

MEMBERS PRESENT:

Chairman Price  
Vice Chairman Polish  
Mr. Mello  
Mr. Glover

Mrs. Westall  
Mr. Schofield  
Mr. Prengaman  
Mr. DuBois

MEMBER ABSENT:

Mr. Beyer

GUESTS PRESENT:

See attached guest list

Chairman Price convened the meeting at 5:15 P. M.

AB 238 - Exempts armored trucks from various regulations pertaining to motor vehicle carriers.

Harvey Whitemore, Attorney representing Reno Armored Transport, spoke in support of the measure, which was requested by them. The specific regulations they were seeking to be exempted from were those provisions dealing with the Public Service Commission. One of the provisions pertaining to licensing and licensing fees was by mistake included in the exemption that applied to the armored vehicles. That was not the intent of the bill. The intent is to deregulate the armored vehicle industry from Public Service Commission control.

Reno Armored Transport had been denied a franchise to operate in Las Vegas and other companies had been denied the right to operate in Reno. They wish the armored vehicle category to be deregulated and competition allowed. Their position is that free competition would generate price advantages and insure adequate standards of service. The public would be protected. Because the vast majority of their clients are banks, savings and loan institutions, casinos, and similar entities that handle large sums of money, they operate entirely under contract. Their clients have indicated a desire for competition in this area. Deregulation would be beneficial to both the industry and the public.

Mr. Robert Irvin, Reno Armored Transport, concurred with Mr. Whitemore's remarks, adding that his company would rather function with competition than regulations of the Public Service Commission. They wished the opportunity to operate in other areas of the State and would not object to other armored vehicle industries entering the Reno market. Competition under the present regulations is undesirable because they are not free to enter another market with the State.

In response to a question, Mr. Mello was informed there were two armored car companies operating within the State of Nevada. One company in the Las Vegas area and another in the Reno area. He felt companies now operating in other states would enter the Nevada market

Mr. Irvin said regulation was expensive in that it requires annual attorney's fees, accounting, trips, etc. The flexibility that would accompany deregulation would outweigh the negative aspects of competition. Wages are depressed by regulations. In order to retain qualified employees, they need to offer periodic salary increases. Presently, all increases have to be approved by the Commission and this takes quite a long time.

Chairman Price was concerned that under deregulation, the service would suffer due to less stringent security measures.

Mr. Whitemore assured the committee the nature of the business precluded relaxing of security; the insurance aspects prohibited such an eventuality. Competition would also insure high standards of service and responsibility to the public.

W. W. Richards, Chief of the Motor Carrier Division was concerned about the armored cars being exempt from motor carrier taxes. The instigators of the legislation had stated this was not the intent. Mr. Richards suggested a possible change in AB 238 to insure they were not exempt.

Mr. Whitemore disputed the change proposed by Mr. Richards because particular provisions in question applied to all the other exemptions.

Chairman Price stated the necessary changes would be made by the bill drafters of the Legislative Counsel Bureau.

Darrell Capurro, Nevada Motor Transport Association, appeared in opposition to AB 238. He said this was a monopolistic situation whereby the competition would be difficult to develop. Proposals in the past to deregulate one or another segment of the trucking industry have met with resistance within the industry affected. This would be setting a precedent. Piecemeal deregulation of the trucking industry or any area of public convenience or necessity, is undesirable. If this is to be considered, total deregulation of the trucking industry should be considered. The carriers involved should be adequately regulated to provide the service in return for the protection afforded by the convenience and necessity certificate. The members of his organization object strongly to piecemeal deregulation.

Chairman Price commented that the industries regulated by the Public Service Commission, except the armored truck category, had a direct tie to the general public's basic needs. The armored truck industry dealt with special private enterprises that transported large sums of money.

Mr. Capurro responded armored trucks were common carriers and not contract carriers. They must hold themselves out to the public at large even though they do contract with various businesses for their services. Anybody can demand that service.

Mr. Capurro, continuing, said the rate setting process was a time consuming and involved process but a necessary one. That is more important than the desire of the individual company for increased competition.

Mr. Glover spoke on the possible advantages of deregulating piecemeal the highly specialized industries that did not serve all the public. Any objections lodged should be from the banks.

Mr. Capurro said increased competition could increase rates as many of the functions would be duplicated.

Heber Hardy, Commissioner of the Public Service Commission, said he did not oppose this particular bill. They had denied two applications for entry of armored truck industries in the recent past because they did not feel the applicant had provided a good case for the need of an additional carrier in the areas involved; not because they were opposed to competition. That is not one of the factors that can be considered in granting a new application. The considerations are the fitness of the applicant, the public need for an additional carrier and the impact upon the existing carrier. This approaches the regulated monopoly condition more so than probably any other transportation segment. In any area where competition can substitute for regulation, said Mr. Hardy, he would not oppose deregulation but there is more than one side to the issue. Rates could increase because of duplication of services; anti-trust factors could become an issue; there have been no serious problems with regulating armored cars. This may be a testing area. Deregulate and see what happens. He recommended passage of AB 238.

Chairman Price requested that Mr. Whitmore prepare the necessary amendments whereby the armored cars would not be exempt from licensing and licensing fees.

AB 449 - Prohibits fee for storage of motor vehicle for days during which vehicle is not available to its owner for recovery.

Chairman Price related an incident of a highly inequitable nature involving his personal vehicle that emphasized the need for this legislation.

Mr. Gene Temen, representing the Towing Association, testified on the adverse impact of this legislation on the small operator who could not reasonably be available everyday of the week to accommodate owners of vehicles stored. The expense of employing continuous on duty personnel would be prohibitive. The bill was harshly directed at the small operator of tow trucks, who was also regulated by the Public Service Commission. The regulations under which they operate do provide for late release of vehicles. After business hours or Sundays and holidays there is a \$12 'open up' charge for the operator to come down and release the vehicle.

Mr. Temen recommend the legislation be defeated or that rule No. 140 of the Tow Car Tariff be changed so it was mandatory tow car operators open up on request of the legal or registered owner. That would eliminate any thoughts of anyone taking unjustified advantages of a situation, as experienced by Mr. Price. This bill in its present form will devastate the small operators. The large businesses could handle it. It could cost the small operators 14% to 28% of their storage revenue. The cost of doing business is to provide storage. The storage even though it may be temporarily unattended is still being provided. There is a security fence, the lights are on, the guard dog may or may not be in the impound yard; but all of the services are still provided. A person should be assured of being able to claim his vehicle upon request.

Mr. Temen suggested changing the PSC regulations as opposed to adopting new legislation that would have such an adverse impact on small businesses.

Mr. Heber Hardy said it would not be difficult to amend the Tow Car Tariff. He was of the opinion that the operators of the impound enclosures were required to open up on request. The language may require some revision to put this on a mandatory basis. The change could be accomplished within 45 days.

Mr. Price specified the regulations should require the operators to advise, by posted notice, their availability and the charges for the 'open up' service.

Don Helwinkle, owner of a garage and tow service in Minden, Nev. opposed the bill. He addressed the problems of abandoned vehicles, vehicles impounded by law enforcement entities, recovery of wrecked vehicles from near inaccessible locations, and others for which the tow operators received little or no compensation. He reiterated the fixed expense factors and unreasonable duty hours emphasized by Mr. Temen. He added that small operators performed a great public service. To require the tow operator to have someone on standby continuously is unfeasible.

Chairman Price said there had to be some equity to the public. Darrell Capurro of the Transport Association, said the bill as written would prohibit charging for any period of time the operator may have been away from the business site. He felt the problem could be handled by regulation through the Public Service Commission.

Mr. Heber Hardy asked if he could interperert the remarks as a request of the committee to proceed with an amendment to the regulations pertaining to the Tow Car Tariff.

Chairman Price answered in the affirmative.

SB 262 - Increases certain fees for registering and licensing motor vehicles.

SB 262

Al Stone, Director of the Department of Transportation said this was a very important bill to their total tax package. It creates a revenue of over \$6,000,000 a year. Mr. Stone outlined his testimony: The revenue increases that are needed; how much is needed; how it will be spent; and when it will be spent. Then he would discuss the fairness of the proposed increases and lastly he would attempt to answer any questions about the mechanics of SB 262.

Pete Pradere, Assistant Director of Operations for the Department of Transportation, conducted his part of the presentation with slides that demonstrated the needs of the Department. He said he would be discussing their payment-management system, the concept of which is to measure and record payments service distresses for every mile segment of all State maintained highways; determine the most cost effective method of repair, and the most needed repairs. There are some things the system can do and some things it can't. In addition to the slides of highways in various stages of deterioration, Mr. Pradere presented written statistics dealing with the highway conditions and applicable repair methods. EXHIBIT I.

Mr. Stone answered questions from the committee regarding costs of the various types of repairs and reconstruction, and stated the second part of the demonstration was to identify the costs of the repairs. EXHIBIT II.

Mr. Ivan Laird conducted the second portion of the presentation on the manner in which the deficiencies would be corrected. EXHIBIT III,

Mr. Stone said that because there had not been any revenue for highway maintenance, the state was two years behind in its program. Even if SB 262 is passed now, the highways will not be fully reconditioned until 1994.

The Committee was interested in the effect of the MX system on the highways and they were informed that the federal government proposed to pay all costs resulting from this project. If they did not, they had authorized the Department to prohibit the use of the highways by the heavy trucks and equipment.

Mr. Stone spoke on the high cost of maintenance and increases resulting from inflation, which is greater in this area than average. (EXHIBIT IV).

Mr. Stone, addressing the impact on the citizen, said a driver in Nevada would be paying \$1.25 per week in State gasoline taxes, registration, etc. This is based on the average car being driven 10,000 or 11,000 miles per year. (These mileage figures per week are the national average). The present cost is approximately seventy-five cents per week. He said his best information indicated there may be an increase in gasoline

tax of 13¢. This was considered in the \$1.25 per week figure.

In response to a question from Chairman Price, Mr. Stone said SB 262 would increase cost for a passenger car registration to \$6.50 per year. The privilege tax is a part of the registration fee. For a \$10,000 vehicle, the total registration and licensing fee would be approximately \$113.50 a year. The requested increase is \$6.50. The mean average is \$64.25 per year now.

Mr. Stone furnished the committee with "Summary of Fiscal Impact of SB 262, SB 477, and SB 45" . EXHIBIT V.

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Virgil Anderson, AAA, said their concern was the very heavy impact of the bills dealing with increases for highway use. The increase was too great. The registration is more than doubled. They agree on the need for additional funding. They think an increase in registration fees is necessary but they object to more than doubling them in one year. There is another proposed measure that further increases the fees, SB 588. Another bill more than doubles the driver license fees, the sliding scale gas tax, the end result of which will be more than a doubling of the tax burden for the motorist. Some moderation of this registration fee, they think, is in order.

Darrell Capurro Nevada Motor Transport Association, said they supported the measures in the Senate, those pertaining strictly to the truck registration increases. They are in support of the increases now. They recognize the obvious need for additional funds for the state highway system. He felt it was unfortunate that this bill was separated from the other bills dealing with the subject. The impact of what is being done this session will impact very heavily on the vehicle owner. He will experience a large increase in his cost of securing, maintaining and driving that vehicle. Even so, they are in support of SB 262. Trucks are taxed on the basis of weight and are paying in excess of 50% of the amount that goes into the highway fund. The larger carriers pay a proportionately larger share.

In response to a question from Mr. Polish, Mr. Stone said all these funds were restricted to reconstruction resurfacing and maintenance.

Chairman Price adjourned the meeting at 7:30 P. M.

Respectfully submitted:

  
Marjorie Robertson, Secretary

ASSEMBLY

AGENDA FOR COMMITTEE ON.....TRANSPORTATION.....

MONDAY

Date April 27, 1981.....Time.....5:00 P.M Room..... 214.....

Bills of H. Assembly  
to be considered

Subject

Counsel  
requested\*

- | Bills of H. Assembly<br>to be considered | Subject  | Counsel<br>requested* |
|--|--|-----------------------|
| AB 238                                   | Exempts armored trucks from various regulations pertaining to motor vehicle carriers.                                |                       |
| AB 449                                   | Prohibits fee for storage of motor vehicle for days during which vehicle is not available to its owner for recovery. |                       |
| SB 262                                   | Increases certain changes in bidding requirements and partial payments for road contracts.                           |                       |

\*Please do not ask for counsel unless necessary.



ASSEMBLY TRANSPORTATION COMMITTEE

GUEST LIST

date: \_\_\_\_\_

PLEASE PRINT YOUR NAME	PLEASE PRINT WHO YOU REPRESENT	I WISH TO SPEAK		
		FOR	AGAINST	BILL NO.
GENE TEMEN	TOWING ASSOCIATION		✓	AB 449
HARVEY WHITTEMORE	RENO ARMORED TRANSPORT	X		AB 238
ROBERT IRVIN	" " "	X		AB 238
B J Smith	AAA			
VIRGIL ANDERSON	AAA			SB 262 Amend
JUAN W. LAIRD	N.D.O.T.	X		SB 262
W. W. RICHARDS	DMV MOTOR CARRIER DIV	X		SB 262
W. W. RICHARDS	" " " "		X	AB 238
JOHN MADOLE	ASSOC. GEN. CONTRACTORS	X		SB 262
Garth Pull	NDOT			
Pete Prodere	NDOT	X		SB 262
Al Stone	NDOT	X		SB 262
N B Bennett	DMV			



# TOTAL STATEWIDE MILEAGE BY REPAIR STRATEGIES

DO NOTHING	1,271	MILES
MAINTENANCE	2,529	MILES
OVERLAY	570	MILES
RECONSTRUCT	596	MILES
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TOTAL	4,966	MILES

Sum made in  
Sept 80

# **FLEXIBLE PAVEMENT MANAGEMENT SYSTEM DOES:**

- A.) Addresses Existing Pavement Conditions**
- B.) Compares All Mileage Statewide By Standardized Rating System**
- C.) Physically Measures Pavement Surface Distresses**
  - 1. Cracking ie: longitudinal, alligator, block, extent, severity (repaired or not)
  - 2. Rutting: depth in inches
  - 3. Bleeding: severity
  - 4. Raveling: severity
  - 5. Pot Holing: extent (repaired or not)
  - 6. Ridability: degree of roughness
  - 7. Shoulder Conditions
- D.) Identifies & Categorizes Distresses**
- E.) Assigns Relative Values To Distresses**
- F.) Identifies Repair Strategies In Mile Segments**
- G.) Assigns Most Cost Effective Repair Strategies**
- H.) Assigns Average Costs on a Per Mile Basis To Determine Budget Requirements**
- I.) Addresses Existing Traffic Volumes**

# PAVEMENT MANAGEMENT SYSTEM DOES NOT:

- A.) Address Traffic Capacity Needs  
(present or future)
- B.) Geometric Deficiencies ie:  
Paved Widths,  
Horizontal-vertical Curvature, etc.
- C.) Roadside Safety Features

# REPAIR CATEGORIES

CATEGORY

POINTS

Do Nothing

0 to 49

Maintenance

50 to 399

Overlay

400 to 699

Reconstruct

700 and Over

The general repair strategy category is determined by the total aggregate point score of the mile.

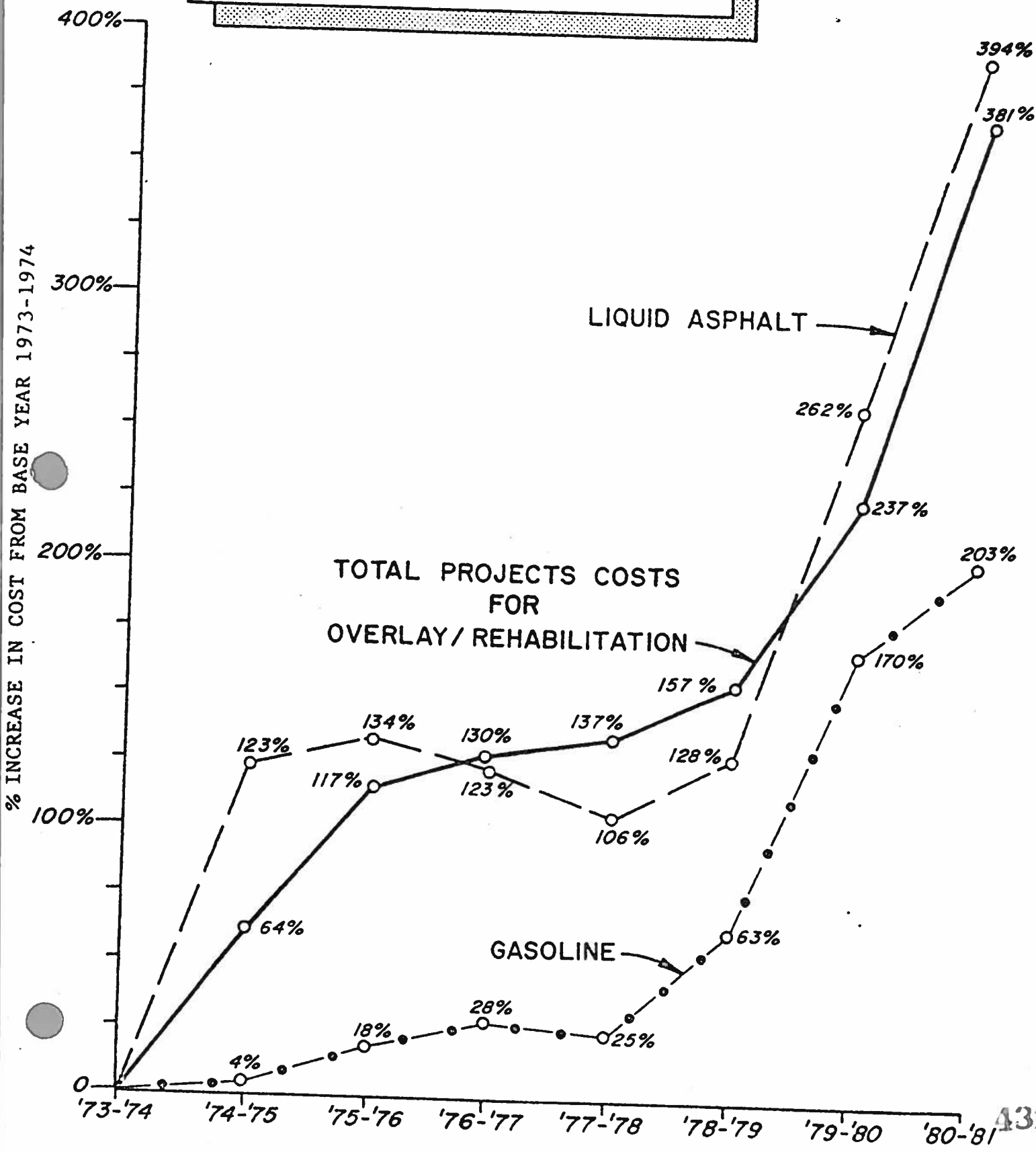
**EXHIBIT II**

**THIS EXHIBIT IS MISSING FROM BOTH THE ORIGINAL  
MINUTES AND THE MICROFICHE.**

**EXHIBIT III**

**THIS EXHIBIT IS MISSING FROM BOTH THE ORIGINAL  
MINUTES AND THE MICROFICHE.**

PERCENT INCREASE IN COST OF ASPHALT,  
GASOLINE AND OVERLAY/REHABILITATION  
CONSTRUCTION IN NEVADA FROM BASE  
YEAR 1973-74.



SUMMARY OF FISCAL IMPACT OF  
SB 262, SB 477, & SB 154

	Actual Revenue Calendar '80	Proposed	Increase	
<b>Registration</b>				
Registration Fees	\$7,233,881	\$11,319,647	\$4,085,766	(SB 262)
Title Fees	494,291	1,235,725	741,434	(SB 262)
Personalized Plates	416,252	416,252	-	-
Inspec. & Scale Fee	86,154	86,154	-	-
Penalty	165,494	330,994	165,500	(SB 262)
Comm. on Priv. Tax	1,114,466	1,114,466	-	-
Miscellaneous	47,969	132,469	84,500	(SB 262)
<b>TOTAL</b>	<b>\$9,558,507</b>	<b>\$14,635,707</b>	<b>\$5,077,200</b>	
<b>Motor Carrier</b>				
Unladen Weight	2,467,739	1,367,739	(1,100,000)	(SB 477)
Mileage Tax	5,027,639	5,700,000	672,361	(SB 262)
Pro-Rata Registration	1,451,292	1,741,550	290,258	(SB 262)
Convoy License	125,045	151,000	25,955	(SB 477)
48-hour Carrier Permit	2,304,490	4,604,490	2,300,000	(SB 477)
Public Service Fee	428,194	428,194	-	-
Overweight & Length Permit	326,197	488,000	161,503	(SB 262)
Miscellaneous	155,589	155,589	-	-
Penalty & Interest	102,533	102,533	-	-
Comm. on Priv. Tax	27,379	27,379	-	-
Temporary Fuel License #1	725,000	1,406,000	681,000	(SB 477)
<b>TOTAL</b>	<b>\$13,141,097</b>	<b>\$16,172,474</b>	<b>\$3,031,377</b>	
<b>Fuel Taxes</b>				
Gasoline Tax #2	21,110,716	38,690,716	17,580,000	#3(SB 154)
Special Fuel	4,246,827	7,785,844	3,539,017	(SB 154)
	\$25,357,543	\$46,476,560	\$21,119,017	
<b>TOTAL</b>	<b>\$48,057,147</b>	<b>\$77,284,741</b>	<b>\$29,227,594</b>	

Less Increase Appropriation to Other Agencies-----(\$1,466,000)

Available to D.O.T.-----\$27,761,594

#1 Estimated  
 #2 Actual 1979-80 revenue  
 #3 In addition, SB 154 will produce \$5,860,000 for local government