR OHRENSCHALL:

From my research in *Nevada Revised Statutes* (NRS), I am unaware of one. Under federal law or EPA guidelines, there may be something.

MR. DECKER:

It is a violation of State and federal law if an emissions system from the factory is modified to bypass or defeat any emission control device. It does not relate to sound. For enforcement, we primarily look for vehicles where we can prove a criminal violation has happened. If the vehicle is smoking, we know it is illegal. If you hear a vehicle and it is excessively loud, we can write an administrative citation, and it will be taken through the administrative process.

EMILY WALSH (Nevada Conservation League):

The Nevada Conservation League is in support of S.B. 315. Studies have shown modifying or tampering with exhaust systems makes it more likely that those vehicles will fail emissions tests. The No. 1 contributor to pollution in our State is the transportation sector. We are supporting other efforts as well during this

Session to get a handle on vehicle pollution. This bill is a good addition to those efforts.

GREG ESPOSITO:

I appreciate how everyone is focused on the pollution issue. I want to bring this to a human perspective. Imagine as a parent, you have had a rough day and it is 6:00 a.m. Your time of solitude is when you put your child down for a nap. You have a small amount of time to handle your affairs, such as bills, or even relax for a few minutes. Then one of these vehicles drives through your neighborhood, and your child wakes up. The time you needed to regroup and be a better parent throughout the rest of the day is gone.

When one of these vehicles drives down the street, it is not only one house they invade, it is every house on the street. There is no community standard for this one person wanting to act out his or her version of *The Fast and the Furious*.

We regulate when construction crews can begin work because of noise; that has a community benefit, such as road work. Yet these people decide they want to disrupt the sanctuary and solitude of a neighborhood. They can do it. Everyone else suffers.

I care for a woman who has post-traumatic stress disorder (PTSD). You do not know anger until you have been having a pleasant day with a person you care for at home who has PTSD. Suddenly, one of these vehicles goes by, the noise jars the individual who now will not have a pleasant afternoon. The day is ruined. People who have had trauma and suffer PTSD are triggered by loud noises like these vehicles.

Plenty of pages in statutes address this as not legal. It is time to address these vehicles disrupting people's lives.

ARIELLE EDWARDS (City of North Las Vegas):  
The City of North Las Vegas supports S.B. 315.

SENATOR OHRENSCHALL:

This legislation is important for our constituents' quality of life and for air quality in our great State. We can find a way to protect automotive enthusiasts who are trying to be responsible, yet strike a balance so our neighborhoods and air

are protected. The California model I spoke of and the letter, [Exhibit B](#), Mr. Robinson has submitted is a good start.

CHAIR HARRIS:

We will close the hearing on S.B. 315. We will open the hearing on Senate Concurrent Resolution (S.C.R.) 8.

**SENATE CONCURRENT RESOLUTION 8**: Expresses support for the identification of key transportation priorities for the Lake Tahoe Basin. (BDR R-365)

ASSEMBLYWOMAN SARAH PETERS (Assembly District No. 24):

This measure is a result of the work accomplished by the Legislative Committee for the Review and Oversight of the Tahoe Regional Planning Agency and Marlette Lake Water System during the recent Interim. The Committee received input from the Tahoe Regional Planning Agency (TRPA) and the Tahoe Transportation District. Those familiar with the work of the Committee are aware of the safety and economic problems associated with congestion along roadways. There are concerns about greenhouse gas emissions and stormwater runoff pollution decreasing Lake Tahoe's clarity and infrastructure which is due for replacement. Simply building more roadways in the area surrounding Lake Tahoe is not an economically or environmentally viable solution to address the problem of traffic congestion.

It is estimated there will be a 25 percent increase in visitation by 2035, which for the Basin is a huge amount. Transportation around the Lake Tahoe area will become an increasingly important issue to address and a difficult problem to solve the longer we wait. Having lived in this area all of my life, I can attest to the impact the congestion has had on visitation capacity for the Lake. My family does not go to the Lake as much today as in previous years when I was a child. We would normally go a couple of times every summer and would not be back-to-back with people on the roadways or on the beaches.

Senate Concurrent Resolution 8 requests the existing Bi-State Working Group on Transportation work collaboratively to develop a list of transportation priorities and projects for the Lake Tahoe Basin to accomplish, over the next five years or more. This list will be presented at the Committee's first meeting during the 2021-2022 Legislative Interim. We are requesting it include an assessment of the cost and benefits of each project and protecting and enhancing the ecosystem of the Lake Tahoe Basin. It will coincide with both Nevada and

California's goal, benchmarks and targets for addressing climate change. It will identify potential funding recommendations and any equity barriers, resulting from these recommendations. Additionally, we ask that the Group look at other barriers both monetary and nonmonetary, to implementing an effective transportation system in the Lake Tahoe Basin.

EMILY WALSH (League to Save Lake Tahoe):

The League to Save Lake Tahoe is here to support S.C.R. 8. Increasing traffic in the Lake Tahoe Basin has negative impacts on the visitor experience and quality of life for residents. Most importantly, the pollution from these vehicles impacts the Lake's clarity and quality of the air. The League has been involved in a discussion on transportation improvements for a number of years, and our executive director has served on the Bi-State Working Group.

We support the continued efforts by the two states to craft real transportation solutions reducing vehicle miles traveled in the Basin and protect the Lake.

CARL HASTY (District Manager, Tahoe Transportation District):

I am here in support of S.C.R. 8. I appreciate the Legislature's support in helping Tahoe arrive at the action it needs to take to make serious advancements in transportation.

In the 1990s, the big emphasis for transportation at the Lake was to address the retrofit of roadways for water quality treatment and the protection of Lake clarity. We solved it at the time with a partnership effort at the private, local, State and federal sector levels.

Today, we face climate issues and heavy visitation from private vehicles. It is time for Tahoe to tackle this issue with the multimodal approach articulated in the Bi-State Compact. It is time to arrive at an agreement on what needs accomplishing and how it gets funded.

This resolution is a supportive statement to stakeholders encouraging us to attain those agreements and to articulate the needs and the obstacles. The stakeholders at Tahoe are already working on this. Everyone is looking forward to working with the Legislative Committee for the Review and Oversight of the Tahoe Regional Planning Agency and the Marlette Lake Water System in the 2021-2022 Legislative Interim.

JULIE REGAN (Deputy Director, Tahoe Regional Planning Agency):

On behalf of TRPA, we are in support of S.C.R. 8. Lake Tahoe is a backyard for northern Nevada's growing population, and the Covid-19 pandemic demonstrated the importance of public recreational opportunities for the region. While many resort destinations were empty because of closures, Lake Tahoe beaches, trails and roadways were crowded with visitors seeking refuge in the great outdoors.

Congested hotspots around the Tahoe Basin underscored the vital need for improved transportation infrastructure to enhance safety, environmental protection and economic vitality. In our capacity as a federally designated metropolitan planning organization, the TRPA governing board is scheduled to vote this month on the update of the Regional Transportation Plan.

The Plan calls for investment in transportation projects to improve transit, trails, technology and community corridors around the Basin. The Bi-State Working Group is actively engaged in driving consensus around funding solutions to implement this plan.

ASSEMBLYWOMAN PETERS:

The team in the Lake Tahoe Basin has been working hard to find solutions for this large problem for an area that is beautiful and pristine, and we want to keep it that way while also addressing equity. The Interim Committee was presented with an option which became unviable due to the budget issues related to the pandemic. This is why we decided to request this continued effort despite the financial challenges. The issues of transit and transportation and the related socioeconomic and environmental impact continue to need our attention and creativity. I urge your support for this important measure to ensure Lake Tahoe remains pristine and an accessible destination for tourists and locals alike.

CHAIR HARRIS:

We will close the hearing on S.C.R. 8. We will open the hearing on Senate Joint Resolution (S.J.R.) 12.

**SENATE JOINT RESOLUTION 12**: Expresses the priority of the timely completion of the Tahoe East Shore Trail extension project and urges Congress to provide federal funding for completion of the project. (BDR R-363)

ASSEMBLYWOMAN SARAH PETERS (Assembly District No. 24):

I am here to present S.J.R. 12. Similar to the previous measure I presented, S.J.R. 12 is a result of the work accomplished by the Legislative Committee for the Review and Oversight of the Tahoe Regional Planning Agency and the Marlette Lake Water System during the recent Interim, and we unanimously supported introducing this measure.

The revitalization of the 3-mile section of the Tahoe East Shore Trail concluded in 2019 and attracted more than 1,000 visitors a day. People who live in the area may already appreciate the improvements to summer transit services. Parking availability has reduced parking along the side of the roadway and the subsequent safety issues arising from on-street parking. I did experience it this last year. It has made a big difference.

Senate Joint Resolution 12 recognizes and expresses the priority of the timely completion of the Tahoe East Shore Trail extension project. It is slated to begin Phase 2 construction in 2022 and conclude in 2026, pending funding availability. This project began as a collaborative effort between 13 local, State and federal agencies and resulted in the 2013 State Route 28 National Scenic Byway Corridor Management Plan.

In addition to parking spaces and improved transit options, the project ensures all can enjoy the stunning scenery by making trails Americans with Disabilities Act compliant. It will continue making safety improvements to State Route 28, environmental improvements to the surrounding area and improving amenities for visitors.

The Incline Village General Improvement District (IVGID) effluent pipeline is over 50 years old and in need of replacement. From the IVGID environmental analysis, the Tahoe East Shore Trail extension project may include colocation of this pipeline. It may save on construction costs and prevent having to close the highway to perform repairs as the pipeline is presently located underneath the highway.

The Tahoe East Shore Trail extension project has raised over \$12 million in public grant and funding and over \$1 million in private donations which may be used to meet matching funds requirements.

In addition to requesting the Eighty-first Nevada Legislature's support for the priority of the project, S.J.R. 12 urges the U.S. Congress to provide the federal funding necessary for implementing the remaining elements of State Route 28's National Scenic Byway Corridor Management Plan. Completion of this Plan will provide additional safety improvements, parking, transit stops, emergency pullouts, visitor amenities and environmental improvements. Additionally, the Plan offers a potential opportunity for the IVGID to conserve resources while replacing critical infrastructure at the end of its useful life.

With the recent announcement of the American Jobs Plan to invest \$2 trillion in America's infrastructure, S.J.R. 12 could not be more timely.

JIM LAWRENCE (Deputy Director, State Department of Conservation and Natural Resources):

The Tahoe East Shore Trail is an 11-mile stretch between the south end at the intersection of U.S. Route 50 and State Route 28 and the north end at Incline Village. The 11-mile stretch on the Nevada side is probably the most problematic transportation challenge in the Tahoe Basin. It is extremely popular, and it is gaining popularity. I have been working on the Tahoe Basin issues for approximately 20 years. I see the increase in challenges.

We have a situation where no coordinated parking is available. People drive up and down the highway to find shoulder parking. People are queueing up hours before the opening of Sand Harbor which blocks commuter traffic. We have a vision for that location. The Corridor Management Plan was signed on by 15 stakeholders. In the Plan, management is a county issue, a State issue, a federal issue and a private issue because everyone uses the recreation and activities.

We have the first three miles of the Tahoe East Shore Trail completed, and it is extremely popular and great for outdoor recreation. If we are making a change regarding transportation, we need the multiuse path for the entire 11 miles. We require parking so we can remove the roadway parking, and we need a shuttle transit service in place. Then people can park at one end, and the shuttle can take them to the beaches where they want to go.

We cannot widen the road in the Basin. It cannot be built out. One of the challenges is with transportation in the Basin regarding recreation. There are no good models for us to compare across the Country. I am unaware of any places

as beautiful and as popular as Lake Tahoe that have two states, five counties, one incorporated city and a federal agency as the biggest plan manager. The coordination and collaboration is essential whether it is for the Bi-State Working Group or for the Tahoe East Shore Trail.

There are opportunities coming up with possible federal spending packages. Most of the parking lots and most of the trails remaining are on U.S. Forest Service land. Supporting this resolution would be helpful to securing additional federal funds needed to get this important project completed.

Ms. WALSH:

The League to Save Lake Tahoe is in support of S.J.R. 12. The bill presenters did an excellent job of discussing the progress and outcomes of the State Route 28 Corridor Management Plan. The Tahoe East Shore Trail has already become the crown jewel of the trail system in the Lake Tahoe Basin. It is a great alternative to driving a vehicle on the east side of the Lake. We support efforts to complete this trail system.

MR. HASTY:

The Tahoe Transportation District is in support of S.J.R. 12. We need all types of funding sources to complete the project improvements planned for State Route 28. The District has led the corridor implementation planning and project efforts for State Route 28. We are in the process of submitting a request to the House Delegation in Washington, D.C., for State Route 28. This resolution before you is exactly the kind of support we need. It shows the interest and value in these improvements for Nevada and for Lake Tahoe.

This helps us in the competition for precious federal dollars. We ask for your support in this resolution.

Ms. REGAN:

The TRPA is in support of S.J.R. 12. The Tahoe East Shore Trail is one of the highest priority environmental improvement program projects in the entire Basin. It is also a part of the transportation action plan identified by the Bi-State Consultation on Transportation. The TRPA along with the Tahoe Transportation District supports this resolution and is urging the federal support of this project from our Congressional Delegation.



ASSEMBLYWOMAN PETERS:

I urge you to support this measure. It ensures the good work already underway in the Basin does not stop, and the Lake Tahoe area will continue as a welcome and beautiful place for visitors.

CHAIR HARRIS:

We will close the hearing on S.J.R. 12. Given where we are in Session, I will entertain a motion to adopt S.C.R. 8 and S.J.R. 12.

SENATOR BROOKS MOVED TO ADOPT S.C.R. 8.

SENATOR HAMMOND SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

SENATOR BROOKS MOVED TO DO PASS S.J.R. 12.

SENATOR HAMMOND SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

CHAIR HARRIS:

We will open the hearing on S.B. 405.

**SENATE BILL 405**: Revises provisions relating to the annual assessment levied to support the Public Utilities Commission of Nevada and the Consumer's Advocate of the Bureau of Consumer Protection. (BDR 58-1087)

STEPHANIE MULLEN (Executive Director, Public Utilities Commission of Nevada):

We are here to present S.B. 405 which intends to ensure the Public Utilities Commission of Nevada (PUCN) and the Nevada Attorney General's Bureau of Consumer Protection (BCP) can fund their legislatively approved budgets.

Senate Bill 405 proposes to amend NRS 704.033 relating to the PUCN and BCP's authority to levy and collect an annual regulatory assessment or mill

assessment from the PUCN-regulated entities. The annual mill assessment is an annual calculation of a mill amount which is \$.001 levied on each \$1.00 of gross operating revenue derived from the intrastate operations of these companies.

The law which was passed in 1981 caps the mill assessment rate at which utility service providers are assessed at 3.50 mills for the PUCN and 0.75 mills for the BCP.

This proposal seeks to remove the outdated, unnecessary and arbitrary cap and authorize the PUCN and BCP to set the mill assessment to a rate sufficient to fund the legislatively approved budget of each agency. To reiterate, regardless of the mill cap or its removal, the Legislature will continue to have the same oversight of the PUCN's budget as is done now. This bill restricts the PUCN's authority, disallowing us to set a rate that generates more revenue than necessary to fund the legislatively approved amount.

The PUCN proposes to remove the mill assessment cap for several reasons. The cap did not contemplate reductions in assessable revenue due to major changes to the utility landscape such as telecommunications customers transitioning from traditional landline service to mobile internet services which are not assessable or the prolonged reductions of natural gas prices.

These reductions create uncertainty in assessable revenues along with the potential economic effects of unpredictable circumstances such as the Covid-19 pandemic. It is unknown if statute will provide adequate funding for the PUCN and the BCP to perform their statutory duties.

Regarding the statutory duties, the PUCN performs critical functions ensuring safe, reliable and affordable utility service throughout the State. A strong and healthy PUCN protects the health and safety of Nevadans and also saves ratepayers money while meeting State policy objectives.

Over the last decade, rates have been steady or have declined, making Nevada one of the lowest rate states in the Country. An adequately funded PUCN ensures resource adequacy. Nevadans will never experience events like what recently happened in Texas where its legislature restructured the public utility commission to have less authority and oversight.

We are proud to implement and enforce policies promoting renewable energy and reduction in carbon emissions. We can only continue to carry out these duties in an efficient and effective manner if we have adequate funding and staff.

The bill mandates the assessment be calculated for collection of only the amount necessary to fund the agencies' legislatively approved budgets for carrying out the respective duties related to public utility service in Nevada. The existing caps are an unnecessary ceiling against overspending because the budgets for the PUCN and the BCP must be approved by the Legislature. The PUCN's budget is also subject to the Executive Budget and the Governor's review and approval.

The PUCN is not eligible to access any of the States reserve funds from the General Fund or to receive any financial assistance.

We want to carry out the important policies the Legislature passes in any session as we have been. There are a few assumptions made when building the budget. Information used to create a budget is based on actual expenditures from the base year. The budget submitted in August prior to the start of Legislative Session the following February does not account for potential cost-of-living increases, retirements or healthcare increases, or any of the numerous utility-related bills that may be passed for our agency to implement and enforce. Once a budget is submitted and has been closed, these introduced variables can have unintended consequences on self-funded agencies not eligible for General Fund assistance.

The removal of the cap would allow the PUCN and the BCP to fund legislatively approved cost-of-living increases and healthcare adjustments, and implement fiscal notes following the appropriate approvals of the Legislature.

The mill assessment is set in June of each year. Unlike when the budget is built, setting the mill assessment rate is full of assumptions and best guesses. The PUCN reevaluates the mill assessment annually to adjust what it will collect based on the previous year's utility revenues because public utility revenues fluctuate year to year.

An important note is the mill assessment funds both the PUCN and the BCP. It is important to the PUCN that the BCP has the funding needed to participate in

any PUCN case in which the BCP deems necessary to represent residential ratepayers and other consumer interests.

We will not set the cap at an arbitrary new number, knowing the utilities the PUCN regulates are changing quickly as are those utilities' assessable revenues. We still have the same legislative oversight of the PUCN's budget regardless of the cap or its removal.

The PUCN has been actively working with stakeholders on S.B. 405 and will continue to work with them.

SENATOR HAMMOND:

The caps are now at 3.50 mills and 0.75 mills. Have those caps been reached? Other agencies do not have the same restrictions your agency has; therefore, lifting this would help you be comparable to other agencies. Most agencies are reducing their expenditures or being asked to reduce their budgets. Can you explain the cap and the overall goal?

MS. MULLEN:

While the PUCN has not yet reached its cap, the assessment rate is set at 3 to fund our agency for the budget submitted for the upcoming biennium. The Bureau of Consumer Protection has hit its cap at 0.75 and has hit the cap for at least the last six years of my tenure at the PUCN.

As far as we can tell for other State agencies, we are the only agency subject to both the Executive Budget process and legislative approval process that has this arbitrary cap. Once our budget is submitted, approved and set, we need to ensure space available to us to assess interstate gross revenues for utilities.

SENATOR HAMMOND:

It is important to understand both of those. You are not at your cap, but it may not be about being at the cap. It may be parity with other agencies ensuring you have the right funds.

BARRY GOLD (AARP):

We heard this arbitrary cap went into effect in 1981. Many details have changed since 1981. Both agencies have increased caseloads, and we need to ensure they can oversee utility companies and protect consumers.

Over the years, AARP has developed a solid working relationship with both the PUCN and the BCP that often work collaboratively whether it is on regulations or legislation. The best way to put it is both of these agencies pay close attention to the needs and issues affecting residential ratepayers. For those reasons, AARP on behalf of our 345,000 members across the State support S.B. 405. We urge the Committee to pass this legislation to enable both agencies to continue to protect residential consumers.

MS. WALSH:

The Nevada Conservation League is in support of S.B. 405. The Governor's Nevada Climate Initiative created a road map for our State to meet our carbon reduction goals. Many of the policies contemplated in the plan and in this Legislative Session will require the PUCN to investigate and solve difficult issues.

The PUCN is the venue for these conversations to occur. The Commission is the regulator for our State's utilities and responds to policy direction. Effective regulation protects the consumer and the environment. We support this bill so the PUCN has the tools it needs to do the job.

ANGIE DYKEMA (Southwest Energy Efficiency Project):

As you have seen from the energy bills already heard in this Committee and those yet to be heard, the world of energy is complex. It is important to recognize the regulatory environment in which the PUCN operates has also become increasingly complex over the years.

The original cap of 3.50 mills was set in 1981 when the PUCN was not a part of the Executive Branch as it is now. The PUCN goes through the normal budgetary process as any Executive Branch agency with approval from the Legislature.

The number of policies the PUCN manages has grown over the past two decades with issues ranging from rooftop solar and net metering to electric vehicles. The components allow the PUCN the ability to fund its legislatively approved budget to keep up with these matters. It ensures the ability to hire the needed expertise to address these important matters. We urge your support for S.B. 405.

ELSPETH CORDUA (Sierra Club):

The Sierra Club urges this Committee to support S.B. 405. We often find ourselves in front of the PUCN and working with the BCP in various proceedings. We support both the PUCN and BCP to increase their funding to sufficiently fund the critically important duties of their offices.

ERNEST FIGUEROA (Consumer's Advocate, Bureau of Consumer Protection, Office of the Attorney General):

The BCP supports S.B. 405. Our work with the PUCN has increased over a number of years. We can use the additional resources to enhance and ensure adequate funding to protect our ratepayers in these complex utility proceedings.

DYLAN SULLIVAN (Natural Resources Defense Council):

The Natural Resources Defense Council supports S.B. 405 for the same reasons previously stated by my colleagues.

DYLAN KEITH (Vegas Chamber):

The Chamber originally had concerns about the bill regarding transparency and oversight of how the mill tax would be handled with the proposed changes. After discussions with the PUCN, there will still be legislative oversight. We are neutral on this bill.

MATT MORRIS (Nevada Resort Association):

The Nevada Resort Association is neutral on S.B. 405. Our membership includes some of the largest ratepayers in Nevada that frequently appear before the PUCN. We recognize the important and expanding role of the PUCN in utilities regulation and protecting the public interest. We also recognize the important role the Attorney General's Bureau of Consumer Protection plays in representing the interest of ratepayers in utility matters.

While we agree these agencies should be adequately funded, we are working with the bill sponsors to address concerns with lifting the mills cap under NRS 704. We look forward to continued collaboration and dialog with the bill sponsor to address this concern.

CHAIR HARRIS:

We will close the hearing on S.B. 405.

SENATOR BROOKS MOVED TO DO PASS S.B. 405.

SENATOR HAMMOND SECONDED THE MOTION.

SENATOR PICKARD:

When I originally spoke with Ms. Mullen and Garrett Weir, PUCN's General Counsel, I expressed concerns and I still have those concerns. We are shifting the burden from many different funding sources to fewer funding sources. It may have an effect of concentrating the responsibility on fewer people.

I was assured that we are talking about the same population, but you could be paying a bill for electricity and not paying a phone bill. At the present, I am okay with this bill. It does not sit right. I am a little uncomfortable with it.

CHAIR HARRIS:

A huge part of the PUCN's job is to ensure the ratepayers are not unfairly or unduly burdened with their rates. It would be at the forefront of their mind as they move forward.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

CHAIR HARRIS:

Work sessions are the next item on the agenda. We will begin with S.B. 328.

**SENATE BILL 328**: Revises provisions relating to energy storage systems.  
(BDR 58-658)

SUSAN SCHOLLEY (Policy Analyst):

I will read from the work session document ([Exhibit D](#)).

SENATOR SPEARMAN MOVED TO AMEND AND DO PASS AS AMENDED S.B. 328.

SENATOR BROOKS SECONDED THE MOTION.

SENATOR PICKARD:

I support the bill, generally. I have not heard from those whose testimony was neutral and needed to digest the amendments. I will not hold this up. I reserve my right to change my vote if they contact me about anything concerning.

SENATOR LANGE:

I had several conversations with the people who spoke against the bill, and their concerns were predominantly regarding residential. It is why we decided to drop residential and concentrate on commercial. Those fears are gone. Instead of having specific goals, we tied it to the Integrated Resource Plan report. As long as we are using the report, we might as well use what came from the report.

SENATOR HAMMOND:

I had the same reservations as Senator Pickard, regarding the discussions of residential versus commercial. I understood Senator Lange's testimony about removing residential. I am still a little hesitant. I will support the bill now but reserve my right to make sure I understand this better.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

CHAIR HARRIS:

We will move to the work session on S.B. 59.

**SENATE BILL 59**: Revises provisions concerning the judicial review of decisions of the Public Utilities Commission of Nevada. (BDR 58-331)

Ms. SCHOLLEY:

I will read from the work session document ([Exhibit E](#)).

EILEEN O'GRADY (Counsel):

I want to point out an error in both the title and the digest on the original bill. The words "unless permitted by the court" should not have been included. Those are the last words in the digest and at the end of the title. The intent of the bill is the court does not have the discretion to allow the filing of additional briefs. It is an error, and it will be fixed.



SENATOR PICKARD:

I cannot get past the idea of robbing a judge of the ability to acquire more information if needed. I will be a no on this bill: it is a mistake to remove this discretion entirely from the court.

SENATOR BROOKS MOVED TO AMEND AND DO PASS AS AMENDED  
S.B. 59.

SENATOR SPEARMAN SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR PICKARD VOTED NO.)

\* \* \* \* \*

CHAIR HARRIS:

We will move to the work session on S.B. 288.

**SENATE BILL 288**: Revises provisions relating to transportation network companies. (BDR 58-935)

Ms. SCHOLLEY:

I will read from the work session document ([Exhibit F](#)).

SENATOR PICKARD:

In the conceptual amendment in paragraph 3, are we introducing ambiguity? During the hearing the testimony was for purposes of liability. If one of these vehicles gets into a crash, I want to ensure the other person is protected if not at fault. The testimony was for all intents and purposes the driver of that vehicle; the designation driver is important. Under paragraph 3, it appears the transportation network company (TNC) is maintaining the insurance coverage. I do not know if it is grounds to circumvent the policy if the insurance company comes back and states, "That is not our employee, we are not responsible for them, and this is not a covered incident." Now we have someone who is potentially without the liability coverage required by law.

I want to ensure we have a clear record that the third party will be protected—whether it is the monitored autonomous vehicle provider or the TNC—with proper insurance coverage in place and not something to be skirted by the insurance company. Insurance companies do not become the largest financial institutions in the world by paying out claims.

CHAIR HARRIS:

The TNCs have most of their drivers as independent contractors. The employee relationship does not exist. It is well established in practice. A TNC has insurance.

SENATOR PICKARD:

My understanding is it is an umbrella policy in case the driver or, in this case, the independent contractor is underinsured. It keeps them out of trouble. It is not the primary source of liability protection. I want to ensure we are not creating a loophole and that these people will be held responsible.

MATHEW WALKER (Motional):

As the amendment indicates, we came at the initial draft in terms of the TNC making this service available. The contractual relationship allows for the monitored autonomous vehicle service to have these vehicle rides monitored at all times on the platform. In this case, the monitored autonomous vehicle service is performing the function and role of the driver in terms of the required insurance.

This amendment will capture this concept clearly and ensure the monitored autonomous vehicle service provides vehicle coverage for the vehicles. It will not be underwritten on a safety engineer basis but fully serve this function as is done with other drivers on the road under NRS 706A. This will be a cleaner construct once you see the final language. This amendment will allow us to address other concerns where the original bill considered the TNC controlling and managing the safety engineer.

This shows the chain of responsibility of the people employed by these types of services and their management by the monitored autonomous vehicle service provider. It provides a business the transition between NRS 706A and NRS 706B based on a monitored autonomous vehicle, a safety engineer and the vehicle, not the trigger under the previous iteration of the statute. Whether it was a Level 4 or Level 5, the capabilities of the vehicle were to dictate whether it transitions back and forth from NRS 706A to 706B. We are closing many loopholes.

SENATOR PICKARD:

Because we do not have the final language, I want to make sure the record is clear, and we will be holding you to it.

SENATOR BROOKS MOVED TO AMEND AND DO PASS AS AMENDED  
S.B. 288.

SENATOR SPEARMAN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

CHAIR HARRIS:  
We will move to the work session on S.B. 303.

**SENATE BILL 303**: Revises provisions relating to professions. (BDR 54-669)

Ms. SCHOLLEY:  
I will read from the work session document ([Exhibit G](#)).

SENATOR PICKARD MOVED TO AMEND AND DO PASS AS AMENDED  
S.B. 303.

SENATOR HAMMOND SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

CHAIR HARRIS:  
We will move to the work session on S.B. 371.

**SENATE BILL 371**: Revises provisions relating to motor vehicles. (BDR 43-837)

Ms. SCHOLLEY:  
I will read from the work session document ([Exhibit H](#)).

SENATOR PICKARD MOVED TO AMEND AND DO PASS AS AMENDED  
S.B. 371.

SENATOR BROOKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

CHAIR HARRIS:

We will move to the final work session on S.B. 383.

[SENATE BILL 383](#): Revises provisions relating to electric bicycles. (BDR 43-835)

Ms. SCHOLLEY:

I will read from the work session document ([Exhibit I](#)).

CHAIR HARRIS:

I want to clarify for the record. Do PeopleForBikes find the first piece of the last amendment friendly but not the label portion?

SUSAN FISHER (PeopleForBikes):

Yes, that is correct.

SENATOR HAMMOND:

I had reservations on the differences between the classes. This is a lot of regulation, and I try to determine if it is necessary. Given the differences in riding a Class 3 bicycle which is approximately 8 miles an hour faster from a Class 1 or 2, how much regulation do we need? I am not comfortable with the bill. I will be a no today.

SENATOR PICKARD:

I concur with my colleague, and testimony produced zero data to support the need. I can imagine a law enforcement officer stopping a young rider and asking "Let me look at the label, is this a Class 2 or Class 3?" This is unnecessary, and it is overreach by government. It is the parents' job to determine. I will be a no on this bill.

SENATOR BROOKS MOVED TO AMEND AND DO PASS AS AMENDED  
S.B. 383.

SENATOR SPEARMAN SECONDED THE MOTION.

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THE MOTION CARRIED. (SENATORS HAMMOND AND PICKARD VOTED  
NO.)

\* \* \* \* \*

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CHAIR HARRIS:

Seeing no further business to come before the Committee, the meeting is adjourned at 5:42 p.m.

RESPECTFULLY SUBMITTED:

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Debbie Shope,  
Committee Secretary

APPROVED BY:

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Senator Dallas Harris, Chair

DATE: \_\_\_\_\_

<b>EXHIBIT SUMMARY</b>				
<b>Bill</b>	<b>Exhibit Letter</b>	<b>Begins on Page</b>	<b>Witness / Entity</b>	<b>Description</b>
	A	1		Agenda
S.B. 315	B	1	Christian Robinson / SEMA	Letter of Support
S.B. 315	C	1	Senator James Ohrenschall	Proposed Amendment
S.B. 328	D	1	Susan Scholley	Work Session Document
S.B. 59	E	1	Susan Scholley	Work Session Document
S.B. 288	F	1	Susan Scholley	Work Session Document
S.B. 303	G	1	Susan Scholley	Work Session Document
S.B. 371	H	1	Susan Scholley	Work Session Document
S.B. 383	I	1	Susan Scholley	Work Session Document