MINUTES OF THE MEETING OF THE SENATE COMMITTEE ON NATURAL RESOURCES

SIXTY-FIRST SESSION NEVADA STATE LEGISLATURE February 9, 1981

The Senate Committee on Natural Resources was called to order by Chairman Norman Glaser at 1:35 P. M., Monday, February 9, 1981, in Room 323 of the Legislative Building, Carson City. Exhibit A is the Meeting Agenda. Exhibit B is the Attendance Roster.

COMMITTEE MEMBERS PRESENT:

Senator Norman Glaser, Chairman Senator Wilbur Faiss, Vice Chairman Senator Lawrence C. Jacobsen Senator Joe Neal

COMMITTEE MEMBERS EXCUSED:

Senator James H. Bilbray Senator Floyd R. Lamb

STAFF MEMBERS PRESENT:

Robert E. Erickson, Senior Research Analyst Carolyn L. Freeland, Committee Secretary

SENATE BILL NO. 153--MAKES VARIOUS CHANGES RELATING TO THE SALE OF PETROLEUM PRODUCTS.

Chairman Glaser noted this bill was introduced by Senator Jacobsen and asked him if he had anything to say in regard to it.

Senator Jacobsen answered that the bill does not mean a reduction in price, and that he was asked to sponsor it by the Department of Agriculture.

Chairman Glaser called for testimony to explain the major changes within the bill.

Mr. Knute Pennington of the Nevada Department of Agriculture was the first speaker. He noted that some of the bill is editorial in change, specifically Section 3. The Nevada Revised Statute formerly contained all the S.A.E. numbers for motor oils as

S. A. E.'s. The Society of Automotive Engineeers (S. A. E.) only recognizes Grades 5w through 50 so what was edited was a change from the designation "S. A. E." to the word "grade," which is for Grades 60 and 70. Mr. Pennington continued, as a result of that change, it was necessary to go to NRS 590.040 and effect some word changes there. He said as a result of this action, the S. A. E.'s would be correct in addition to the designations of Grades 60 and 70 as state numbers.

Senator Neal asked what the difference is in these designations. Mr. Pennington replied that primarily because S. A. E. does not recognize the 60 and 70, the only requirement for 60 and 70 would be those spelled out.

Senator Glaser asked, why the terminology "S. A. E. 60 and 70" was not used. Mr. Pennington answered that S. A. E. does not recognize those two grades.

Mr. Pennington then explained, in reference to a question from Senator Neal, that when a motor oil is given a designation, it is randomly sampled to make certain that oil is actually what the designation purports to be.

There then ensued a general discussion on "flash points;" Fahrenheits, checking for used oil; labeling of reprocessed or reclaimed oil.

Senator Faiss asked what specific uses do Grades 60 and 70 have. Mr. Pennington replied that they were used in heavier duty engines. Senator Faiss said he could not understand what problems S. A. E. had in not recognizing Grades 60 and 70. Mr. Pennington stated that the department laboratory uses the S. A. E. specifications and Grades 60 and 70 do not fall under S. A. E. so as a result, it was decided to take away the S. A. E. and just give them a grade designation. That way, they have to comply with the NRS.

Continuing with his explanation of the bill, Mr. Pennington noted that a change was requested in Section 2 as it relates to Diesel No. 2 specifications. He then referred to Section 4, which deals with advertising and deals with dimensional changes which affect the sizes of the price and the brand name. The primary reason in asking for the changes is the fact that a great many of the signs are made up in the State of California and this change will eliminate making separate signs for just the State of Nevada. Also, in Section 4, in the case of where individuals wish to advertise

the price by litre, the motorist may have some trouble relating that figure to the gallon figure in dollars, and this section provides that if there is advertising by litre, it is expected that the price by dollar also be advertised.

Mr. Pennington then referred to Section 6 and said they are trying to go to the 3-1 dimension instead of the existing 2-1. In regard to Section 7, Mr. Pennington requested that the suggested amendment be withdrawn on NRS 590.210 as it may not serve any purpose. Senator Glaser asked Mr. Pennington if he wanted to strike lines 29 through 33 and Mr. Pennington answered in the affirmative, to leave the former wording in the bill.

Senator Glaser told Mr. Pennington that it would now take an amendment to remove those lines from the bill and it might make it difficult explaining on the Floor of the Senate why the committee wants to take it out in this section and leave it in elsewhere, as in Section 4. Senator Glaser pointed out the bill is now printed and rationale for removing it would have to be quite substantial to support it. Mr. Pennington answered that it is wording that should not be in the bill.

Senator Neal explained that if this wording were left in, it might cause the advertiser to create a larger sign than is necessary for the motorists to see.

Senator Glaser then noted that an amendment to Section 7 was desired, striking the proposed amendment and reverting to the former language of the section.

Senator Jacobsen noted that the original testimony did not speak to multi-grades, and wondered if it was necessary. Mr. Pennington replied that with the present laboratory, they are not adequately equipped and it would be costly to go into the multi-grades.

Senator Glaser asked if Section 8 is consistent in language with Section 7 if the original wording of Section 7 is used. Mr. Pennington replied that all that would be changed would be the dimension between the price and the brand, leaving the words "gasoline" or "diesel fuel" as a four-inch minimum, and the words "self-serve" and so on as a four-inch height. He doesn't feel there would be a problem there.

Mr. Pennington then deferred to Mr. Bob Redd of the Nevada Refinery Company in Tonopah to more fully explain Section 2.

Mr. Redd's main emphasis was on the request for a change from maximum 90% distillation temperature permitted for No. 2 diesel fuel oil from 640 degrees to 675 degrees. He gave a brief history and operation figures for his company.

Mr. Redd said the company produces about 30,000 gallons of diesel fuel daily. When the refinery first commenced operations, it had a problem meeting the specifications for 90% point of distillation, which was 640 degrees Fahrenheit. He said they had always been able to maintain distillations at 90% somewhere in the range of 640 to 675 degrees. The people at Weights and Measures worked quite closely with them to give what assistance they could in correcting the problem. In June, 1979, at a meeting with members of the Department of Weights and Measures, it was discussed what could be done to rectify the problem, and two ways to go were suggested: one was to get the specifications changed by the American Society of Testing Materials, and the other was to have the Legislature change them through statute.

Mr. Redd went on to discuss specifications for No. 2 diesel fuel. He said that originally the specifications were set at 675 degrees, and were changed to 640 degrees, not for environmental or for scientific reasons, but to bring about uniformity in the industry. Mr. Redd said the reasons for wanting this change are it would allow his company to have a product which met the specifications of Nevada and would assist in creating a better fuel oil economic picture in the state.

Senator Neal asked how this change would compare to A. S. T. M. standards; Mr. Redd answered that those standards are at 640 degrees. The 675 figure would allow the refinery to manufacture more diesel oil and make the distillation heavier, producing more B. T. U.'s for less fuel used. It would increase more miles per gallon, the flashpoint is unaffected, and it might be safer. Senator Neal wanted to know if it would make the diesel oil more volatile and Mr. Redd answered that it would not; in fact, it would make it less volatile. Senator Glaser noted that in going to the 675 degress, it would make a heavier distillate, and asked about burning qualities, if it would perform as efficiently in the engine. Mr. Redd answered that it would and explained the chemical reasons why.

Senator Faiss then asked about the filtering system, the cloud point. Mr. Redd explained that only in winter time would there be a change, and then it is treated to make the product lighter.

Senator Neal asked what by-products are produced at 640 degrees. Mr. Redd replied they are entirely different for each fuel as each refiner's diesel can be different.

Senator Glaser noted that Nevada's petroleum compares favorably as to sulphur content and Mr. Redd answered that the diesel does.

Mr. Redd mentioned that crude oil, although plentiful in the world at the present time, is very expensive, and due to recent decontrol, it will continue to be so. The thrust today is cost effectiveness to the consumer, and being able to make more product.

Senator Faiss asked just how Nevada crude compares with crude oil from other sections of the country. Mr. Redd replied that very little octane is produced and it is of very low specifications. He said that on a daily basis his refinery makes about 35% diesel which is of a very good quality; the balance is residual fuel oil which is currently being sold to Sierra Pacific Power Company. He said they are conducting tests to see if they will be able to produce asphalt.

Senator Neal asked Mr. Redd if he would have a copy of the molecular structure at 640 degrees and also at 675 degrees. Mr. Redd answered that he did not have this information, but he could provide it by running test cases in an independent laboratory by a licensed chemist. Mr. Redd said if the information is wanted, he could generate it; it would take a week or two to do it. Senator Neal said he would like to have the information available so the committee could see just what it is voting upon.

There was a brief conversation regarding asphalt and Mr. Redd advised the committee members that his company does not retail it.

Chairman Glaser asked if there were any other questions. He noted that Senator Neal requested a breakdown of the molecular structure at 640 and 675 degrees. Mr. Erickson said the results should be sent to Samuel Hohmann, Senior Research Analyst, the Legislative Counsel Bureau. Senator Glaser so directed Mr. Redd, saying the committee wants the material analyzed. Mr. Redd reiterated his previous testimony pointing out that 675 was the specification for many years and that the change to 640 was not for environmental or scientific reasons.

Chairman Glaser asked Mr. Redd to work with Mr. Hohmann to clarify the picture, get him to state it to the committee as a memorandum

from the Counsel Bureau, in order that the committee might consider the matter having some black-on-white evidence. The Chair man stated that S. B. No. 153 would be held up until that material is received.

Senator Jacobsen asked Mr. Redd, if, to his knowledge, there may be other small refiners who are presently over the 675 degrees. Mr. Redd said he was aware of some in California; that state does not do as good a job of monitoring as does the State of Nevada.

As there was no other testimony to be offered, the Chairman concluded the hearing on S. B. No. 153

SENATE BILL NO. 138--GIVES PUBLIC SERVICE COMMISSION EXCLUSIVE AUTHORITY TO REGULATE CERTAIN FACILITIES WHICH DEAL WITH LIQUIFIED PETROLEUM GAS.

Chairman Glaser called for testimony regarding this bill.

Mr. Heber Hardy, Chairman of the Public Service Commission, said the reason his committee is asking that consideration be given to S. B. No. 138 is to provide an additional source of on-site fuel, a "peaking facility" if there was not sufficient capacity in the pipeline coming in from Idaho. This facility would be for Southwest Gas. He said his committee is concerned about jurisdiction over propane and natural gas; there is a definite jurisdiction responsibility for safety involving the storage and distribution and processing of propane. It appears that the Liquid Propane Board might have some jurisdiction, so there is overlapping jurisdiction. What is being asked in this bill is that if a public utility sells propane under the jurisdiction of the Public Service Commission, that the Commission have exclusive jurisdiction over those public utilities selling propane.

Senator Neal said he had concerns with the wording of the bill referring to "exclusive" authority, which seems to imply that some other group now has authority to operate in this area. Mr. Hardy replied that the L. P. Board has by statute jurisdiction over anybody who handles propane. He explained that LP means "liquid propane." Mr. Hardy feels that if there is an agent which has jurisdiction, it should be exclusive, rather than having it divided between two state agencies. Mr. Hardy said he could see no problems arising in the safety and regulation aspects in such a move, in addition to economic regulation.

Senator Glaser asked for the composition of the L. P. Board and Mr. Hardy replied it is made up basically of people who are

liquid propane distributors. Senator Glaser then read from NRS 590.485 setting out the membership. "The Nevada Liquified Petroleum Gas Board consists of five members appointed by the Governor. The Governor shall appoint five members who have knowledge of the liquified petroleum gas industry..."

Senator Neal suggested that the members of the Liquified Petroleum Board be present for further hearing on this bill. Mr. Erickson research analyst, is to contact those board members and either have them present for a hearing or obtain a statement from them that they endorse the concept of S. B. No. 138.

Senator Jacobsen noted that it is all sold under metered conditions.

Chairman Glaser asked for any further testimony; there being none, the hearing on <u>S. B. No. 138</u> was concluded.

SENATE BILL NO. 152--PROVIDES METHOD OF DESIGNATING MEASURES OF LENGTH.

Senator Glaser asked if anyone wished to testify regarding this bill. Senator Glaser asked if this same language had not been incorporated into the metric bill, Senate Bill No. 46. Mr. Pennington answered that the language was slightly different. In line 22 of S. B. No. 46, and line 26, the word "standard" does not appear. Mr. Pennington feels it should be included. Chairman Glaser said that if the committee processed both bills, unless the language is the same, there will be a conflict. The Chairman said if the metric bill is processed, the word "standard" will have to be inserted to make it conform to S. B. 152. Then if the metric bill fails, the conversion is still there.

The Chair called for any other questions. There were none, and the hearing on <u>S. B. No. 152</u> was concluded.

Senator Glaser then noted that there were final actions to be taken. He read into the record a letter dealing with the metric bill, S. B. No. 46, coming from the Nevada Department of Transportation. (Exhibit C). He said the gist of it is if the State of Nevada ever goes metric, it is up to the state to fund the changes in the highway signs in the range of \$2,700,000. He noted that the metric bill under consideration only sets up a board to stimulate interest, but it is important for the committee to have these facts before it.

Senator Jacobsen said <u>S. B. No. 46</u> has no intent of advocating two million dollars to change all the road signs.

SENATE JOINT RESOLUTION NO. 9--URGES CONGRESS TO MANDATE STRONGER CONTROLS OVER THE NUMBER OF WILD HOUSES AND BURROS IN NEVADA.

Chairman Glaser called for any further discussion on this resolution.

Senator Jacobsen moved "do pass" on Senate Joint Resolution No. 9.

The Chair called for a second. No second was forthcoming. After some brief discussion, Senator Jacobsen withdrew his motion until such time as more members of the committee are present to reconsider the resolution.

SENATE BILL NO. 46--CREATES METRIC SYSTEM ADVISORY COUNCIL.

Senator Jacobsen suggested that the committee not make a decision until Mr. Ericksen has checked on the bill's language, to make it conform with <u>S. B. No. 152</u>, in order to avoid a conflict of the Floor of the Senate.

Chairman Glaser then asked if an amendment was desired to achieve such conformity.

Senator Jacobsen moved to amend the language of Senate Bill No. 46 to conform with the language of Senate Bill No. 152.

Senate Faiss seconded the motion. (No vote taken, see p.9).

Mr. Erickson noted that there are two other amendments which were suggested to this bill, one from Mr. Crossley's office (of the Legislative Counsel Bureau) to do with setting up a metric system fund, and the second from Senator Bilbray who suggested that the metric advisory council also have one member of the faculty of the University of Nevada system and another member from the faculty of a Nevada public school, elementary or secondary.

Chairman Glaser asked Senator Jacobsen if he wished to amend his motion to incorporate these two amendments into it. It was so agreed by the committee to incorporate the two amendments described above by Mr. Erickson into Senator Jacobsen's amendment.

Senator Neal had questions regarding the funds to be received by the proposed metric council, and was advised that there would be no financial impact, that the council could not obligate the state for contracts, and that an accounting trust is to be set up to handle the gifts and contributions to the council.

Chairman Glaser said S. B. No. 46 would be reconsidered when the amendments are returned to the committee.

SENATE BILL NO. 5--CREATES SPECIAL HUNTING AND FISHING PRIVILEGES FOR SEVERELY HANDICAPPED PERSONS.

Chairman Glaser noted there had been an "Amend and Do Pass" on this bill at a previous meeting, but he wished the committee members to look at the amendments again to ensure they are correct and what the committee wants. The amendments were scrutinized individually; no changes were made.

Senator Glaser then presented the Department of Wildlife's list of licenses issued at a reduced or no fee (Exhibit D). This information had been requested by Senator Jacobsen. Senator Glaser pointed out that over the years, the ability of the Department of Wildlife to collect money had been eroded by granting these exemptions.

The Chair called for any other business to come before the meeting.

Senator Jacobsen pointed out the presence of NASA's Mobile Analysis and Training Extension Van parked between the State Capitol Building and the Legislative Building, where the results of the pilot forest inventory project covering Douglas County and Carson City, utilizing Landsat technology, are displayed. He suggested that the committee as a whole view the demonstration.

The meeting was adjourned at 2:55 P. M. and the committee proceeded to the NASA Van to attend the display mentioned above.

Respectfully submitted by:

Carolyd L. Freeland, Secretary

APPROVED BY:

Sonator Norman Glaser, Chairman

DATE: Febr 18 1981

SENATE AGENDA

COMMITTEE MEETINGS

EXH	I	B	IT	A
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Committee	on Nat	ural Reso	urces			Room	323
Day _	Monday		Date	February	9	Time	1:30 p.m.

- S. B. 152--Provides method of designating measures of length.
- S. B. 138--Gives public service commission exclusive authority to regulate certain facilities which deal with liquified petroleum gas.
- S. B. 153--Makes various changes relating to sale of petroleum products.

FINAL ACTION:

- S. J. R. 9--Urges Congress to mandate stronger controls over the number of wild horses and burros in Nevada.
 - S. B. 46--Creates metric system advisory council.
- S. B. 5--Creates special hunting and fishing privileges for severely handicapped persons. Consideration of revised amendment.

ATTENDANCE ROSTER FORM

COMMITTEE MEETINGS

SENATE COMMITTEE ON NATURAL RESOURCES

DATE:February 9, 1981

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EXHIBIT B

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A. E. STONE

STATE OF NEVADA DEPARTMENT OF TRANSPORTATION

1263 SOUTH STEWART STREET CARSON CITY, NEVADA 89712

February 9, 1981

TRANSPORTATION BOARD

ROBERT LIST, Governor, Chairman RICHARD H. BRYAN, Attorney General WILSON McGOWAN, State Controller

EXHIBIT C

IN REPLY REFER TO

The Honorable Norman D. Glaser Chairman, Committee on Natural Resources Nevada State Senate Carson City, Nevada 89710

Dear Senator Glaser:

On Wednesday, February 4, your Committee reviewed Senate Bill No. 46 which in summary would create a metric system advisory council. As a result of your Committee's review of testimony for and against this bill, I believe it would be of your Committee's interest to know that in the Federal-Aid Highway Act of 1978, Public Law No. 95-599, 95th U.S. Congress, November 6, 1978, which is also referred to as the Surface Transportation Assistance Act of 1978, Title I, Section 144(a) states:

"No Federal fund may be expended to construct, erect, or otherwise place any sign relating to any speed limit, any distance, or other measurement, on any highway if such sign establishes such speed limit, distance, or other measurement solely using the metric system, unless U.S. Congress after the date of enactment of this Act specifically authorizes such expenditure."

It goes on to state in (b):

"No Federal funds may be expended to modify any sign relating to any speed limit, any distance, or any other measurement on any highway for the conversion of such sign soley to the metric system unless Congress, after the date of the enactment of this Act specifically authorizes such expenditure.

Preliminary indications are that to modify all highway signs in the State of Nevada would cost in excess of \$2,700,000. The monies to modify milepost signs would have to come from State funds since, as stated above, no Federal funds would be available for such purpose.

For your reference I have enclosed a copy of the Act referenced above. If you have any questions or need additional information, please let me know.

Sincerely

A. E. STONE

Director

TT:cc

cc: Natural Resources Committee Members

PUBLIC LAW 95-599-NOV. 6, 1978

92 STAT. 2713

System for the construction of approaches and interchanges connecting route I-88 to route I-90 if all lanes on I-90 between exits 25 and 26 are free of tolls and connecting route I-87 to route I-90 if all lanes on I-90 between exits 24 and 26 are free of tolls, in New York State although such projects have no use other than as approaches to route I-90, if such projects are otherwise eligible for such approval.

(b) The Secretary of Transportation is anthorized to approve as a project on the Interstate System the construction of an additional lane in each direction on route I-90 connecting route I-88 to such route I-90 between exits 25 and 26 on condition that all lanes on 1-90 between exits 24 and 26 are free of tolls.

METRIC SYSTEM SIGNING

SEC. 144. (a) No Federal funds may be expended to construct, erect, 23 USC 109 note. or otherwise place any sign relating to any speed limit, any distance, or other measurement, on any highway if such sign establishes such speed limit, distance, or other measurement solely using the metric system, unless Congress after the date of cuactment of this Act specifically authorizes such expenditure.

(b) No Federal funds may be expended to modify any sign relating to any speed limit, any distance, or any other measurement on any highway for the conversion of such sign solely to the metric system unless Congress, after the date of the enactment of this Act specifically authorizes such expenditure.

(c) For purposes of subsections (a) and (b)-

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(1) the term "highway" means a highway as defined in sec-

tion 101 of title 23, United States Code; and

(2) the term "metric system" means metric system of measurement as defined in section 4 of the Metric Conversion Act of 1975 (15 U.S.C. 205c).

THE MAINE TURNPIKE

Sec. 145. (a) Upon satisfaction by the State of Maine or the Maine Turnpike Authority of the following conditions and subject to the requirements of subsection (b), the State of Maine and the Maine Turnpike Authority shall be free of all restrictions with respect to the imposition and collection of tolls or other charges on the Maine Turnpike or for the use thereof contained in title 23, United States Code, or in any regulation or agreement thereunder:

(1) repayment by the State of Maine or the Maine Turnpike Repayment. Authority to the Treasurer of the United States of the sum of \$3,055,000 which is the amount of Federal-aid highway funds received for the construction of interchanges or connections with the Maine Turnpike at West Gardiner, Kennebec County, Maine. and at York, York County, Maine; and

(2) destruction and removal of any existing toll plaza and toll collection facility within three years after repayment of bonds outstanding with respect to the Maine Turnpike on Interstate 295 at a location known as Exit 6A to the Maine Turnpike.

The amount to be repaid shall be deposited to the credit of the appropriation for "Federal-Aid Highway (Trust Fund)". Such repayment shall be credited to the unprogrammed balance of the Federalaid highway funds of the same class last apportioned to the State

Definitions

STATE OF NEVADA DEPARTMENT OF WILDLIFE

EXHIBIT D

ISSUANCE OF LICENSES AT REDUCED FEE OR NO FEE 1981

1.	Senior Fishing License	7,735
2.	Senior Hunting License	2,010
3.	Serviceman's Hunting License	169
4.	Serviceman's Fishing License	473
5.	Indian's Hunting and Fishing License	1,998
6.	Indian's Fishing License	181
7.	Junior Fishing License, Resident	8,257
8.	Junior Hunting License, Resident	2,909
9.	Junior Fishing License, Nonresident	804
10.	Disabled Veteran's Hunting and Fishing License	223
11.	Special Fishing Permits for Institutions	274 ———
	TOTAL LICENSES	25 022

502.070 Issuance of licenses, tags to Armed Forces members and

dependents assigned to permanent duty in Nevada.

1. The department shall issue to any member of the Armed Forces of the United States who has been assigned to permanent duty, as opposed to temporary or casual duty, within the State of Nevada all necessary hunting or fishing licenses, tags or permits for fishing, hunting or trapping in the State of Nevada. A like privilege shall be extended to spouses and dependents, under the age of 21, of such members of the Armed Forces. All such licenses, tags or permits shall be issued on the same terms and conditions and at the same costs as licenses, tags or permits are issued to Nevada residents, except that the 6 months' residence requirement shall be waived.

2. The issuance of all such licenses, tags and permits shall be made by application upon a form provided for that purpose by the department. The application shall include such proof of assignment to permanent duty within the State of Nevada as may be deemed necessary by the department to determine whether or not an applicant is actually

so assigned.

[1:207:1955] + [2:207:1955] + [3:207:1955]—(NRS A 1957, 703;

1969, 1352; 1973, 670)

502.075 Issuance of hunting, fishing licenses to blind persons. The department shall issue to a blind person, as defined in subsection 2 of NRS 361.085:

1. A hunting license which:

(a) Authorizes a person selected by the blind person to hunt on his behalf if:

(1) The person selected is a resident of the State of Nevada and possesses a valid Nevada hunting license; and

(2) The blind person is in the company of or in the immediate area

of the person selected.

(b) is issued pursuant and subject to regulations prescribed by the commission.

(c) Contains the word "Blind" printed on the face of the license.

2. A fishing license which authorizes the blind person to fish whether or not accompanied by or in the immediate area of any other person.

(Added to NRS by 1961, 25; A 1969, 1353; 1979, 34)