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MINUTES OF THE
MEETING OF THE SENATE COMMITTEE
ON NATURAL RESOURCES

SIXTY-FIRST SESSION
NEVADA STATE LEGISLATURE
March 11, 1981

The Senate Committee on Natural Resources was called to order by Chairman Norman D. Glaser, at 1:35 p.m. on Wednesday, March 11, 1981, in Room 323 of the Legislative Building, Carson City, Nevada. Exhibit A is the Meeting Agenda. Exhibit B is the Attendance Roster.

COMMITTEE MEMBERS PRESENT:

Senator Norman D. Glaser, Chairman
Senator Wilbur Faiss, Vice Chairman
Senator James H. Bilbray
Senator Joe Neal
Senator Lawrence E. Jacobsen

COMMITTEE MEMBERS ABSENT:

Senator Floyd R. Lamb (Excused)

GUEST LEGISLATORS PRESENT:

Assemblyman James W. Schofield
Assemblyman Louis W. Bergevin

STAFF MEMBERS PRESENT:

Robert E. Erickson, Senior Research Analyst
Azalea Reynolds, Committee Secretary

Senator Glaser stated there were three bills to be heard: ASSEMBLY CONCURRENT RESOLUTION NO. 19, which relates to the State Engineer imposing certain conditions upon permits for appropriation of water for uses related to MX Missile System; ASSEMBLY JOINT RESOLUTION NO. 20, which requests Congress to recognize necessity of applying for water rights pursuant to state law for MX Missile project; and ASSEMBLY BILL NO. 9, which provides for use of real property as security by livestock dealer in lieu of surety bond.

Senate Committee on Natural Resources
March 11, 1981

ASSEMBLY CONCURRENT RESOLUTION NO. 19

ASSEMBLY JOINT RESOLUTION NO. 20

Chairman Glaser, upon request, gave permission to have testimony heard on these two bills simultaneously as they are so closely inter-related.

Chairman Glaser said that as the introducer of Assembly Concurrent Resolution No. 19, Assemblyman James W. Schofield was present and called on him to provide some preliminary remarks on the Resolution.

Assemblyman James W. Schofield reported that the purpose of Assembly Concurrent Resolution No. 19 was to use the water appropriation permit process as a leverage on the Federal Government, so that federal money would have to be committed to mitigate any impact before the State Engineer could issue a water permit.

Assemblyman Schofield stated that the Air Force intends to follow the Nevada State Water Law (requiring a State permit to appropriate water - either surface or ground), and that they would give strong support to Congress in obtaining funds to mitigate the impacts of the MX System at both State and local Government levels.

The Resolution further seeks to bind these two commitments, so that no water permits would be issued until the local governments had received the required monetary guarantees. The crux of the bill was reflected on lines 19 through 22, and it was incumbent upon the legislators to do all in their power to protect the Public Works, School Funding, and other matters that would have serious impact on the local governments.

Mr. Peter G. Morros, Assistant Director of the Department of Conservation and Natural Resources then testified. He referred to Sections 1, 2 and 4 and affirmed that these were consistent with NRS. 533.060, NRS. 533.370 and NRS. 533.395 respectively. Mr. Morros reported that the Department strongly supported the Resolution as it provided an expression of the Legislature's intent on the criteria or guidelines that the

Senate Committee on Natural Resources
March 11, 1981

the State Engineer should follow for determination of water allocations for the MX Project. Furthermore, a possible alternative plan was to use affluent wastewater in Southern Nevada by piping it up to Coyote Springs instead of allowing it to flow into Lake Mead as it does at present. The affluent appropriation was sufficient to sustain wildlife habitat in the Las Vegas wash area and the green belt.

Mr. Morros stated that the Air Force's need for water during the construction period of the MX Missile Project could utilize this waste water by tying in and interfacing with the proposed Allen Warner Steam Plant.

Senator Bilbray said his understanding was that for each gallon of water taken out of Lake Mead, a gallon was being pumped back.

Mr. Morros replied this was not quite the case, as the return flow of credit on the amount of waste water was approximately 60% from the Lake and 40% from ground sources, however, there was no return flow credit from the latter source at present.

Mr. Morros then spoke on both bills as they were inter-related so closely that it was difficult to separate the issues involved.

Mr. Morros said it was the intention to ask Congress to make provision for water from the Colorado River which is allocated to the Western States, other than California and Arizona, and it was important to request an allocation from one of the other States' allocations, without actually naming specific States.

An alternate plan to be considered was to use affluent (waste-water), making an agreement with the federal government for a return flow credit to Nevada for allowing them to utilize the water. The potential savings could be considerable, but if the water quality standards presently being conducted is implemented, then both the County and City of Las Vegas could be involved in expenditures of up to \$1,200,000 each, just for the chemical additives to meet

Senate Committee on Natural Resources
March 11, 1981

the standards. Because of the economic development relative to the MX System, Nevada should protect itself and use any cost-saving measure possible and to utilize its available water resources, at the same time ensuring that its population is not exploited.

Referring to Assembly Joint Resolution No. 20 Mr. Morros pointed out that on the second page, lines 8 through 11, it provides for revocation of construction permits when work has been completed and that this was consistent with the existing NRS 533.050 under the Nevada Water Law.

Senator Neal commented that the impact of the wording is urging Congress to look at some of the other Western States, not specifically in the name of national defense, but a share-type situation and if necessary they will have to go into these other States if further allocations of water is needed. He inquired as to what evidence existed that verifies that the construction and operation of the MX Missile System would greatly reduce the availability of water for beneficial uses.

Mr. Morros replied the Air Force already has filed over 116 water applications, representing some 40,000 acre feet of water per year during the construction phase, and some 15,000 acre feet during the operational phase of the system - 40,000 acre feet of water would irrigate about 10,000 acres of land.

Senator Neal asked if most of these applications had been filed in basins where there is no activity of government entities such as Coyote Springs, and whatever beneficial use that would be developed would per force be based on the missile system going into the areas.

Mr. Morros explained that some of the valleys where applications had been filed there was still unappropriated water available, but many applications were pending for other beneficial uses that were filed prior to the Air Force applying. He further stated that there would be keen competition for water - for example Steptoe Valley which presently is being considered as an alternative site for the operating base, has only a couple

Senate Committee on Natural Resources
March 11, 1981

of applications by the Air Force on file, which will create no problems, but if the base became operative, then it would need some 7,000 acre feet of water to support the base. The valley has a natural recharge of about 70,000 acre feet, with 50,000 acre feet on existing water rights. At present there are pending applications in support of desert land entries and Carey Acts that exceed 100,000 acre feet, so there are almost 200,000 acre feet of applications which are on file and which have to be taken into account before the Air Force applications can be dealt with.

Chairman Glaser thanked Mr. Morros for his testimony.

Mr. Paul Bottari, representing the Nevada Cattlemen's Association then testified. The organization supports both Assembly Joint Resolution No. 19 and Assembly Concurrent Resolution No. 20, but he wanted to comment briefly on them. Mr. Palloni said that as far as the livestock industry in the State of Nevada was concerned, water was probably one of the most vital resources that it relies on - and the MX Missile system is greatly threatening that resource. He pointed out that almost all applications filed so far are in close proximity of existing livestock wells, and when confronted with this fact, the Air Force had indicated that they were short on time so they used existing sources to help locate the water. The Nevada Cattlemen's Association was strongly opposed to filings so close to their existing water sources because of the resultant impact it will have. Their main concern was that because of the action taken by the Air Force it would seriously jeopardise ranching operations in the area.

Mr. Bottari said that the Association had been opposed to granting state water rights to any Federal Governmental agency because in effect it gives up control over the State's resource and that they wished to go on record that they opposed the granting of any water rights to the Federal Government, whether it be the Air Force, the B.L.M., Forestry Services, etc. They were in agreement with granting water permits, but only on a temporary basis. In this connection he referred to the Air Force's Environmental Impact Statement wherein it was stated that they had not adequately addressed the full needs for water for the MX Project. This had been downplayed considerably and in checking through the technical documents used to write the environmental statement it mentions in theory that water is needed to mitigate impacts, but in the Environmental Impact Statement, this fact did not appear.

Senate Committee on Natural Resources
March 11, 1981

Mr. Bottari stated that his Association is in support of the language in the last Resolve, page 1, lines 23 through to page 2 line 3, but should also include the wording "mitigation of direct impacts" in Assembly Concurrent Resolution No. 19.

There being no further witnesses to testify, Chairman Glaser said this concluded hearings on Assembly Concurrent Resolution No. 19 and Assembly Joint Resolution No. 20.

ASSEMBLY BILL NO. 9

Chairman Glaser said this bill seeks to create a situation whereby people engaged in the buying of livestock or in the meat packing industry can utilize the property they own as a bond against their bonding requirements of the State. The bill was co-sponsored by Assemblymen Louis W. Bergevin and John Marvel.

Chairman Glaser then invited Assemblyman Bergevin to give his views on the bill.

Assemblyman Bergevin said that a research had been made and it was noted Assembly Bill No. 9 was found to be consistent with many of the other areas of the State where a bond was required. He explained that there were a number of small packing plants in Nevada who were required to post \$10,000 cash bond, and this seriously interfered with their cash flow, and the introduction of this bill would ease that problem as real property, double the cash value of the bond, could be used as collateral.

Mr. Steve Mahoney, Director of the Brand Division of the Department of Agriculture stated that basically the only concern his Division had in administering this type of bond was to protect the livestock grower with a form of deed of trust. The language in the bill appeared to provide for this. With the economic importance of the livestock industry the Department wished to go on record they would support Assembly Bill No. 9. The amount of bond ranges between \$5,000 to \$100,000 and was based on the volume of business involved, and was applicable to the State of Nevada only. In other States there were laws which had to be complied with under the U.S. Packers and Stockyard Meat Act.

Senator Bilbray was apprehensive that by putting up a bond in the form of real property there should be some means of security that the property was in fact worth double the equivalent cash bond value

Senate Committee on Natural Resources
March 11, 1981

and he could foresee that this could lead to fraudulent action by some unscrupulous parties. He maintained that the Department of Agriculture should be made responsible as a number of small and large ranchers could be very seriously affected if the property put up as a bond proved to be below the bond value.

Mr. Steve Mahoney of the Department of Agriculture explained that the Executive Director of the Department would require a title search if he felt that it was called for and this would be done at the expense of the applicant. Generally, however, the individuals applying for a bond were reputable owners of large ranches and in addition they held licenses issued by the Department.

Paul Bottari, representing the Nevada Cattlemen's Association, said their members were in the business of selling cattle and they would support Assembly Bill No. 9, because it would help to stimulate the industry, which was presently in a depressed state.

A lengthy discussion ensued on the bond issue, with witnesses explaining the various aspects of cattle dealings with which some committee members were not familiar.

Senator Bilbray said that a final Title Search for property valued at \$200,000 would cost approximately \$1,000 and it would give some protection to the person who only relied on the face value of a card issued by the Department of Agriculture.

Mr. Paul Bottari said that Senator Bilbray's suggestion on the Title Search appeared to have some validity, but he was not prepared to discuss it further until he had a chance to examine this factor in detail.

Senator Jacobsen said that the matter of fraud was covered in the bill, and in addition any fraudulent action could result in a civil action, although if the person went out of State it would be difficult to implement.

Mr. Thomas W. Ballow, Executive Director of the State Department of Agriculture said he would be the person who would have to evaluate any real property that was offered and decide whether it would be acceptable in lieu of a cash bond and, being familiar with the individuals concerned, that most of the property offered would be at least quarter-mortgaged. Therefore, if these people could not come up with a bond in cash, then the suggestion by Senator Bilbray to have a final Title Search or other type of document verifying the value of the property in lieu would take the responsibility off the Department.

Senate Committee on Natural Resources
March 11, 1981

Mr. Ballow further remarked that in such cases where a person was having a hard time in getting a bond, the Department would then certainly make a close check on the County Court House records, and he confirmed that the Department had personnel capable of researching these records. He said that he would recommend the passage of the bill, even though the Department might have to make some difficult decisions at times to ensure the validity of the bonding procedure.

Senator Bilbray replied he would support the bill if it contained the provision that a title insurance policy and appraisal of the property was done by a reputable appraiser; in addition the property would have to be within the State of Nevada. He further pointed out that a title policy, together with a licensed appraiser's evaluation, would cost roughly in the area of \$1,000 and this then would give some protection to the Department. This amount was a one-time payment. Also, the appraiser should be licensed in Nevada.

Chairman Glaser agreed that this was not unreasonable and the bill should be amended accordingly.

Mr. Ballow said the Department would support such amendments, and with these documents in hand, there would be sufficient protection.

Chairman Glaser said that concluded the hearing on Assembly Bill No. 9 and that the committee should now consider the amendments shown on the Agenda.

SENATE JOINT RESOLUTION NO. 17

It was the consensus of the committee that more work was needed on this Resolution and Mr. Bob Erickson was instructed to have this redrafted and resubmitted, and if necessary to have it reprinted.

SENATE BILL NO. 241

Amendments had not been received and this would be put forward to the next meeting.

SENATE BILL NO. 164

Chairman Glaser reported that the sub-committee had referred this back to the Committee. After some discussion on the bill and further amendments it was agreed that it be redrafted, reprinted and sent back to committee.

Senate Committee on Natural Resources
March 11, 1981

Mr. Richard Campbell, of Lionel Sawyer, Collins and Workmen submitted a proposed amendment (See Exhibit C).

Senator Neal remarked that if a limit were placed on a liability and it is substituted for the word 'negligent', it could create a problem.

Mr. Campbell said that one had to prove negligence on the part of a utility company to collect damages for their failure to provide service.

SENATE BILL NO. 153

Chairman Glaser asked Mr. Erickson to comment on the amendments.

Mr. Erickson explained the various word changes and additions, but the word intra-state was in doubt as it would preclude shipping fuel out of state.

Mr. Tom Ballow said that with the reduced testing requirements he would not be allowed to ship the fuel outside the State, but as long as it did meet the specifications it should be allowed to do so.

Senator Faiss suggested that the word "Inter-State" should be added into the text and this would allow the transport of fuel not only within the state but also out of state.

Mr. Erickson then went over the wording of the amendment in detail, including additions.

Mr. Ballow - State Sealer of Weights and Measures stated that he had not seen the exact wording of the proposed amendment previously but suggested that a period follow the words "specifications" and eliminate the rest of the sentence. In his opinion diesel fuel that would be shipped out of the state would come under the jurisdiction of the receiving state and he would not want to preclude the manufacture of fuel. As long as the specifications abided by the regulations manufacturers should be allowed to ship it out of State.

Mr. Ballow said that the objective in introducing this legislation was to allow Nevada's only oil refinery to produce more diesel fuel by changing those distillation points in the testing procedures. This was discussed with the American Society for Testing of Materials and also with the Department's fuel chemist so that an increase in the quantity of diesel fuel production could be made. This would be of suitable quality for internal combustion diesel engines and it seemed in a fuel short area it was a desirable move.

Senate Committee on Natural Resources
March 11, 1981

Senator Neal commented that according to the previous testimony a higher distillation temperature was required to extract other products, but not to extend it to the point it would not meet the specification of a D-2 fuel. The reason being it could not be used in a tractor on cold mornings, so by reason of this it may prohibit someone from engaging in Inter-State commerce if this criteria is put into the bill.

Mr. Erickson then discussed the Gasohol section. The suggestion to add a new section to the bill which would apply to NRS 590.100 is the section of the law which relates to the State Sealer's Weights and Measures, and that is another area which Mr. Ballou is concerned with.

On the last page of the amendments there is a new section to be added, or at least substantially amended. This would adopt regulations which are necessary for the enforcement of NRS 590 through 591, which is the section relating to Weights and Measures, including standard procedures for testing petroleum products which are based on sources such as those approved by the American Society for Testing Materials and may adopt specifications for any fuel for use in internal combustion engines which is sold or offered for sale and contains any alcohol or other combustible chemical that is not a petroleum product.

Mr. Ballou responded that it was difficult at present to know what problems might arise with gasohol in the future, and it would be difficult to enforce the law as it relates to gasoline or gasohol and that is why the amendment was suggested. There are no problems with gasohol providing the ratio was 10% of Ethyl alcohol and 90% of unleaded gasoline, such as is being done at present. But it was difficult to forecast if there was a real tight supply situation and the ratio would increase 20% or 30% alcohol, or if other types of Ethyl alcohol were used, then there could be serious problems.

Mr. Jackson, of the Department of Energy that his department was concerned that there was no existing statutory authority for the Sealer of Weights and Measures to adopt standards to protect the public and this bill would give them the enabling authority.

Mr. Erickson referred to Section 7 on page 4 and said he had conferred with Mr. Pennington and it was agreed that the existing language of the law was much better than that proposed. By deletion of sections 6 and 7 it would result in the law staying as it is at present without change.

Senate Committee on Natural Resources
March 11, 1981

Senator Neal moved Senate Bill No. 153 be approved as amended and as detailed above (Exhibit D).

Senator Faiss seconded the motion.

The motion carried unanimously. (Senator Lamb was absent for the vote).

ASSEMBLY BILL NO. 27

Chairman Glaser asked if there were any amendments required on this bill.

Bob Erickson said that testimony had been heard at the previous meeting and there appeared to be no problems.

Senator Faiss moved Do Pass Assembly Bill No. 27 (Exhibit E).

Senator Bilbray seconded the motion.

The motion carried unanimously. (Senator Lamb was absent for the vote).

ASSEMBLY JOINT RESOLUTION NO. 7

Chairman Glaser enquired if this bill was ready for final action by the Committee, saying he had two problems with it.

Senator Bilbray said he had some questions on this also, and would prefer to have it tabled.

It was the consensus of the Committee to hold this Resolution for the time being.

This concluded the items on the Agenda.

Chairman Glaser said Senator Wagner had given him some bill draft resolutions which she would like to have introduced covering the following:

- o BDR 45-546 -Requires daily visits to traps which trap animals alive;

Senate Committee on Natural Resources
March 11, 1981

- * BDR 50-545 - Provides for seizure, care and disposition of animals;
- * * BDR 50-547 - Increases penalty for dog fighting.

The Committee agreed to the introduction of these items.


As there was no further business, the meeting adjourned at 3:40 p.m.

Respectfully submitted by:



Azalea Reynolds, Secretary

APPROVED BY:



Senator Norman D. Glaser, Chairman
DATE: March 30, 1981

* * (S.B. 403)

* (S.B. 405)

REVISION

SENATE AGENDA

COMMITTEE MEETINGS

Committee on Natural Resources, Room 323.
Day Wednesday, Date March 11, Time 1:30 PM

A. C. R. No. 19--Directs state engineer to impose certain conditions upon permits for appropriation of water for uses related to "MX" missile system.

A. J. R. No. 20--Requests Congress to recognize necessity of applying for water rights pursuant to state law for "MX" missile project.

A. B. No. 9--Provides for use of real property as security by livestock dealer in lieu of surety bond.

CONSIDERATION OF AMENDMENTS:

S. J. R. No. 17--Proposes constitutional amendment to regulate management and disposal of state lands.

S. B. 241--Provides for temporary water permits for construction purposes, grants additional powers to political subdivisions and municipal corporations.

FINAL ACTION:

S.B. No. 164--Related to the development of geothermal resources; provides for administration and utilization. Amendments.

S.B. No. 153--Makes various changes relating to sale of petroleum products. Amendments.

A.B. No. 27--Makes administrative changes regarding appropriation of water.

A.J.R. No. 7--Opposes designation of rivers in Nevada pursuant to Wild and Scenic Rivers Act.

ATTENDANCE ROSTER FORM

COMMITTEE MEETINGS

SENATE COMMITTEE ON Natural Resources

March 11, 1981

EXHIBIT B

DATE: _____

PLEASE PRINT PLEASE PRINT PLEASE PRINT PLEASE PRINT

NAME	ORGANIZATION & ADDRESS	TELEPHONE
Sess M. Vargas	SELF-KNOWLEDGE CENTER FOR THE MIND	- 0 -
Jim Schofield	Assemblyman	764-1920
SEE MAHONEY	DEPT OF AGRIC	AB9
Richard G. ...	ATTORNEY ...	SB164
Tom Ballan	Exec Dir State Dept of Agric.	764-6401
Paul ...	Nevada Cattlemen's Assoc	738-9214
Peter L. Moros	DCNR	885-4360
Janice ...	Accidental ...	AB9
Kelly Tedger	ADDF	885-5157
Richard E. ...	? Land Survey ...	

3. That the utility will submit to binding arbitration in matters relating to damages suffered by the customer as a result of the utility's negligence which results in its failure or inability to provide service.

RULE NO. 8

CONTINUITY OF SERVICE

A. Emergency Interruption

The Utility will exercise reasonable diligence to furnish a continuous and sufficient supply of gas to its Customers and to avoid any shortage or interruption of delivery thereof. It cannot, however, guarantee complete freedom from interruption.

B. Temporary Suspension for Repairs

The Utility has the right to suspend service temporarily for the purpose of making necessary repairs or improvements to its system. When this becomes necessary, it will endeavor to give to the Customers who may be affected as reasonable notice thereof as circumstances will permit, and will prosecute the work with reasonable diligence.

C. Apportionment of Supply During Time of Shortage

During times of shortage of supply, Utility will apportion its available supply of gas among its Customers in accordance with General Order No. 18 of the Public Service Commission of Nevada.

D. Disaster Conditions

Under disaster conditions, Utility will cooperate to the fullest extent with the Governmental Agency having authority in the area.

E. Non-performance

Any agreement for service hereunder between Utility and Applicant or Customer is hereby subject to the Rules of Contract Law as they apply to impossibility of performance in the State of Nevada.

ISSUED: September 27, 1974

EFFECTIVE: October 1, 1974

Issued By:
Neil W. Plath
President

(REPRINTED WITH ADOPTED AMENDMENTS)

FIRST REPRINT

S. B. 153

SENATE BILL NO. 153—SENATOR JACOBSEN

JANUARY 30, 1981

Referred to Committee on Natural Resources

SUMMARY—Makes various changes relating to sale of petroleum products. (BDR 51-205)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT relating to petroleum products; clarifying specifications and provisions for labeling for certain oils; requiring the display of the price per gallon when fuel is sold in unfamiliar units of measure; changing certain regulations of the advertisement of motor fuel; enlarging the authority of the state sealer of weights and measures to adopt regulations; and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

1 SECTION 1. NRS 590.040 is hereby amended to read as follows:
2 590.040 1. It is unlawful for any person [, or any officer, agent or
3 employee thereof,] to sell [, offer for sale or assist in the sale of or
4 permit to be sold or offered for sale] *or offer to sell* any gasoline, dis-
5 tillate or oil represented as lubricating oil for internal combustion
6 engines, unless [there shall be] *a sign or label is* firmly attached to or
7 painted at or [as] near [as practicable to] the [point of] outlet of the
8 container from which or into which the gasoline, distillate, or oil repre-
9 sented as lubricating oil or motor oil [for internal combustion engines
10 is drawn or poured out] *is dispensed or received* for sale or delivery. [a]
11 The sign or label, [consisting of the word or words,] in letters not less
12 than one-half inch in height, [comprising] *must contain* the brand or
13 trade name [of the petroleum product] followed by the word or words
14 [, in letters not less than one-half inch in height,] "Gasoline," "Distil-
15 late," "Lubricating Oil" or "Motor Oil." [, " as the case may be.] All
16 containers and dispensers of lubricating and motor oil [shall] *must* also
17 be labeled in the same manner with the S.A.E. grade classification num-
18 ber [.] *or other grade number*. If a lubricating or motor oil has more
19 than one S.A.E. grade classification number [.] *or other grade number*,
20 each S.A.E. grade classification number [shall] *or other grade number*
21 *must* be included in the label. When [such] *the sign or label is* attached

1 to the faucet or valve of a tank truck or tank wagon, the letters [shall]
2 *must* be not less than one-half [of an] inch in height. The provisions of
3 this subsection do not apply to any oil labeled "prediluted" or intended
4 only for mixture with gasoline or other motor fuel in a two-cycle engine.

5 2. The inlet end of the fill pipe to each underground storage tank
6 of gasoline or distillate [shall] *must* be labeled with the brand name and
7 the grade of the gasoline or distillate contained therein.

8 3. Petroleum product delivery outlets on tank delivery trucks
9 [shall] *must* be labeled to comply with the requirements of this section
10 prior to departure from the bulk plants.

11 4. If any gasoline [shall have] *has* no brand or trade name, the
12 sign or label required by subsection 1 [shall] *must* consist of the words,
13 in letters not less than 3 inches high, "Gasoline, No Brand."

14 5. If any distillate [shall have] *has* no brand or trade name, the
15 sign or label required by subsection 1 [shall] *must* consist of the words,
16 in letters not less than 3 inches high, "Distillate, No Brand."

17 6. If any lubricating oil or motor oil [shall have] *has* no brand or
18 trade name, the sign or label required by subsection 1 [shall] *must* con-
19 sist of the words, in letters not less than 3 inches high, "Lubricating Oil,
20 No Brand," or "Motor Oil, No Brand."

21 7. On any container with a net content of 1 United States gallon or
22 less, the letters S.A.E. [.] or *Grade*, the brand, trade-mark or trade
23 name, the name and address of the distributor or manufacturer, the
24 grade classification number, and the words "Motor Oil" or "Lubricating
25 Oil" may be painted, printed, embossed or otherwise firmly affixed on
26 such container in letters and numerals of legible size, and [such designa-
27 tion shall constitute] *this designation constitutes* compliance with the
28 provisions of this section.

29 8. Small hand measures used for delivery of petroleum products,
30 and filled in the presence of the customer, need not be labeled in accord-
31 ance with the provisions of NRS 590.010 to 590.150, inclusive, if the
32 receptacle, container or pump from which petroleum products are drawn
33 or poured into such hand measures is properly labeled as required by
34 the provisions of NRS 590.010 to 590.150, inclusive.

35 SEC. 2. NRS 590.075 is hereby amended to read as follows:

36 590.075 It is unlawful for any person to sell, offer for sale or assist
37 in the sale of, or permit to be sold or offered for sale, any diesel fuel
38 for use in internal combustion engines unless [such] *the* fuel conforms
39 to the latest specifications set forth by the American Society for Testing
40 and Materials—Diesel Fuel Classification. *The state sealer of weights and*
41 *measures may by regulation exempt diesel fuel from strict compliance*
42 *with those specifications if the fuel is intended for interstate or local use*
43 *in internal combustion engines or for a specific use other than as fuel for*
44 *such engines.*

45 SEC. 3. NRS 590.080 is hereby amended to read as follows:

46 590.080 Crankcase drainings, lube-distillate, or any other petro-
47 leum product [shall] *may* not be sold, offered for sale, delivered, offered
48 for delivery or stored as a motor oil or lubricating oil for use in the
49 crankcase of an internal combustion engine unless [such product] *it*
50 conforms to the following specifications:

- 1 1. It [shall] *must* be free from water and suspended matter when
 2 tested by means of centrifuge, in accordance with the testing procedures
 3 approved by the state sealer of weights and measures.
 4 2. The flash points for the various S.A.E. (Society of Automotive
 5 Engineers) or *grade number* classifications [shall] *must* not be less
 6 than the following when tested by the Cleveland Open Cup Method in
 7 accordance with the testing procedures approved by the state sealer of
 8 weights and measures. The S.A.E. classification number of motor or
 9 lubricating oils [shall] *must* conform to the latest Society of Automotive
 10 Engineers viscosity classification. *Grade numbers 60 and 70 must con-*
 11 *form to the requirements listed herein.*

12 [S.A.E. Number]	Viscosity	Minimum Flash	Viscosity Sayboldt Seconds
13	<i>Classification</i>	Degrees Fahrenheit	Universal 210 Degrees Fahrenheit
14	S.A.E. 5W	305	
15	S.A.E. 10W	335	
16	S.A.E. 20 and 20W	345	
17	S.A.E. 30	355	
18	S.A.E. 40	375	
19	S.A.E. 50	400	
20	Grade 60	435	110 to less than 125
21	Grade 70	470	125 to less than 150

22 3. The provisions of this section do not apply to any oil labeled
 23 "prediluted" or intended only for mixture with gasoline or other motor
 24 fuel in a two-cycle engine.

25 SEC. 4. NRS 590.100 is hereby amended to read as follows:

26 590.100 The state sealer of weights and measures is charged with
 27 the proper enforcement of NRS 590.010 to 590.150, inclusive, and
 28 [shall have] *has* the following powers and duties:

29 1. He may publish reports [relative] *relating* to petroleum products
 30 in such form and at such times as he [may deem] *deems* necessary.

31 2. He, or his appointees, shall inspect and check the accuracy of all
 32 petroleum products measuring devices maintained in this state, and shall
 33 seal all such devices whose tolerances are found to be within those pre-
 34 scribed by the National Bureau of Standards.

35 3. He, or his appointees, or any member of the Nevada highway
 36 patrol, may take such [sample or] samples as he [may deem] *deems*
 37 necessary of any petroleum product when [the same] *it* is kept, trans-
 38 ported or stored within the State of Nevada. It is unlawful for any person,
 39 or any officer, agent or employee thereof, to refuse to permit the state
 40 sealer of weights and measures, or his appointees, or any member of the
 41 Nevada highway patrol, in the State of Nevada, to take such [sample or]
 42 samples, or to prevent or to attempt to prevent the state sealer of weights
 43 and measures, or his appointees, or any member of the Nevada highway
 44 patrol, from taking [the same.] *them*. If the person, or any officer, agent
 45 or employee thereof, from which [such] *a* sample is taken at the time of
 46 taking demands payment, then the person taking [such] *the* sample shall
 47 pay [therefor] the reasonable market price for the quantity [and com-
 48 modity so] taken.
 49

1 4. He, or his appointees, may close and seal the outlets of any
2 unlabeled or mislabeled containers, pumps or storage tanks connected
3 thereto or which contain any petroleum product which, if sold, would vio-
4 late any of the provisions of NRS 590.010 to 590.150, inclusive, and shall
5 post, in a conspicuous place on the premises where [such] those contain-
6 ers, pumps or storage tanks have been sealed, a notice stating that [such]
7 the action of sealing has been taken in accordance with the provisions of
8 NRS 590.010 to 590.150, inclusive, and giving warning that it is unlawful
9 to break, mutilate or destroy the seal or seals thereof under penalty as
10 provided in NRS 590.110.

11 5. He, or his appointees, shall, upon at least 24 hours' notice to the
12 owner, manager, operator or attendant of the premises where [such] a
13 container, pump or storage tank has been sealed as herein provided, and
14 at the time specified [by such] in the notice, break the seal for the pur-
15 pose of permitting the removal of the contents of [such] the container,
16 pump or storage tank. If the contents are not immediately and completely
17 removed, the container, pump or storage tank [shall] must be again
18 sealed as herein provided.

19 6. He shall adopt [, by rules and] regulations [, the] which are
20 necessary for the enforcement of NRS 590.010 to 590.150, inclusive,
21 including standard procedures for testing petroleum products [as pro-
22 vided in NRS 590.010 to 590.150, inclusive, from such sources] which
23 are based on sources such as those approved by the American Society for
24 Testing Materials [.] , and may adopt specifications for any fuel for use
25 in internal combustion engines which is sold or offered for sale and con-
26 tains any alcohol or other combustible chemical that is not a petroleum
27 product.

28 SEC. 5. NRS 590.170 is hereby amended to read as follows:

29 590.170 1. Except as otherwise provided in this section, a person
30 shall not keep, maintain or display in this state any advertising medium
31 which indicates or shows or advertises the price of gasoline or other
32 motor vehicle fuel sold, offered for sale or advertised for sale from the
33 premises, unless the actual price per [gallon] unit of measure of gaso-
34 line or other motor vehicle fuel, including taxes, is also shown on the
35 advertising medium, together with the word or words "gasoline" or
36 "motor fuel," and the trade name or brand. *If gasoline or other motor*
37 *fuel prices are advertised in units of measure other than the gallon, the*
38 *actual price per unit of measure along with the equivalent price per gal-*
39 *lon and the word designating the unit of measure must be displayed in*
40 *letters not less than one-third the size of the numerals designating the*
41 *prices.*

42 2. The price of diesel motor fuel may be advertised excluding state
43 tax, but only by a sign which clearly and conspicuously contains the
44 wording "With Permit," "With State Permit," or words of similar mean-
45 ing in letters of uniform size not less than 4 inches in height. Diesel motor
46 fuel dispensers displaying unit price without state tax [shall] must be
47 labeled in letters not less than 1 inch in height with the words "Permit
48 Price," "With State Permit," or words of similar meaning.

49 3. Except as provided in subsection 2, retail devices displaying the

1 unit price in order to compute or record deliveries [shall] *must* not be
2 considered an advertising medium.

3 SEC. 6. NRS 590.180 is hereby amended to read as follows:

4 590.180 1. No person offering for sale or selling any gasoline or
5 motor vehicle fuel in the State of Nevada [shall] *may* post or display
6 a sign or statement or other advertising medium reading, in substance,
7 "save" a designated amount, or a designated amount per [gallon,] *unit*
8 *of measure*, such as "save 5 cents" or "save 5 cents per gallon," or using
9 the expression "off" a designated amount, such as "5 cents off" or "5
10 cents less," or "discount" of a given amount, such as "5 cents discount,"
11 or otherwise using the words "save," "off," "discount," "wholesale,"
12 "below," or any of them, or a word or words of similar meaning or
13 other phraseology indicating a reduced price, unless there is posted
14 and displayed in letters of equal size and as part of the same sign, state-
15 ment or other advertising medium the total price, including all taxes,
16 at which gasoline or motor vehicle fuel is being sold or offered for sale,
17 designating the price for each brand or trade name of gasoline or motor
18 vehicle fuel being sold or offered for sale.

19 2. The size of the letters, words, figures or numerals used [for the
20 purpose of indicating or showing] *to indicate* the total price per [gal-
21 lon,] *unit of measure*, including all taxes, [shall] *must* be of a size as
22 provided under the provisions of NRS 590.200.

23 SEC. 7. NRS 590.200 is hereby amended to read as follows:

24 590.200 All letters, figures or numerals used in designating the
25 brand name or words "no brand" in any advertising medium referred
26 to in NRS 590.160 to 590.330, inclusive, [shall be of uniform size and
27 at least 6 inches in height] *must be of uniform size and must not be less*
28 *than one-third the size of the numerals designating the price and the*
29 *height [shall] must not be more than twice the dimension of the width*
30 *of each [such] letter, or figure or numeral.*

31 SEC. 8. NRS 590.220 is hereby amended to read as follows:

32 590.220 All letters, words, figures or numerals used on the adver-
33 tising medium referred to in NRS 590.160 to 590.330, inclusive, [for
34 the purpose of indicating or showing] *to indicate* prices of gasoline or
35 other motor vehicle fuel sold or advertised for sale [shall] *must* be uni-
36 form in size and [shall be not more than twice the size of the letters,
37 figures or numerals used to designate the brand name, or the words "no
38 brand."] *must be at least six inches in height, and the height must not*
39 *be more than twice the width.*

A. B. 27

**ASSEMBLY BILL NO. 27—ASSEMBLYMEN DINI,
JEFFREY AND SCHOFIELD**

JANUARY 23, 1981

Referred to Committee on Economic Development
and Natural Resources

SUMMARY—Makes administrative changes regarding
appropriation of water. (BDR 48-153)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT relating to the appropriation of water; abolishing the requirement of proof of commencement of work; providing for an administrative appeal on cancellation of water permits; and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

- 1 SECTION 1. NRS 533.380 is hereby amended to read as follows:
2 533.380 1. In his endorsement of approval upon any application,
3 the state engineer shall:
4 (a) [Set a time prior to which actual construction work shall begin,
5 which shall not be more than 1 year from the date of such approval, and
6 order that the work shall be prosecuted diligently and uninterruptedly
7 to completion unless temporarily interrupted by the elements.
8 (b)] Set a time prior to which the construction of the work must
9 be completed, which [shall] *must* be within 5 years of the date of such
10 approval.
11 [(c)] (b) Set a time prior to which the complete application of
12 water to a beneficial use must be made, which [time shall] *must* not
13 exceed 10 years from the date of the approval.
14 2. The state engineer may limit the applicant to a less amount of
15 water than that applied for, to a less period of time for the completion
16 of work, and a less period of time for the perfecting of the application
17 than named in the application.
18 3. The state engineer [shall have authority,] *may*, for good cause
19 shown, [to] extend the time [within which construction work shall
20 begin,] within which construction work shall be completed, or water
21 applied to a beneficial use under any permit therefor issued by the
22 state engineer; but an application for [such] *the* extension must in all

1 cases be made within 30 days following notice by registered or certified
2 mail that proof of [such] the work is due as provided for in NRS 533.-
3 390 and 533.410.

4 SEC. 2. NRS 533.390 is hereby amended to read as follows:

5 533.390 1. Any person holding a permit from the state engineer
6 shall, on or before [30 days after] the date set for the [commencement
7 of work as endorsed thereon, and at other times required by the state
8 engineer, file with the state engineer a statement setting forth the time
9 when, the place where, and the amount of such work as may have been
10 performed by him thereunder in connection with such appropriation;
11 and the person holding a permit shall also, within 30 days after the date
12 set for the] completion of [such] the work, file in detail a description
13 of the work as actually constructed. [, which statement shall] *This state-*
14 *ment must be verified by the affidavit of the applicant, his agent or his*
15 *attorney.*

16 2. Should any person holding a permit from the state engineer fail
17 [, prior to the date set for such filing in his permit,] to file with the
18 state engineer [proof of commencement of work, or should he fail to
19 file, within 30 days of the date set prior to which proof of completion
20 of the work must be made,] the proof of completion of work, as pro-
21 vided in this chapter, the state engineer shall [, in either case,] advise
22 the holder of the permit, by registered or certified mail, that [the same]
23 it is held for cancellation, and should the holder, within 30 days after
24 the mailing of such advice, fail to file the required affidavit [with] , the
25 state engineer [,] shall cancel the permit. [shall be canceled and no
26 further proceedings shall be had thereunder.] For good cause shown,
27 upon application made prior to the expiration of the 30-day period, the
28 state engineer may, in his discretion, grant an extension of time in which
29 to file the instruments.

30 SEC. 3. NRS 533.395 is hereby amended to read as follows:

31 533.395 1. If, in the judgment of the state engineer, the holder of
32 any permit to appropriate the public water is not proceeding in good
33 faith and with reasonable diligence to perfect the appropriation, the
34 state engineer may require at any time the submission of such proof
35 and evidence as may be necessary to show a compliance with the law.
36 [The state engineer shall, after duly considering the matter, if,] *If, in*
37 *his judgment, the holder of a permit is not proceeding in good faith*
38 *and with reasonable diligence to perfect the appropriation, the state*
39 *engineer shall cancel the permit, and advise the holder of [the permit*
40 *of the] its cancellation.*

41 2. *If any permit is canceled under the provisions of NRS 533.390,*
42 *533.395 or 533.410, the holder of the permit may within 60 days of*
43 *the cancellation of the permit file a written petition with the state engi-*
44 *neer requesting a review of the cancellation by the state engineer at a*
45 *public hearing. The state engineer may, after receiving and considering*
46 *evidence, affirm, modify or rescind the cancellation.*

47 3. *If the decision of the state engineer modifies or rescinds the can-*
48 *cellation of a permit, the effective date of the appropriation under the*
49 *permit is vacated and replaced by the date of the filing of the written*
50 *petition with the state engineer.*

1 4. *The cancellation of a permit may not be reviewed or be the*
2 *subject of any judicial proceedings unless a written petition for review*
3 *has been filed and the cancellation has been affirmed, modified or*
4 *rescinded pursuant to subsection 2.*

5 SEC. 4. NRS 533.410 is hereby amended to read as follows:

6 533.410 Should **[any]** *the* holder of a permit from the state engi-
7 neer fail, prior to the date set for **[such]** filing in his permit, to file with
8 the state engineer proof of application of water to beneficial use, and
9 the accompanying map, if **[such]** a map is required, the state engineer
10 shall advise the holder of the permit, by registered or certified mail, that
11 the **[same]** *permit* is held for cancellation. Should the holder, within
12 30 days after the mailing of **[such advice,]** *this notice*, fail to file the
13 required affidavit and map, if **[such]** a map is required, **[or either of**
14 **them, with the state engineer,]** *the state engineer shall cancel the permit.*
15 **[shall be canceled and no further proceedings shall be had thereunder.]**
16 For good cause shown, upon application made prior to the expiration
17 of such 30-day period, the state engineer may, in his discretion, grant
18 an extension of time in which to file the instruments.

19 SEC. 5. NRS 533.435 is hereby amended to read as follows:

20 533.435 1. The following fees shall be collected by the state engi-
21 neer:

22	For examining and filing an application for permit to	
23	appropriate water.....	\$35.00
24	The \$35 fee shall include the cost of publi-	
25	cation, which publication fee is \$25.	
26	For examining and filing an application for permit to	
27	change the point of diversion, manner of use, or	
28	place of use.....	40.00
29	The \$40 fee shall include the cost of permit	
30	should the same issue thereunder, and	
31	the cost of publication of such applica-	
32	tion, which publication fee is \$25.	
33	For issuing and recording permit to appropriate water	
34	for irrigation purposes, for each acre to be irri-	
35	gated, up to and including 100 acres, per acre.....	.10
36	For each acre in excess of 100 acres up to and	
37	including 1,000 acres.....	.05
38	For each acre in excess of 1,000 acres.....	.03
39	For issuing and recording permit for power purposes,	
40	for each theoretical horsepower to be developed.....	.05
41	For issuing final certificate under permit for power pur-	
42	poses, for each theoretical horsepower to be devel-	
43	oped up to and including 100 horsepower.....	.25
44	For each horsepower in excess of 100 horse-	
45	power up to and including 1,000 horse-	
46	power.....	.20
47	For each horsepower in excess of 1,000 horse-	
48	power.....	.15
49	For issuing and recording permit to store water.....	25.00

1	For issuing final certificate under permit to store water,	
2	for each acre-foot of water stored up to and includ-	
3	ing 1,000 acre-feet.....	\$0.05
4	For each acre-foot in excess of 1,000 acre-feet...	.03
5	For issuing and recording permit to appropriate water	
6	for any other purpose, for each second-foot of	
7	water applied for or fraction thereof.....	10.00
8	For filing secondary permit under reservoir permit.....	5.00
9	For approving and recording permit under reservoir	
10	permit.....	5.00
11	[For filing proof of commencement of work.....	1.00]
12	For filing proof of completion of work.....	1.00
13	For filing proof of beneficial use.....	1.00
14	For filing any protest.....	10.00
15	For filing any application for extension of time within	
16	which to file proofs.....	5.00
17	For filing any assignment or water right deed, for each	
18	water right assigned.....	1.00
19	For filing any other instrument.....	1.00
20	For making copy of any document recorded or filed in	
21	his office, for the first 100 words.....	1.00
22	For each additional 100 words or fraction	
23	thereof.....	.20
24	Where the amount exceeds \$5, then only the	
25	actual cost in excess of that amount shall	
26	be charged.	
27	For certifying to copies of documents, records or maps,	
28	for each certificate.....	1.00
29	For blueprint copy of any drawing or map, per square	
30	foot.....	.15
31	The minimum charge for a blueprint copy,	
32	per print.....	1.00

33 2. When fees are not specified in subsection 1 for such other work
34 as may be required of his office, the state engineer shall collect the actual
35 cost of the work.

36 3. The minimum fee for issuing and recording any permit is \$10.

37 4. Except as otherwise provided in this subsection, all fees collected
38 by the state engineer under the provisions of this section [shall] *must*
39 be deposited in the state treasury for credit to the general fund. All fees
40 received for blueprint copies of any drawing or map [shall] *must* be
41 kept by him and used only to pay costs of printing and maintenance of
42 printing equipment. Any publication fees received which are not used
43 by him for publication expenses [shall] *must* be returned to the persons
44 who paid the fees. If, after exercising due diligence, the state engineer is
45 unable to make the refunds, he shall deposit the fees in the state treasury
46 for credit to the general fund. The state engineer may maintain, with the
47 approval of the state board of examiners, a checking account in any bank
48 qualified to handle state [moneys for the purpose of carrying] *money to*
49 *carry out the provisions of this subsection. The bank account shall be*

1 secured by a depository bond satisfactory to the state board of exam-
2 iners to the extent the account is not insured by the Federal Deposit
3 Insurance Corporation.

20

ADDENDUM TO MINUTES OF
THE SENATE COMMITTEE ON
NATURAL RESOURCES

MARCH 11, 1981

ASSEMBLY BILL NO. 9

Submitted May 14, 1981

STATE OF NEVADA
LEGISLATIVE COUNSEL BUREAU

LEGISLATIVE BUILDING
CAPITOL COMPLEX
CARSON CITY, NEVADA 89710



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May 14, 1981

M E M O R A N D U M

TO: Senator Norman D. Glaser
FROM: Robert E. Erickson, Senior Research Analyst
SUBJECT: Bonding for Livestock Dealers under Proposed A.B. 9.

Normal surety bonds for livestock dealers would cost as follows:

<u>Type of Livestock Dealer</u>	<u>Rate</u>	<u>Amount of Bond</u>	<u>Cost of Bond</u>
Broker or Buyer	\$10 per \$1,000 of bond up to \$10,000, then \$5 per \$1,000 thereafter.	\$100,000	\$ 550
		\$500,000	\$2,450
Stockyards and Livestock Exchanges	\$2 per \$1,000 of bond.	\$100,000	\$ 200
		\$500,000	\$1,000

Please note, however, that line 34 on page 2 of A.B. 9 provides that the amount of the bond not exceed \$100,000.

For livestock dealers using real property as security, the following would be the case:

1. Title insurance policy for 100-200 acre ranch, as an example--\$150-\$250.
2. Property appraisal on the same ranch--\$1,500-\$3,000.

Therefore, this type of security would cost the livestock dealer somewhere between \$1,650 and \$3,250, using this example.

REE/jld: 5.1 Livestock