

MEETING NOTICE AND AGENDA

Name of Organization: Legislative Commission's Committee to Study the Construction and Maintenance of Highways and Roads (S.C.R. 53)

Date and Time of Meeting: Wednesday, June 10, 1998

9:30 a.m.

Place of Meeting: Grant Sawyer State Office Building

Room 4412

555 East Washington Avenue

Las Vegas, Nevada

Note: Some members of the committee may be attending the meeting and other persons may observe the meeting and provide testimony, through a simultaneous video conference conducted at the following location:

Legislative Building

Room 4100

401 South Carson Street

Carson City, Nevada

AGENDA

I. Opening Remarks and Introductions

Assemblyman P. M. Roy Neighbors, Chairman

*II. Approval of Minutes for the Committee's Meetings in Pahrump, Nevada, on February 13, 1998, and in Elko, Nevada, on March 20, 1998

III. Testimony Regarding Pending Legislation in Congress to Reauthorize the Federal Highway Programs and the Effect of this Legislation on Nevada

John Price, Division Administrator, Federal Highway Administration

IV. Presentation Regarding the Transportation of Nuclear Waste and its Effect on Nevada's System of Highways

J. C. De la Garza, Yucca Mountain Project, United States Department of Energy

V. Presentation Regarding Systems for the Tracking of Motor Fuel Sales in Nevada and Their Effect on Tax Collections

Craig Galler, Chief Technology Officer, Lockheed Martin IMS

VI. Presentation by the Private Business Coalition for Transportation Regarding Shortfall in Highway Revenue and a Proposal for Indexing Motor Fuel Taxes

VII. Presentation Regarding Items III through VI and the Attached "Work Session Document"

Tom Stephens, Director of Nevada's Department of Transportation (NDOT), and Russell Law, Chief Operations Analysis Engineer, NDOT

VIII. Public Testimony

*IX. Work Session — Discussion and Committee Action on Recommendations to the 70th Session of the Nevada Legislature (See Attached "Work Session Document" for a Summary of Proposals Compiled from Previous Committee Meetings)

X. Adjournment

*Denotes items on which the committee may take action.

Note: We are pleased to make reasonable accommodations for members of the public who are disabled and wish to attend the meeting. If special arrangements for the meeting are necessary, please notify the Research Division of the Legislative Counsel Bureau, in writing, at the Legislative Building, 401 South Carson Street, Carson City, Nevada 89701-4747, or call Roxanne Duer, at 684-6825, as soon as possible.

Notice of this meeting was posted in the following Carson City, Nevada, locations: Blasdel Building, 209 East Musser Street; Capitol Press Corps, Basement, Capitol Building; Carson City Courthouse, 198 North Carson Street; Legislative Building, Room 1214, 401 South Carson Street; and Nevada State Library, 100 Stewart Street. Notice of this meeting was faxed for posting to the following Las Vegas, Nevada, locations: Grant Sawyer State Office Building, 555 East Washington Avenue; and Clark County Office, 500 South Grand Central Parkway.

WORK SESSION DOCUMENT

June 10, 1998

**LEGISLATIVE COMMISSION'S COMMITTEE TO STUDY THE
CONSTRUCTION AND MAINTENANCE OF HIGHWAYS AND ROADS**

(S.C.R. 53)

This work session document was prepared by the staff of the S.C.R. 53 Committee. It contains a summary of major recommendations which have been presented in public hearings and correspondence during the course of the study. It

is designed as a working document to assist the members of the committee in making decisions during the work session.

The possible recommendations listed in this document do not necessarily have the support or opposition of the committee. These proposals simply are compiled and organized so the members may review them to decide if they should be adopted, changed, rejected, or considered further. The source of each recommendation is noted in parentheses. Any recommendations adopted by the committee will be submitted to the Legislative Commission for consideration. The recommendations will be highlighted in the committee's report, and any recommendations for legislation will be included in the report as bill draft requests (BDRs). The report will be made to the 1999 Session of the Nevada Legislature.

Subsection 2 of *Nevada Revised Statutes* (NRS) 218.240 provides that an interim committee or committee appointed by the Legislative Commission may request no more than ten BDRs. However, committees may request the preparation of additional legislative measures if the Legislative Commission approves each additional BDR by a majority vote. Under the provisions of S.C.R. 53, the committee may adopt a recommendation only if a majority of the Senators and a majority of the Assemblymen on the committee concur.

RECOMMENDATIONS — OTHER COMMITTEES

1. **Index motor fuel tax rates to the rate of inflation as measured by the Consumer Price Index. Adjust rates annually and only in increments of whole cents. Provide for the suspension of indexing if the Board of Directors of Nevada's Department of Transportation (NDOT) certify that highway needs can be adequately met without increasing the tax rate.** (Proposed by the Better Roads Coalition in a letter to Paul Mouritsen, dated April 29, 1998.)
2. **Include a statement in the committee's final report recommending that the Legislature fund the remaining costs of Project Genesis from the State General Fund rather than the State Highway Fund.** (Pam Miller, Associated General Contractors (AGC), November 10, 1997; Carole Vilardo, Nevada Taxpayers Association, February 13, 1998; and correspondence from Cheryl Blomstrom, AGC, dated April 28, 1998, and the Ad Hoc Transportation Group to Paul Mouritsen, dated April 29, 1998.)
3. **Include a statement in the final report recommending that the Legislature fund the cost of sound walls on existing highways from sources other than the State Highway Fund.** (Pam Miller, AGC, November 10, 1997, and correspondence from Cheryl Blomstrom, AGC, dated April 28, 1998.)
4. **Request that the Director of NDOT report to the Legislature by March 1, 1999, regarding the procedures followed by the Board of Directors of NDOT in approving purchases of equipment by NDOT, whose cost exceeds \$50,000, to determine whether these procedures are in accordance with NRS 408.389.** (Proposed by Cheryl Blomstrom, AGC, in a letter to Paul Mouritsen, dated April 28, 1998.)
5. **Include a statement in the committee's final report recommending that the Legislature fund the costs of collecting and distributing revenues relating to vehicle registration and drivers' licenses from the State Highway Fund, vehicle privilege tax collections, and collections of sales tax for the State General Fund in proportion to the amount of revenue collected by Nevada's Department of Motor Vehicles and Public Safety (DMV&PS).** (Cheryl Blomstrom, AGC, in correspondence dated April 28, 1998.)
6. **Include a statement in the committee's final report recommending that the Legislature return all user fees to the State Highway Fund including the \$1 fee for the purchase of a new tire.** (Pam Miller, AGC, November 10, 1997.)
7. **Amend NRS 483.410 to increase the driver's license fee by 50 percent.** (Tom Stephens, Director, NDOT, January 9, 1998.)

8. **Adopt an excise tax of 1 percent on the sale of new motor vehicles and deposit the proceeds in the State Highway Fund.** (Tom Stephens, Director, NDOT, January 9, 1998.)
9. **Enact legislation modeled after Utah House Bill 266 of the 1997 Legislative Session providing for public/private partnerships.** (In a letter to Paul Mouritsen, dated April 29, 1998, the Ad Hoc Transportation Group recommended the committee adopt a public/private partnership bill modeled after the Utah House of Representatives Bill 266 of the 1997 Legislative Session. For a copy of this measure, see the Utah Legislature's web site at www.le.state.ut.us.)
10. **Deposit the proceeds of the sales and use taxes collected on new and used vehicles from the State General Fund to the State Highway Fund. Make this change over a period of ten years by transferring 10 percent each year.** (Carole Vilardo, Nevada Taxpayers Association, February 13, 1998.)
11. **Require that NDOT assist the rural counties in developing a computerized pavement management system.** (Carole Vilardo, Nevada Taxpayers Association, February 13, 1998.)
12. **Include a statement in the committee's final report recommending that the Legislature appropriate funds for the expansion of State Route 160 from Pahrump through Amargosa Valley to U.S. Highway 95.** (Sandy Harmon, Executive Director, Economic Development Authority, Esmeralda and Nye Counties [EDEN], February 13, 1998.)
13. **Require that the DMV&PS report to the Legislature by March 1 in each legislative session year regarding the implementation of the dyed fuels program.** (Tom Stephens, Director, NDOT, February 13, 1998.)
14. **Transfer responsibility for enforcing the laws regarding dyed fuels from the Nevada Highway Patrol Division to the Bureau of Enforcement, DMV&PS.** (Peter D. Krueger, Nevada Petroleum Marketers' Association, February 13, 1998.)
15. **Include a statement in the committee's final report recommending that the Legislature request the DMV&PS to expedite negotiations between the tribal government and the State of Nevada regarding regulations affecting special fuel tax enforcement.** (Peter D. Krueger, Nevada Petroleum Marketers' Association, February 13, 1998.)
16. **Require that the DMV&PS conduct a study of the costs incurred to administer driver's license and motor vehicle registration programs to determine whether the current fees cover administration costs.** (Tom Stephens, Director, NDOT, March 20, 1998.)
17. **Recommend that the Legislative Commission designate a map room in the Legislative Building in which maps of the State's transportation system could be made available for the perusal of the legislators and the public.** (Senator Lawrence E. Jacobsen and Senator Bill R. O'Donnell, March 20, 1998.)

RECOMMENDATIONS FROM THE 1993-1995 STUDY

Senate Concurrent Resolution No. 53 requires that the committee review the recommendations of the interim study conducted between the 1993 and 1995 Legislative Sessions pursuant to the provisions of Assembly Bill 378 (Chapter 586, *Statutes of Nevada 1993*). The report of that study, entitled "Financing, Construction and Maintenance of Highways and Roads in Nevada," Legislative Counsel Bureau Bulletin No. 95-2, *Summary of Reports of the Legislative Commission to the 68th Session of the Nevada Legislature, January 1997*, included some recommendations that were not adopted by the Legislature in 1995. Those recommendations are presented here for the committee's consideration.

18. **Prepare and introduce a new draft of Assembly Bill 760 of the 1993 Legislative Session, which**

imposes a weight-distance tax of 3.8 to 8.2 cents per mile, depending on the declared gross weight of the vehicle, on all vehicles with weights in excess of 26,000 pounds for consideration by the 1999 Legislature. (During the 1995 Legislative Session, a bill was drafted on this subject but was not introduced.)

19. Amend Chapters 365 and 372 of Nevada Revised Statutes to transfer the collection of the gasoline tax from DMV&PS and change the point at which the tax is collected to the terminal rack level, as is now the case with collections of the special fuel tax. (During the 1995 Legislative Session, this proposal was introduced as A.B. 423 and died in the Assembly Committee on Ways and Means. A similar bill, A.B. 275, was introduced during the 1997 Legislative Session, which died in the Assembly Committee on Taxation. The consolidation of the collection of this tax is now being studied by a committee appointed pursuant to A.B. 204 (Chapter 492, *Statutes of Nevada 1997*).

20. Repeal the 22 percent limit imposed by NRS 408.235 on the amount retained by the DMV&PS to cover the cost of collecting motor vehicle fees and taxes. (This proposal was introduced in the 1995 Legislative Session as part of A.B. 422, but was not enacted.)

21. Amend NRS 482.313 to require that proceeds of the state fee on short-term leases of passenger vehicles be deposited in the State Highway Fund, rather than the State General Fund. (This proposal was introduced in the 1995 Legislative Session as A.B. 419, which died in the Assembly Committee on Ways and Means. The Legislature again discussed the issue in 1997 when A.B. 135 was introduced. This measure also died in the Assembly Committee on Ways and Means. This recommendation was also made by Carole Vilardo of the Nevada Taxpayers Association at the committee's meeting in Pahrump, Nevada, on February 13, 1998, and by the Ad Hoc Transportation Group, in a letter to Paul Mouritsen, dated April 29, 1998. The latter group proposes that the change take effect on July 1, 2001.)

22. Amend NRS 366.197 to delete the reference to liquefied petroleum gas (LPG) in the conversion formula. (In 1995, A.B. 421, which contained this proposal, died in the Assembly Committee on Taxation. In 1997, A.B. 666 and the first reprint of Senate Bill 452 had similar provisions, but neither passed. This change was also proposed by Peter D. Krueger, Nevada Petroleum Marketers' Association, February 13, 1998. The Ad Hoc Transportation Group endorsed this proposal in a letter to Paul Mouritsen, dated April 29, 1998.)

23. Authorize the establishment of toll roads and toll bridges in Nevada. (During the 1995 Legislative Session, A.B. 413 passed the Assembly and died in the Senate Committee on Transportation. During the 1997 Legislative Session, two toll road bills were introduced. Assembly Bill 403 lost in the Assembly on a final vote and A.B. 499 passed the Assembly but died in the Senate Committee on Transportation.)

24. Amend Chapter 482 of Nevada Revised Statutes to establish a tiered registration fee schedule for heavy vehicles grouped on the basis of the miles a vehicle travels. (This proposal was included in A.B. 420 of the 1995 Legislative Session, which died in the Assembly Committee on Transportation.)

25. Amend Subsection 2 of NRS 484.743, which limits the fee for issuing overweight permits to the amount required to cover the cost of administering the permit system and allow the Board of Directors of NDOT to establish a fee schedule that reflects the highway damage incurred from overweight vehicles. (This proposal was introduced in 1995 as A.B. 422, but was not enacted.)

26. Include a statement in the committee's final report recommending that the Legislature request that the Governor should not propose, nor the Legislature enact, any additional exemptions or exclusions from state motor fuel taxes. (In a letter to Paul Mouritsen, dated April 29, 1998, the Ad Hoc Transportation Group endorsed this recommendation.)

ITEMS FROM STAFF REPORTS

At the request of the committee, Paul Mouritsen, Principal Research Analyst, prepared an inventory of possible sources of revenue for the construction and maintenance of highways and roads. This report was presented to the committee at the January 9, 1998, meeting in Reno, Nevada. Items from the report that have not been included in previous recommendations are listed below.

27. Increase the gasoline tax by ____ cents per gallon.

28. Address a letter to Nevada's Congressional Delegation requesting they allow the federal excise taxes on gasoline, special fuels, trucks and trailers, motor vehicles, and tires to expire on October 1, 1999;

Or

Address a letter to Nevada's Congressional Delegation requesting they support legislation allowing these taxes to continue.

29. Require that all counties impose the gasoline tax at a uniform rate. (This proposal was made in connection with the proposal to move the point of collection for the gasoline tax to the terminal rack.)

30. Include a statement in the committee's final report recommending that the Legislature request that the Department of Taxation take measures to reduce gasoline tax evasion, such as conducting field audits of taxpayers.

31. Increase the tax on diesel fuel by 6 cents per gallon, making the rate equal to the combined state and local tax on gasoline.

32. Impose a statewide vehicle privilege tax of 1 percent with the proceeds deposited in the State Highway Fund;

Or

Require local governments that have not imposed a 1 percent special privilege tax for roads to do so (every county except Clark County).

33. Impose a sales tax of ____ percent statewide to provide funds for the construction and maintenance of highways and roads. Deposit the proceeds of the tax in the State Highway Fund.

34. Impose a property tax rate of ____ cents per \$100 assessed valuation and deposit the proceeds in the State Highway Fund.

35. Increase the license fee based on gross gaming revenue by 1 percent and deposit the proceeds in the State Highway Fund.