

MINUTES OF THE
MEETING OF THE SENATE COMMITTEE
ON TRANSPORTATION

SIXTY-FIRST SESSION
NEVADA STATE LEGISLATURE
February 26, 1981

The Senate Committee on Transportation was called to order by Chairman Richard E. Blakemore, at 2:04 p.m., on Thursday, February 26, 1981, in Room 323 of the Legislative Building, in Carson City, Nevada. Exhibit A is the Meeting Agenda. Exhibit B is the Attendance Roster.

COMMITTEE MEMBERS PRESENT:

Senator Richard E. Blakemore, Chairman
Senator William Hernstadt, Vice Chairman
Senator Joe Neal
Senator Lawrence Jacobsen
Senator Wilbur Faiss
Senator Clifford McCorkle
Senator James Bilbray

GUEST LEGISLATORS:

Senator Norman Glaser
Senator Keith Ashworth

STAFF MEMBER PRESENT:

Kelly Torvik, Committee Secretary

SENATE BILLS NO. 84, 85 AND 196

Senator Glaser spoke in support of the bill. He felt that because of modern, fuel efficient engines the drivers of the state would still be conserving energy while driving at a faster speed. He noted that the bill stated that the right to set the speed limit should be the state's prerogative. Senator Glaser stated that the philosophy of the present federal administration was that the states should be sovereign. He also noted that the bill is compatible with the philosophy of the Sagebrush Rebellion where Nevada has indicated that it is not amenable to the multitude of rules and regulations that the federal government provides. Senator Glaser stated that he resents the federal government mandating rules and regulations under the threat of withholding funds to the states. He said that this mandate should be tested. He doubted that the federal government would withhold funds.

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Senator Glaser sited other western states which were considering legislation very similiar to Senate Bill No. 84.

Senator Hernstadt asked if a resolution should be sent to Washington D. C. asking the federal government to repeal the 55 mile per hour speed limit. He suggested that if there was no answer to the resolution before the end of the 1981 session of the Nevada Legislature that the committee then consider Senate Bill No. 84. Senator Glaser felt that sending a resolution would be the proper way to confront the situation if there were no time restraints.

Senator Hernstadt asked Senator Glaser if he would object to amending the bill so that it raised the speed limit to 70 miles per hour. Senator Glaser stated that he would not object.

Senator Neal asked if the committee or Senator Glaser would object to substituting "the right of states to be sovereign," with "the elimination of the 55 mile per hour speed limit," on line two of page one of the bill. There were no objections from the committee or Senator Glaser.

Senator McCorkle asked if any state has raised the 55 mile per hour speed limit. Senator Glaser stated that Wyoming almost passed a bill similiar to Senate Bill No. 84 two years ago. Up to this time no state has raised the national maximum speed limit. Senator Glaser felt that if six western states were to pass similiar legislation the combined effort would force the federal government to acknowledge a united front in the west.

Senator Hernstadt asked if the committee should pass the bill as a matter of principle and not be guided by the possible loss of highway funds. Senator Glaser stated that he felt the committee should pass the bill as a matter of principle.

Chairman Blakemore asked if Senate Bill No. 85 was similiar to the legislation that was passed in Montana. There was no reply.

Senator Glaser explained that the reason for the bill was that automobile insurance policy owners were subject to substantial increases in their premiums because of the demerit points system.

Senator Hernstadt pointed out that the insurance commission presently has a regulation which he believed is sufficient enough and that there is no need for the bill. Senator Glaser agreed that if the regulation had the same provisions that there is no need for the bill.

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Mr. Dick Garrod, Farmers Insurance Group, spoke in opposition to all three bills. He brought up statistics that the enactment of the 55 mile per hour speed limit created a savings of 10,000 lives in one year due to the safer driving habits. He realized that Nevada has a difficult problem driving at 55 miles per hour because of the long straight roads in the rural counties and road hypnosis. Mr. Garrod cited figures that stated that there are more auto fatalities in rural, unincorporated areas than the urban incorporated areas. He stated that an increase in speed would create an increase in the number of accidents and injuries which would lead to an increase in insurance rates. Mr. Garrod stated that the insurance regulation which was referred to requires that insurance rates cannot be increased for the first two convictions in any one year for driving between 55 and 70 miles per hour. He noted that Senate Bill No. 85 does not have a limit as to how many convictions a speed violator may receive before his demerit points may be applied to his insurance rates.

Senator Keith Ashworth commented on all three of the bills which were on the agenda for that meeting. He stated that the reasons he requested Senate Bill No. 196 were: 1) to eliminate the demerit points for exceeding the 55 mile per hour speed limit; 2) to reduce the fine if a driver were found going over the 55 mile per hour speed limit to an "unnecessary waste of a resource currently in short supply," and 3) he believed that more accidents occur within a radius of five miles of a populated area. He did not object to a 55 mile per hour speed limit within a congested area. He stated that the 55 mile per hour speed limit is not necessary on the open roads in Nevada. Senator Keith Ashworth read a letter in order to point out that insurance companies do look at the demerit point system and driving records of a driver in order to determine insurance risks. (See Exhibit C). Senator Keith Ashworth read another letter to the committee from United States Senator Paul Laxalt. (See Exhibit D). He pointed out that he is not asking that the 55 mile per hour speed limit be repealed in Senate Bill No. 196. Senator Keith Ashworth stated that he hoped the committee would consider a bill or amendment that would require that if the federal maximum speed limit were repealed and no other maximum speed limit set, the state would revert back to the original speed limits which were in effect before enactment of the 55 mile per hour speed limit. Senator Keith Ashworth presented the committee with additional information in support of Senate Bill No. 196. (See Exhibits E and F). He felt that the rural limitations on page three of the bill would show good faith that Nevada is trying to maintain the 55 mile per hour speed limit in the congested areas where most of the accidents occur.

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Chairman Blakemore asked how the \$5.00 fine is recorded in Montana. Senator Keith Ashworth stated that there is a numbered receipt which must be accounted for by the officer.

Senator Hernstadt pointed out that if the federal maximum speed limit were repealed and no other maximum speed limit were set Nevada would remain at the 55 mile per hour speed limit until the legislature was able to change the limit. Senator Keith Ashworth did not object to an amendment to Senate Bill No. 196 which would provide that Nevada would return to its original speed limit if the 55 mile per hour speed limit is repealed federally. He noted that the bill does not have an enactment clause either.

Chairman Blakemore asked Senator Keith Ashworth if he was aware that President Regan's budget eliminates the monies for enforcement of the 55 mile per hour speed limit but he does not mention that he will propose that the national maximum speed limit be increased. Senator Keith Ashworth was aware of those facts.

Mr. Al Stone, Director, Department of Transportation, came before the committee to supply them with additional information from the federal government in regard to the national maximum speed limit. (See Exhibit G). Mr. Stone stated that he felt that the state itself should be able to set the speed limit on its highways.

Chairman Blakemore pointed out that Senate Bill No. 196 does not raise the speed limit. Mr. Stone stated that there may be a problem with the interpretation as to what the speed limit is outside of an incorporated city.

Mr. Tony Horner, Division Administrator, Federal Highway Administration, pointed out that Senate Bill No. 196 states on page three, lines 34 and 35 that there would be no speed limit outside five miles of any incorporated city. Under that interpretation he stated he would be unable to approve projects for the state of Nevada.

Chairman Blakemore asked Mr. Horner if he would be able to approve projects if the new language on page three, lines 34 and 35 were deleted. Mr. Horner stated that he would not have any problem in regard to Nevada's compliance to the 55 mile per hour speed limit if that language were deleted.

Senator Hernstadt asked Mr. Horner if federal funding for projects that are currently under way would be stopped if a bill that did

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increase the speed limit in Nevada were passed. Mr. Horner stated that work that is currently under way would not be affected. Mr. Stone stated that due to the rate of interest of 20 percent per year that if 100 million dollars were held up for six months the state would lose 10 million dollars in funds.

Senator Neal asked if the elimination of radar for speed control could lead to loss of federal funds. Mr. Horner stated that if the level of compliance with the 55 mile per hour speed limit within the state goes below the acceptable level then the state could be subject to reductions in federal funding. He stated that radar is not a requirement for federal aid.

Senator Jacobsen asked Mr. Horner what the feeling of other federal highway division administrators is with regard to the 55 mile per hour speed limit. Mr. Horner stated that all division administrators are speaking in opposition to any bills which would increase the speed limit in any state because of the serious implications of federal aid.

Senator McCorkle asked what sanctions have been imposed on Montana because it has a law very similiar to Senate Bill No. 196. Mr. Horner stated that the Montana law does not include the provision that allows speeds greater than 55 miles per hour five miles outside of incorporated cities as lines 34 and 35 on page three of Senate Bill No. 196 do.

Senator Hernstadt asked if any federal funds have been refused to Montana because of its speed limit laws. Mr. Horner stated funds had not been refused because the Montana speed limit is still 55 miles per hour.

Senator Blakemore pointed out that lines 34 and 35 on page three of the bill were not included in the Montana law.

Senator Neal asked Mr. Horner if he knew of President Reagan's proposal to remove funds for enforcement of the 55 mile per hour speed limit from the federal budget. Mr. Horner stated that he had heard that but he had not received an official communication to that effect. He said that he does not administer funds to enforce the 55 mile per hour speed limit.

Senator Neal asked if 55 mile per hour speed limit funds are used to purchase radar units. Mr. Horner stated that they could be used to purchase radar equipment and other equipment needed to enforce the 55 mile per hour speed limit.

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Senator McCorkle asked why Montana federal funds have not been reduced because of lack of compliance. Mr. Horner stated that to this date Montana has reached their percent compliance required by the highway administration and therefore was not subject to reductions. Mr. Horner said that the law in Montana is more complicated than Senate Bill No. 196. He stated there are additional restrictions and higher fines at night.

Senator Faiss asked what is Nevada's percent of compliance. Mr. Horner stated that it was 56 percent of the drivers driving at 55 miles per hour in fiscal year 1980. That is the latest figure that the division has. Senator Faiss pointed out that Montana has a higher level of compliance with the 55 mile per hour speed limit and it has lower fines for exceeding that speed limit. Mr. Horner stated that the compliance levels are dropped each year.

Colonel Zadra, Chief, Nevada Highway Patrol stated that Nevada barely met the compliance level last year and is presently not in compliance. He stated that the meeting of the compliance level was accomplished by the Nevada Highway Patrol putting a majority of its manpower to enforce the 55 mile per hour speed limit.

Senator Hernstadt asked if it was true that men were being assigned to specific areas in order to enforce the 55 mile per hour speed limit rather than in high-accident areas where lives could be saved. Senator Hernstadt felt that this was a misplaced priority. Colonel Zadra agreed that high-accident areas should have more highway patrol attention. He stated that he had set the priority because the highway patrol is forced to meet the federal requirements for percentage of compliance with the 55 mile per hour speed limit. He said that 50 percent of the Nevada Highway Patrol manpower is presently being used to enforce the 55 mile per hour speed limit and they are still out of compliance as of the last survey. Colonel Zadra pointed out that if radar is prohibited it would eliminate one more tool of the highway patrol to enforce the 55 mile per hour speed limit.

Senator Bilbray suggested that since the compliance can probably not be met that the Nevada Highway Patrol concentrate on the high-accident areas. Colonel Zadra stated that the high-accident areas would be priority as soon as the compliance level is met.

Senator Neal asked how compliance is determined. Colonel Zadra explained that four times per year surveys are taken by the Department of Transportation or the Federal Highway Administration.

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They run speed checks on various highways, freeways and other types of roadways and determine the compliance on that information. They have guidelines to follow while administering the tests.

Senator Neal was concerned that Colonel Zadra felt that if they could not use radar as a tool that the compliance level could not be met. Colonel Zadra stated that with the amount of manpower in the Nevada Highway Patrol radar is an effective tool used to enforce the 55 mile per hour speed limit. Senator Neal felt that removing the lights on the top of patrol cars would increase compliance.

Senator Jacobsen asked Colonel Zadra if he felt that the 55 mile per hour speed limit saved lives. Colonel Zadra explained that the more speed the more likelihood for a more serious injury or death in an accident. He stated that the 55 mile per hour speed limit does not have a tremendous impact on the amount of accidents in Nevada. It has a definite impact on the severity.

Senator Jacobsen asked how the highway patrol troops felt about the 55 mile per hour speed limit. Colonel Zadra explained that there are mixed feelings among the troops. It is realized that the 55 mile per hour speed limit reduces injury and death but it also creates problems with the public to enforce the 55 mile per hour speed limit.

Senator Neal asked how the collection of fines should be administered. Colonel Zadra stated that the receipt system as used in Montana would not be a desirable method.

Senator Jacobsen suggested that an administrative officer be asked to testify on the ramifications of raising the 55 mile per hour speed limit. Chairman Blakemore stated that he had no doubt that if the speed limit were raised Nevada would lose funding. Senator McCorkle felt that enough testimony had been heard to establish that Nevada would lose federal funding if the speed limit were raised.

Chairman Blakemore stated that he doubted that Senate Bill No. 196 could be passed out of committee in its present form because it could be interpreted as a violation of the national maximum speed limit.

Chairman Blakemore asked the committee if it agreed that the 55 mile per hour speed limit cannot be raised as suggested in Senate Bill No. 84. The committee decided to hold the bill.

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Chairman Blakemore stated that it has been testified that the insurance regulations provide the same guidelines as Senate Bill No. 85. Senator Hernstadt stated that the bill is unnecessary unless the committee would like the regulation in the form of a law. Senator McCorkle felt that Senate Bill No. 85 would not be necessary if Senate Bill No. 196 were passed. The committee decided to hold the bill.

SENATE BILL NO. 196 (Exhibit H)

Chairman Blakemore pointed out that the bill does not specify the method of collection used for the fines. The committee decided to leave that guideline to the administration.

Senator Bilbray moved that the bill receive a do pass recommendation with the following amendments: 1) removal of the new language on line 34 and 35 on page three of the bill; 2) effective upon approval; and 3) a provision to allow the state to revert to the speed limit before the passage of the maximum federal speed limit if the federal government repeals the 55 mile per hour speed limit and does not specify another limit.

Senator Neal seconded the motion.

The motion passed unanimously.

SENATE BILL NO. 154 (Exhibit I)

Senator Hernstadt moved that the vote on Senate Bill No. 154 be postponed for one week.

Senator Bilbray seconded the motion.

The motion did not pass.

Senator Jacobsen moved that the bill be re-referred to the Senate Committee on Taxation without recommendation from the Senate Committee on Transportation.

Senator McCorkle seconded the motion.

The motion passed. (Senator Bilbray and Hernstadt voted "no").

The committee approved a committee introduction of taxicab legislation.

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There being no further business, the meeting adjourned at
3:20 p.m.

Respectfully submitted by:


Kelly R. Torvik

APPROVED:


Senator Richard E. Blakemore
Chairman

Dated: 3/3, 1981

Library Note:

Page 9 of the minutes of the February 26, 1981 meeting of Senate Transportation was found filed with the February 24, 1981 meeting, along with duplicate copies of Exhibits A through G from the February 26, 1981 meeting. Page 9 and the duplicate copies have been refiled with the February 26, 1981 meeting. Therefore, the Bates numbering at the bottom of the pages will appear inconsistent, and there will be two copies of Exhibits A through G.

Research Library
May 2014

SENATE AGENDA

EXHIBIT A

COMMITTEE MEETINGS

Committee on Transportation, Room 323.

Day Thursday, Date February 26, Time 2:00

S. B. 84--Increases maximum speed limit on Nevada highways.

S. B. 85--Excludes certain convictions for speeding from the demerit points system and prohibits insurance rate' increases therefor.

S. B. 196--Excludes certain convictions for speeding from the demerit points and revises certain related penalties.

SENATE COMMITTEE ON TRANSPORTATION

EXHIBIT B

DATE: 2/26/81

PLEASE PRINT NAME	PLEASE PRINT ORGANIZATION & ADDRESS	PLEASE PRINT TELEPHONE
Phil Garrod	Farmers Sav Group	882-1890
B. E. Smith	AAA-190 E. Main Road	826-3900
Ira Levine	Inter	782-1157
J. S. Sorenson	NV Network Against Domestic Violence	358-4250
Cheryl McCray	CAAW - 1235 Pyramid Way Sparks	252-4150
Jack Reynolds	Intern - /Soc. Sec. Serv.	
Don Thompson	Clark County Public Works, Las Vegas	386-4536
41 st E Buxton	Regional Transportation Commission - B. V.	392-4481
Granville Bauman	Clark County Public Works, Las Vegas	386-4627
Wm. J. Puvion	CITY OF LAS VEGAS, PUBLIC SERVICES	386-6272
Garth Dull	NDOT	895-5440
Al Stone	NDOT	885-5440
H. V. V. V.	Express - Truck	885-5440
John W. Borda	Nevada Motor Trans. Assn	331-6884
DARUL E. CADURRO	NEVADA MOTOR TRANSPORT ASSN	331-6884
PETE ZADRA	DMV HIGHWAY PATROL	885-5300
Linda Chandler	C. Co. 51 Las Vegas	885-0715
Doreen J. J. J.	DMV - Disability Office	885-5380
Doreen J. J. J.	DMV	5032
M. P. P. P.	DMV - Disability Office	642-1622
A T HEATER	Federal Highway Admin	885-5330



EXHIBIT C

Pacific Coast Office:
Thomas F. Conneely
Regional Vice President

Alliance of American Insurers
160 Sansome Street, Suite 1411
San Francisco, California 94104
415-362-0870

February 6, 1981

Honorable Keith Ashworth
Legislative Building
Legislative Complex
Carson City, Nevada 89710

Dear Senator Ashworth:

Opposition to Senate Bill 85

The Alliance is a national trade association of 150 property and casualty insurance companies. I am writing to you to express our opposition to Senate Bill 85. We believe that it is important for safety reasons to maintain the existing 55-mile-per-hour speed limit in Nevada and that insurance companies should be able to use information related to drivers speeding above 55 miles per hour in their evaluation of automobile insurance risks.

Please contact me if you have any questions regarding opposition on this matter.

Sincerely,

Marialee Neighbours
Government Affairs Counsel

MN:ms

Norris A. Palmer
Public Accountant
2038 Palm St. No. 203
Las Vegas, Nevada 89104
Office Phone 457-6232

EXHIBIT D

SENATOR KEITH ASHWORTH
CARSON CITY NEV.

KEITH: THOUGHT THIS LETTER FROM LAXALT MIGHT BE OF
SOME USE TO YOU.

SINCERELY,


DCC.

PAUL LAXALT
NEVADA

COMMITTEE ON APPROPRIATIONS
COMMITTEE ON JUDICIARY

United States Senate

WASHINGTON, D.C. 20510

February 4, 1981

WASHINGTON OFFICE
315 RUSSELL OFFICE BUILDING
(202) 224-3542

CARSON CITY OFFICE
708 NORTH PLAZA STREET
(702) 883-1930

LAS VEGAS OFFICE
300 LAS VEGAS BLVD., SOUTH
(702) 385-8347

RENO OFFICE
300 SOUTH STREET
(702) 784-5368

Dear Mr. Palmer:

Thank you for your letter expressing concern over the 55 mile per hour speed limit. I share your concern and agree with your sentiment.

As you know, I am a strong supporter of the concept of states rights. I believe that the enactment and enforcement of the imposed 55 mile per hour speed limit is an encroachment on these rights.

During the past three sessions of the Nevada legislature, bills have been introduced to repeal the 55 mile per hour speed limit. As of yet, none of these bills have passed. I am sure that similar legislation will be introduced this session, with a strong likelihood for passage.

As a United States Senator, you have my assurance that I will do all in my power to see that there is a change in policy at the national level. If I can be of any further assistance, please feel free to contact me.

Sincerely,


PAUL LAXALT
U.S. Senator

PL:gsf

Mr. Norris A. Palmer
Public Accountant
2038 Palm Street, No.203
Las Vegas, Nevada 89104

55 MPH SPEED LIMIT -- as of 2/9/81

EXHIBIT E

STATE	BILL NUMBER	PRIME SPONSOR	CHANGE	STATUS
ARIZONA	SB 1034	Jack Taylor	Removes 7/81 expiration date of state 55 mph law ... amendment added which permits that only if/when federal law expires	Passed by Senate Transportation Comm.
COLORADO	HB 1073	Stevenson	Raises limit to 70	Assigned to Business Affairs & Labor Comm.
	SB 80	Yost	Creates add'l speeding offense: violating energy savings if over 50; over 70 remains a traffic violation	Assigned to Senate Transportation Comm.
IDAHO	HB 88	Barlow	Raises limit to 65 -amendment added which permits the speed limit to be raised only if the federal law expires	Assigned to Transp./ Defense Comm.
MONTANA	HB 440	Jensen, Kaiser, Ryan	Sets up graduated fines for higher speeds.	Out of committee Goes to floor of House for debate.
	HB 595	Silvertsen, Nordtvedt, Seifeit	Raises speed limit to 70 mph	Hearing on Judiciary Committee 2/6
NEVADA	SB 85	Glaser & K. Ashworth	Excludes demerits from point system for speeds between 55 mph and 75 mph.	Assigned to Transportation Committee
	SB 84	Glaser, K. Ashworth, McCorkle, Hernstadt, Getto, Bill Bray	Raises limit to 65	Transportation Committee
	SB 60	Neal	Prohibits use of radar	Transportation Committ

STATE	BILL NUMBER	PRIME SPONSOR	CHANGE	STATUS
NEVADA (Cont.)	SB 196	K. Ashworth & Blakemore	If driving faster than Federal speed limit, and are outside incorporated city limits, subject only to \$5.00 Energy fine.	Transportation Committee
NEW MEXICO	HB 24	Pacheco	Raises limit to 65 (days) 55 (nights)	Introduced
	HB 61	Bannister	Raises limit to 70	Introduced
UTAH	HB 21	Seleneit	Over 55 not traffic violation; energy savings violation	Introduced
	HB 205	Haddow	Raises limit to 65	Not filed yet
WYOMING	Senate File 8	Taggart	Raises limit to 65	Passed Senate; Pending in House
HAWAII	- nothing pending			
OREGON	- nothing pending			
ALASKA	- nothing pending			
WASHINGTON	- nothing pending			
CALIFORNIA	- nothing pending			

DRIVER'S SEAT



ENTIRE EXHIBIT F
ARTICLE IS
EXCELLENT

Rabbits vs. foxes, and crash tests for migratory waterfowl.

• I had a chance to have dinner with the smartest man in Detroit the other day, always a treat, and he not only provided me with a pretty nice lobster, he gave me a lot of food for thought as well. He's not as depressed as he was five years ago, but I don't know if that's because he's mellowing or because he sees some hope for the future. Judge for yourself.

Halfway through the second pre-dinner Perrier, he said: "You know, this'll be the first generation since the dawn of time that was actually slower than the one that preceded it. I am prevented by government decree from driving as fast as my father did, even though he was driving really crude vehicles on roads that were essentially unimproved. Speed saves time, and time is not only an unrenounceable resource, there's no substitute for it. Horses go faster, year after year. Airplanes go faster. Men run faster than ever before. But our government has decided that progress in ground-transportation technology has to stop here. This is as fast as man should go. Historians in the next millennium will look back on this period and call it the Dark Ages. What we now call the Dark Ages will look like the Enlightenment by comparison. Medieval scholars can be forgiven for all their foolishness and superstition; they didn't know what we know, nor did they have the tools that we have for mining information. Equipped as we are, knowing what we know, I think we can absolutely count on God to exact some awful punishment for our profligate misuse of these gifts.

"I only hope that my great-grandchildren, looking back on this period with all its stupidity and institutionalized superstition, will appreciate the fact that I was against everything. Take crashworthiness. Nothing else made by man or God is designed to crash. Ships aren't designed to sink. Jet aircraft aren't designed to crash. Only cars. Try to imagine a rainbow trout or a tiger that was

designed to withstand a 30-mile-per-hour barrier impact. A wild duck designed to survive the federal barrier test would be the funniest-looking organism you ever saw. It wouldn't be able to lift off the water, much less fly. Have you ever noticed that virtually everything in nature is beautiful? That's because it's been allowed to evolve along lines that make it most efficient for the tasks it has to perform. Nature protects her creatures from crashing by providing them with mobility, and the instincts to take advantage of that mobility. Creatures that persist in crashing into barriers don't become better adapted to barrier crashes, they become extinct, as they should.

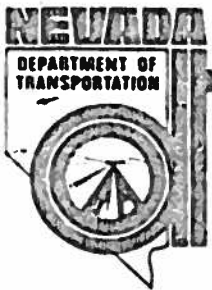
"The same thing holds true for corporations. Doug Fraser says that the government ought to bail Chrysler out. I don't know about that. Will Chrysler make it? I guess I don't care. GM and Ford were supposed to beat Chrysler, just as Chrysler was supposed to beat GM and Ford. If memory serves, about 1996 car companies have bitter the dust since the beginning of the automotive era. I don't know how badly those guys, the losers, got skinned up, but maybe it's just as well that those original 2000 got pared down to four. There are about 10,000 automotive product variations available right now, and that may not be enough, but it's a better choice than you get with panty hose or underarm deodorants.

"Right now it costs about a billion dollars to tool up for a car that you sell to the public for roughly the same price-per-pound as hamburger. The industry seeks a natural balance, much like the foxes and rabbits. Slow rabbits get eaten by fast foxes. Slow foxes don't eat. Both species fool around with colors, long ears, sharp noses, keen eyes, and a lot of other high-tech evolutionary stuff. If the rabbits get the edge, their numbers begin to increase, which then provides extra food for the foxes, whose population goes up in

turn. At some point there may not be enough rabbits to go around, but the foxes never eat them all, and the best rabbits survive. When the rabbit population dwindles, the bottom line for the foxes falls off, and invariably the incompatible foxes are the first to go. So everybody makes out. It's a perfect plan as long as nobody screws around with it. I guess I feel sorry for those slow little rabbits, but I sure don't think they ought to be protected from those foxes. Chrysler Corporation may never get to be one of the foxes, but it could evolve into a faster rabbit, provided the government doesn't step in with a lot of money to guarantee that it'll be a half-dead rabbit forever.

"The adversary relationship between our government and our industry must be altered, however. If something doesn't happen to ease the burden on the automobile companies, we'll wind up with General Motors fighting single-handedly against the Japanese for automotive supremacy. And GM won't be fighting a Japanese automobile industry that's all alone—it'll be fighting the combined resources of the Japanese government, the Japanese scientific community, Japanese labor, and finally the Japanese auto industry. Without the support of its own government, General Motors will ultimately lose that fight. There are adversary relationships that work and there are others that don't. They only work, it seems to me, in completely independent or parallel relationships like Dodgers vs. Yankees, or Ford vs. General Motors, or foxes vs. rabbits. They don't work at all in interdependent relationships like catcher vs. pitcher, engineering vs. manufacturing, labor vs. management, or government vs. industry. As adversaries, these interdependents are bound to self-destruct. The fundamental forces for improving the breed are pulling in opposite directions. They become problem-makers, not problem-solvers. Their selfish survival instincts point away from the common objective. Just to keep the whole thing from becoming self-energized requires almost as many umpires as players. Very few consumers are adequately equipped to make decisions in their own self-interest. It's a terrible burden to put on the best informed, let alone the poor slobs who only know that the bad guys are the ones with the most money. It creates an environment in which con men and opportunists like the ones who perpetrated the 84-mpg-Capri hoax can flourish, to society's detriment. The fact that so many members of our government were taken in by those clowns is eloquent commentary on their fitness to make regulations affecting the cars we drive. What it tells us about the daily press is unrepeatable."

—David E. Davis, Jr.



A. E. STONE
Director

STATE OF NEVADA
DEPARTMENT OF TRANSPORTATION

1263 SOUTH STEWART STREET
CARSON CITY, NEVADA 89712

February 25, 1981

TRANSPORTATION BOARD
ROBERT LIST, *Governor, Chairman*
RICHARD H. BRYAN, *Attorney General*
WILSON MCGOWAN, *State Controller*

EXHIBIT G

IN REPLY REFER TO

TO: MEMBERS OF THE SENATE AND ASSEMBLY TRANSPORTATION COMMITTEES

Thought you would be interested in the attached letter on the subject of increasing the 55 mph speed limit from Federal Highway Administrator Barnhart, who is a newly appointed member of President Reagan's team.


A. E. STONE
Director

AES:jn
Attachment

Subject: 55 MPH Speed Limit

memorandum

FEB 23 1981

From: Federal Highway Administrator

Date:	February 18, 1981
Reply to Attn. of:	HCC-20

To: All Associate Administrators, Regional Administrators,
and Division Administrators

The first quarter of the calendar year (January-March) is an important time of the year with respect to those provisions establishing the National Maximum Speed Limit - 55 m.p.h. (23 U.S.C. 154), as State legislatures meet during this period. Each year bills are introduced in the various States to amend provisions of the law at the State level, including repeal of the 55 m.p.h. limit by establishing a higher limit, by amending the penalty provisions (fines and points) and by prohibiting various methods of enforcement (radar or airplanes). Many of these bills are acted upon with an incomplete understanding of the law.

Title 23 U.S.C. 154(a) provides for the establishment of a 55 m.p.h. speed limit. The law is clear and unequivocal in this respect and states as follows:

- (a) The Secretary of Transportation shall not approve any project under section 106 in any State which has (1) a maximum speed limit on any public highway within its jurisdiction in excess of fifty-five miles per hour

There is no discretion under this provision to continue project approval to any State which does not have an established maximum speed limit of 55 m.p.h. Although violation of this provision does not result in an immediate loss of funding, it does result in the immediate termination of project approval which will ultimately result in the loss of Federal aid. In the past, we have responded to inquiries from the States on the financial penalty by utilizing the total amount of unobligated balance in a State as the potential amount of dollar loss.

Please meet with the appropriate transportation officials in your State and reemphasize the mandatory nature of the law so that they can communicate the consequences of legislative action to the Governors and legislatures. If you are contacted by the media or legislative officials, it would be appropriate to reference the law. All legislative proposals should continue to be forwarded to the Office of Chief Counsel for review.

E. A. Barshart
E. A. Barshart

SENATE AGENDA

EXHIBIT A

COMMITTEE MEETINGS

Committee on Transportation, Room 323.Day Thursday, Date February 26, Time 2:00

S. B. 84--Increases maximum speed limit on Nevada highways.

S. B. 85--Excludes certain convictions for speeding from the demerit points system and prohibits insurance rate increases therefor.

S. B. 196--Excludes certain convictions for speeding from the demerit points and revises certain related penalties.

SENATE COMMITTEE ON TRANSPORTATION

EXHIBIT B

DATE: 2/26/81

PLEASE PRINT NAME	PLEASE PRINT ORGANIZATION & ADDRESS	PLEASE PRINT TELEPHONE
Bill Garrod	Farmers Ins Group	882-1890
B. E. Smith	AAA - 199 E. Main Rd	826-3800
Ira Levine	Inter	782-4457
J. [unclear]	NV Network Against Domestic Violence	358-4250
Cheryl McCray	CAAW - 1235 Pyramid Way, Sparks	358-4150
Jack Reynolds	Inter +/Sec. [unclear]	
Don Thompson	Clark County Public Works, Las Vegas	386-4536
Al E. Buxton	Regional Transportation Commission - Nev.	386-6881
Granville Bauman	Clark County Public Works, Las Vegas	385-4627
Wm. J. Purvis	City of Las Vegas, Public Services	386-6272
Barth Dull	NDOT	885-5440
Al Stone	NDOT	885-5440
[unclear]	[unclear]	883-5004
John W. Borda	Nevada Motor Trans. Ass'n	331-6884
DARUL E. CASARRO	NEVADA MOTOR TRANSPORT ASSN.	331-6884
PETE ZADRA	DMV HIGHWAY PATROL	885-5300
Linda Chandler	City of Las Vegas	882-0768
Don [unclear]	DMV - [unclear]	885-5380
[unclear]	[unclear]	5032
M. [unclear]	[unclear]	642-1630
A. J. HARPER	Federal Highway Admin	885-5320



EXHIBIT C

Pacific Coast Office:
Thomas F. Conneely
Regional Vice President

Alliance of American Insurers
160 Sansome Street, Suite 1411
San Francisco, California 94104
415-362-0870

February 6, 1981

Honorable Keith Ashworth
Legislative Building
Legislative Complex
Carson City, Nevada 89710

Dear Senator Ashworth:

Opposition to Senate Bill 85

The Alliance is a national trade association of 150 property and casualty insurance companies. I am writing to you to express our opposition to Senate Bill 85. We believe that it is important for safety reasons to maintain the existing 55-mile-per-hour speed limit in Nevada and that insurance companies should be able to use information related to drivers speeding above 55 miles per hour in their evaluation of automobile insurance risks.

Please contact me if you have any questions regarding opposition on this matter.

Sincerely,


Mariale Neighbours
Government Affairs Counsel

MN:ms

Norris A. Palmer
Public Accountant
2038 Palm St. No. 203
Las Vegas, Nevada 89104
Office Phone 457-6232

EXHIBIT D

SENATOR KEITH ASHWORTH
CARSON CITY NEV.

KEITH: THOUGHT THIS LETTER FROM LAXALT MIGHT BE OF
SOME USE TO YOU.

SINCERELY,


DCC.

PAUL LAXALT
NEVADA

COMMITTEE ON APPROPRIATIONS
COMMITTEE ON JUDICIARY

United States Senate

WASHINGTON, D.C. 20510

February 4, 1981

WASHINGTON OFFICE:
315 RUSSELL OFFICE BUILDING
(202) 224-3542

CARSON CITY OFFICE:
705 NORTH PLAZA STREET
(702) 883-1939

LAS VEGAS OFFICE:
300 LAS VEGAS BLVD., SOUTH
(702) 383-6347

RENO OFFICE:
300 SOUTH STREET
(702) 784-5368

Dear Mr. Palmer:

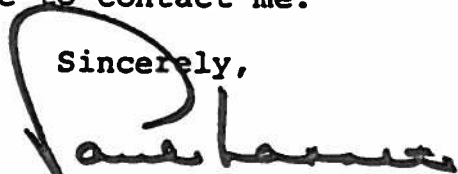
Thank you for your letter expressing concern over the 55 mile per hour speed limit. I share your concern and agree with your sentiment.

As you know, I am a strong supporter of the concept of states rights. I believe that the enactment and enforcement of the imposed 55 mile per hour speed limit is an encroachment on these rights.

During the past three sessions of the Nevada legislature, bills have been introduced to repeal the 55 mile per hour speed limit. As of yet, none of these bills have passed. I am sure that similar legislation will be introduced this session, with a strong likelihood for passage.

As a United States Senator, you have my assurance that I will do all in my power to see that there is a change in policy at the national level. If I can be of any further assistance, please feel free to contact me.

Sincerely,



PAUL LAXALT
U.S. Senator

PL:gsf

Mr. Norris A. Palmer
Public Accountant
2038 Palm Street, No.203
Las Vegas, Nevada 89104

55 MPH SPEED LIMIT -- as of 2/9/81

278

EXHIBIT E

STATE	BILL NUMBER	PRIME SPONSOR	CHANGE	STATUS
ARIZONA	SB 1034	Jack Taylor	Removes 7/81 expiration date of state 55 mph law ... amendment added which permits that only if/when federal law expires	Passed by Senate Transportation Comm.
COLORADO	HB 1073	Stevenson	Raises limit to 70	Assigned to Business Affairs & Labor Comm.
	SB 80	Yost	Creates add'l speeding offense: violating energy savings if over 50; over 70 remains a traffic violation	Assigned to Senate Transportation Comm.
IDAHO	HB 88	Barlow	Raises limit to 65 -amendment added which permits the speed limit to be raised only if the federal law expires	Assigned to Transp./ Defense Comm.
MONTANA	HB 440	Jensen, Kaiser, Ryan	Sets up graduated fines for higher speeds.	Out of committee Goes to floor of House for debate.
	HB 595	Silvertsen, Nordtvedt, Seifeit	Raises speed limit to 70 mph	Hearing on Judiciary Committee 2/6
NEVADA	SB 85	Glaser & K. Ashworth	Excludes demerits from point system for speeds between 55 mph and 75 mph.	Assigned to Transportation Committee
	SB 84	Glaser, K. Ashworth, McCorkle, Hernstadt, Getto, Bill Bray	Raises limit to 65	Transportation Committee
	SB 60	Neal	Prohibits use of radar	Transportation Committee

STATE	BILL NUMBER	PRIME SPONSOR	CHANGE	STATUS
NEVADA (Cont.)	SB 196	K. Ashworth & Blakemore	If driving faster than Federal speed limit, and are outside incorporated city limits, subject only to \$5.00 Energy fine.	Transportation Committee
NEW MEXICO	HB 24	Pacheco	Raises limit to 65 (days) 55 (nights)	Introduced
	HB 61	Bannister	Raises limit to 70	Introduced
UTAH	HB 21	Seleneit	Over 55 not traffic violation; energy savings violation	Introduced
	HB 205	Haddow	Raises limit to 65	Not filed yet
WYOMING	Senate File 8	Taggart	Raises limit to 65	Passed Senate; Pending in House
HAWAII - nothing pending				
OREGON - nothing pending				
ALASKA - nothing pending				
WASHINGTON - nothing pending				
CALIFORNIA - nothing pending				

DRIVER'S SEAT

Rabbits vs. foxes, and crash tests for migratory waterfowl.



ENTIRE EXHIBIT F
ARTICLE IS
EXCELLENT

• I had a chance to have dinner with the smartest man in Detroit the other day, always a treat, and he not only provided me with a pretty nice lobster, he gave me a lot of food for thought as well. He's not as depressed as he was five years ago, but I don't know if that's because he's mellowing or because he sees some hope for the future. Judge for yourself.

Halfway through the second pre-dinner Perrier, he said: "You know, this'll be the first generation since the dawn of time that was actually slower than the one that preceded it. I am prevented by government decree from driving as fast as my father did, even though he was driving really crude vehicles on roads that were essentially unimproved. Speed saves time, and time is not only an unrenowable resource, there's no substitute for it. Horses go faster, year after year. Airplanes go faster. Men run faster than ever before. But our government has decided that progress in ground-transportation technology has to stop here. This is as fast as man should go. Historians in the next millennium will look back on this period and call it the Dark Ages. What we now call the Dark Ages will look like the Enlightenment by comparison. Medieval scholars can be forgiven for all their foolishness and superstition; they didn't know what we know, nor did they have the tools that we have for mining information. Equipped as we are, knowing what we know, I think we can absolutely count on God to exact some awful punishment for our profligate misuse of these gifts.

"I only hope that my great-grandchildren, looking back on this period with all its stupidity and institutionalized superstition, will appreciate the fact that I was against everything. Take crashworthiness. Nothing else made by man or God is designed to crash. Ships aren't designed to sink. Jet aircraft aren't designed to crash. Only cars. Try to imagine a rainbow trout or a tiger that was

designed to withstand a 30-mile-per-hour barrier impact. A wild duck designed to survive the federal barrier test would be the funniest-looking organism you ever saw. It wouldn't be able to lift off the water, much less fly. Have you ever noticed that virtually everything in nature is beautiful? That's because it's been allowed to evolve along lines that make it most efficient for the tasks it has to perform. Nature protects her creatures from crashing by providing them with mobility, and the instincts to take advantage of that mobility. Creatures that persist in crashing into barriers don't become better adapted to barrier crashes, they become extinct, as they should.

"The same thing holds true for corporations. Doug Fraser says that the government ought to bail Chrysler out. I don't know about that. Will Chrysler make it? I guess I don't care. GM and Ford were supposed to beat Chrysler, just as Chrysler was supposed to beat GM and Ford. If memory serves, about 1996 car companies have bitter the dust since the beginning of the automotive era. I don't know how badly those guys, the losers, got skinned up, but maybe it's just as well that those original 2000 got pared down to four. There are about 10,000 automotive product variations available right now, and that may not be enough, but it's a better choice than you get with panty hose or underarm deodorants.

"Right now it costs about a billion dollars to tool up for a car that you sell to the public for roughly the same price-per-pound as hamburger. The industry seeks a natural balance, much like the foxes and rabbits. Slow rabbits get eaten by fast foxes. Slow foxes don't eat. Both species fool around with colors, long ears, sharp noses, keen eyes, and a lot of other high-tech evolutionary stuff. If the rabbits get the edge, their numbers begin to increase, which then provides extra food for the foxes, whose population goes up in

turn. At some point there may not be enough rabbits to go around, but the foxes never eat them all, and the best rabbits survive. When the rabbit population dwindles, the bottom line for the foxes falls off, and invariably the incompatible foxes are the first to go. So everybody makes out. It's a perfect plan as long as nobody screws around with it. I guess I feel sorry for those slow little rabbits, but I sure don't think they ought to be protected from those foxes. Chrysler Corporation may never get to be one of the foxes, but it could evolve into a faster rabbit, provided the government doesn't step in with a lot of money to guarantee that it'll be a half-dead rabbit forever.

"The adversary relationship between our government and our industry must be altered, however. If something doesn't happen to ease the burden on the automobile companies, we'll wind up with General Motors fighting single-handedly against the Japanese for automotive supremacy. And GM won't be fighting a Japanese automobile industry that's all alone—it'll be fighting the combined resources of the Japanese government, the Japanese scientific community, Japanese labor, and finally the Japanese auto industry. Without the support of its own government, General Motors will ultimately lose that fight. There are adversary relationships that work and there are others that don't. They only work, it seems to me, in completely independent or parallel relationships like Dodgers vs. Yankees, or Ford vs. General Motors, or foxes vs. rabbits. They don't work at all in interdependent relationships like catcher vs. pitcher, engineering vs. manufacturing, labor vs. management, or government vs. industry. As adversaries, these interdependents are bound to self-destruct. The fundamental forces for improving the breed are pulling in opposite directions. They become problem-makers, not problem-solvers. Their selfish survival instincts point away from the common objective. Just to keep the whole thing from becoming self-energized requires almost as many umpires as players. Very few consumers are adequately equipped to make decisions in their own self-interest. It's a terrible burden to put on the best informed, let alone the poor slob who only know that the bad guys are the ones with the most money. It creates an environment in which con men and opportunists like the ones who perpetrated the 84-mpg-Capri hoax can flourish, to society's detriment. The fact that so many members of our government were taken in by those clowns is eloquent commentary on their fitness to make regulations affecting the cars we drive. What it tells us about the daily press is unrepeatably."

—David E. Davis, Jr.



A. E. STONE
Director

STATE OF NEVADA
DEPARTMENT OF TRANSPORTATION

1263 SOUTH STEWART STREET
CARSON CITY, NEVADA 89712

February 25, 1981

TRANSPORTATION BOARD
ROBERT LIST, *Governor, Chairman*
RICHARD H. BRYAN, *Attorney General*
WILSON MCGOWAN, *State Controller*

EXHIBIT G

IN REPLY REFER TO

TO: MEMBERS OF THE SENATE AND ASSEMBLY TRANSPORTATION COMMITTEES

Thought you would be interested in the attached letter on the subject of increasing the 55 mph speed limit from Federal Highway Administrator Barnhart, who is a newly appointed member of President Reagan's team.



A. E. STONE
Director

AES:jn
Attachment

S. B. 196

**SENATE BILL NO. 196—SENATORS KEITH ASHWORTH
AND BLAKEMORE**

FEBRUARY 5, 1981

Referred to Committee on Transportation

SUMMARY—Excludes certain convictions for speeding from system of demerit points and revises certain related penalties. (BDR 43-761)

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 traffic laws; excluding from the system of demerit points certain violations of the national maximum speed limit; modifying the application of the national maximum speed limit and revising certain related penalties; 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 483.470 is hereby amended to read as follows:
2 483.470 1. The department [is hereby authorized to] may suspend
3 the license of a driver without preliminary hearing upon a showing by its
4 records or other sufficient evidence that the licensee:
5 (a) Has committed an offense for which mandatory revocation of
6 license is required upon conviction;
7 (b) Has been involved as a driver in any accident resulting in the
8 death or personal injury of another or serious property damage;
9 (c) Is an habitually reckless or negligent driver of a motor vehicle;
10 (d) Is an habitual violator of the traffic laws;
11 (e) Is physically or mentally incompetent to drive a motor vehicle;
12 (f) Has permitted an unlawful or fraudulent use of [such] his license;
13 (g) Has committed an offense in another state which if committed
14 in this state would be grounds for suspension or revocation; or
15 (h) Has failed [or refused] to comply with the [terms and] condi-
16 tions of issuance of a restricted license.
17 2. As used in this section, "traffic violation" means conviction [on
18 a charge involving] of a moving traffic violation in any municipal court,
19 justice's court or district court in [the State of Nevada,] *this state*, and
20 includes a finding by a juvenile court [pursuant to NRS 62.083] that
21 a child has violated a traffic law or ordinance other than one governing
22 standing or parking.

1 3. The department shall establish a uniform system of demerit
2 points for various traffic violations occurring within [the State of
3 Nevada] *this state* affecting any holder of a driver's license issued by
4 the department.

5 4. [Such system shall] *The system must be a running system of*
6 *demerits covering a period of 12 months next preceding any date on*
7 *which a licensee may be called before the department to show cause as*
8 *to why his driver's license should not be suspended.*

9 5. [Such system shall] *The system must be uniform in its operation*
10 *and the department shall set up a system of demerits for each traffic*
11 *violation [coming under this section], except as provided in subsec-*
12 *tion 6, depending upon the gravity of [such] the violation, on a scale*
13 *of one demerit point for a minor violation of any traffic law to eight*
14 *demerit points for an extremely serious violation of the law governing*
15 *traffic violations. In the event of conviction of two or more traffic viola-*
16 *tions committed on a single occasion, points [shall] must be assessed*
17 *for one offense, and if the point-values differ, points [shall] must be*
18 *assessed for the offense having the greater point value. Details of the*
19 *violation [shall] must be submitted to the department by the court*
20 *where the conviction is obtained. The department may provide for a*
21 *graduated system of demerits within each category of violations accord-*
22 *ing to the extent to which the traffic law was violated.*

23 6. *A violation of the national maximum speed limit specified in 23*
24 *U.S.C. § 154 must not be charged against a driver in the system of*
25 *demerits established under this section if the violation does not violate*
26 *any other speed limit imposed by or pursuant to chapter 484 of NRS.*

27 7. When any driver has accumulated three or more demerit points,
28 but less than 12, the department shall notify him of this fact. If, after
29 the department mails [such] *this* notice, the driver presents proof to
30 the department that he has successfully completed a traffic safety school
31 course, approved by the department, for the number of hours prescribed
32 by the course, with the approval of the department as constituting a
33 course of instruction, the department shall cancel three demerit points
34 from his driving record, pursuant to this subsection; but if [such] *the*
35 driver accumulates 12 or more demerit points before completing the
36 traffic safety school, he will not be entitled to have demerit points
37 canceled upon completion of such course, but [shall] *must* have his
38 license suspended. A person [shall] *may* be allowed to attend only once
39 in 12 months for the purpose of reducing his demerit points. The three
40 demerit points [can] *may* only be canceled from the driver's record
41 during the 12-month period immediately following the driver's success-
42 ful completion of the traffic safety school.

43 [7.] 8. Any three-demerit-point reduction [shall apply] *applies*
44 *only to the demerit record of the driver and [shall] does not affect his*
45 *driving record with the department or his insurance record.*

46 [8.] 9. When any licensee [has accumulated] *accumulates* 12 or
47 *more demerit points the department shall suspend [the license of such*
48 *licensee] his license until the total of his demerits has dropped below 12*
49 *demerits in the next preceding 12 months.*

50 [9.] 10. The director of the department [of motor vehicles is hereby

1 empowered to] may set up a scale [of demerit values] establishing the
2 demerit value for each traffic violation.

3 [10.] 11. Upon suspending the license of any person as authorized
4 in this section, the department shall immediately notify [the licensee]
5 him in writing, and upon his request shall afford him an opportunity for
6 a hearing as early as practical within [not to exceed] 20 days after
7 receipt of [such] the request in the county wherein [the licensee] he
8 resides unless he and the department [and the licensee] agree that
9 [such] the hearing may be held in some other county. [Upon such hear-
10 ing the] The administrator, or his [duly] authorized agent, may admin-
11 ister oaths and may issue subpoenas for the attendance of witnesses and
12 the production of relevant books and papers, and may require a reex-
13 amination of the licensee [.] in connection with the hearing. Upon
14 such hearing the department shall either rescind its order of suspension
15 or, for good cause [appearing therefor, may] extend the suspension of
16 [such] the license or revoke [such license.] it.

17 SEC. 2. Chapter 484 of NRS is hereby amended by adding thereto
18 a new section which shall read as follows:

19 1. A person violating the speed limit imposed pursuant to subsec-
20 tion 4 of NRS 484.361 is guilty of unnecessary waste of a resource
21 currently in short supply.

22 2. Every person convicted of unnecessary waste of a resource cur-
23 rently in short supply shall be fined \$5.

24 SEC. 3. NRS 484.361 is hereby amended to read as follows:

25 484.361 It is unlawful for any person to drive or operate a vehicle
26 of any kind [or character] at:

27 1. A rate of speed greater than is reasonable or proper, having due
28 regard for the traffic, surface and width of the highway.

29 2. Such a rate of speed as to endanger the life, limb or property
30 of any person.

31 3. A rate of speed greater than that posted by a public authority
32 for the [particular] portion of highway being traversed.

33 4. A rate of speed greater than the national maximum speed limit
34 specified in section 114 of P.L. 93-643 (23 U.S.C. § 154) [.] unless
35 driving in a rural area more than 5 miles outside any incorporated city.

S. B. 154

SENATE BILL NO. 154—COMMITTEE ON TRANSPORTATION

JANUARY 30, 1981

Referred to Committee on Transportation

SUMMARY—Increases and changes measure of tax on motor vehicle fuel and special fuel. (BDR 32-281)

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 taxes on fuel; providing for increases and changes in the measure of these taxes; 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. Chapter 365 of NRS is hereby amended by adding
2 thereto the provisions set forth as sections 2 and 3 of this act.

3 SEC. 2. *Every dealer shall:*

4 1. *Pay an excise tax on all motor vehicle fuel sold, distributed or*
5 *used, in the amount per gallon shown in column "A" opposite the price*
6 *range specified by the department for the month in which the fuel was*
7 *sold, shown in the schedule below:*

8 AVERAGE PRICE		9 EXCISE TAXES					
10 <i>If the Amount</i>		11 <i>In Cents</i>					
12 <i>of the price per</i>		13 <i>Per Gallon</i>					
14 <i>Gallon is Over</i>	15 <i>But Not</i>	16 <i>Over</i>	17 <i>A</i>	18 <i>B</i>	19 <i>C</i>	20 <i>D</i>	
21 \$0.80	—	\$0.90	6.75	5.06	0.56	1.13	
22 0.90	—	1.00	7.50	5.63	0.62	1.25	
23 1.00	—	1.10	8.00	6.00	0.66	1.34	
24 1.10	—	1.20	8.75	6.56	0.73	1.46	
25 1.20	—	1.30	9.50	7.13	0.78	1.59	
26 1.30	—	1.40	10.25	7.69	0.85	1.72	
—	—	1.50	11.00	8.25	0.91	1.84	
—	—	1.60	12.00	9.00	1.00	2.00	
—	—	1.70	13.00	9.75	1.08	2.17	
—	—	1.80	14.00	10.50	1.16	2.34	
—	—	1.90	15.00	11.25	1.24	2.51	
—	—	2.00	16.25	12.19	1.35	2.72	
—	—	2.10	17.50	13.13	1.45	2.92	
—	—	2.20	19.00	14.25	1.58	3.17	
—	—	2.30	20.50	15.38	1.70	3.42	

1 2. Account for this tax and pay it to the department. The depart-
2 ment shall deliver the tax to the state treasurer who shall furnish to the
3 dealer a receipt for the tax.

4 SEC. 3. 1. The department of transportation shall provide by regu-
5 lation for periodic surveys of the actual selling price of motor vehicle
6 fuel at retail outlets amounting to at least 60 percent in number of
7 outlets and volume of sales of the total for the state, and for the
8 weighting of these prices in such a way as to determine a representative
9 price of motor vehicle fuel for the state as a whole. The department of
10 transportation shall report this price whenever determined or revised to
11 the department of taxation.

12 2. The department of taxation shall specify the amount of the tax
13 which must be paid per gallon for each month based upon the determina-
14 tion of an average price by the department of taxation.

15 SEC. 4. NRS 365.170 is hereby amended to read as follows:

16 365.170 [1. In addition to any other taxes provided by law,
17 every] 1. Every dealer shall [, not later than the 25th day of each
18 calendar month:

19 (a) Render] render to the department a statement of all motor
20 vehicle fuel sold, distributed or used by him in the State of Nevada, as
21 well as all motor vehicle fuel sold, distributed or used in this state by
22 a purchaser thereof upon which sale, distribution or use the dealer has
23 assumed liability for the tax thereon under NRS 365.020, during the
24 preceding calendar month. [; and

25 (b) Pay an excise tax of 4.5 cents per gallon on all motor vehicle
26 fuel so sold, distributed or used, in the manner and within the time
27 prescribed in this chapter.]

28 2. The department for good cause may extend for not to exceed 30
29 days the time for making any report or return required under this
30 chapter. The extension may be granted at any time if:

31 (a) A request therefor has been filed with the department within or
32 [prior to] before the period for which the extension may be granted;
33 and

34 (b) A remittance of the estimated tax is made when due.
35 Any dealer to whom an extension is granted shall pay, in addition to
36 any delinquent tax due, interest at the rate of one-half of 1 percent per
37 month, or fraction thereof, from the date on which the tax would have
38 been due without the extension to the date of payment.

39 3. Any report, return remittance to cover a payment or claim for
40 credit or refund required by this chapter which is transmitted through the
41 United States mail shall be deemed filed or received by the department
42 on the date shown by the post office cancellation mark stamped upon the
43 envelope containing it, or on the date it was mailed if proof satisfactory
44 to the department establishes that [such] the document or remittance
45 was timely deposited in the United States mail properly addressed to the
46 department.

47 SEC. 5. NRS 365.200 is hereby amended to read as follows:

48 365.200 1. In addition to any other taxes provided for by this
49 chapter, every person who [shall use] uses any inflammable or com-
50 bustible liquid or other material other than motor vehicle fuel as defined

1 in NRS 365.060 to operate a motor vehicle on the highways of this state,
2 except special fuel as defined in NRS 366.060, shall pay an excise tax as
3 provided by [NRS 365.170, 365.180 and 365.190 for each gallon
4 thereof so used, and shall] *section 2 of this act*, render monthly state-
5 ments and make monthly payments at the times and in the manner
6 prescribed for dealers in this chapter.

7 2. Any owner or operator of a motor vehicle who [shall import]
8 imports motor vehicle fuel or other fuel or material, except special fuel
9 as defined in NRS 366.060, into this state, from another state or from
10 federal proprietary lands or reservations, in the fuel tank or tanks of any
11 [such] motor vehicle in a quantity exceeding 25 gallons, shall, upon
12 demand of the department or its duly authorized agent, pay to the
13 department on [such] *the* excess motor vehicle fuel the excise tax
14 required to be paid by dealers.

15 3. Nothing in this chapter shall be construed to require more than
16 one payment of any excise tax upon or in respect to the same fuel.

17 SEC. 6. NRS 365.430 is hereby amended to read as follows:

18 365.430 1. Except as otherwise provided in NRS 494.043, all
19 claims for refunds under this chapter [shall] *must* be paid from the com-
20 bined gas tax fund upon claims presented by the department, approved
21 by the state board of examiners, and allowed and paid as other claims
22 against the state are allowed and paid.

23 2. Any refunds to be made of the taxes provided for in [NRS 365.-
24 180 and 365.190 shall] *column C or column D of subsection 1 of sec-*
25 *tion 2 of this act must* be paid in the manner provided in this chapter and
26 deducted from the amount of any later payment to the county or counties
27 in which the taxes were collected.

28 SEC. 7. NRS 365.535 is hereby amended to read as follows:

29 365.535 1. It is declared to be the policy of the State of Nevada to
30 apply the motor vehicle fuel tax paid on fuel used in watercraft for
31 recreational purposes during each calendar year, which is hereby declared
32 to be not refundable to the consumer, for the improvement of boating
33 and other outdoor recreational facilities associated with boating and
34 for the payment of the costs incurred, in part, for the administration
35 and enforcement of the provisions of chapter 488 of NRS (Nevada Boat
36 Act).

37 2. The amount of excise taxes paid on all motor vehicle fuel used in
38 watercraft for recreational purposes must be determined annually by the
39 department by use of the following formula:

40 (a) Multiplying the total boats with motors registered the previous
41 calendar year, pursuant to provisions of chapter 488 of NRS, times
42 220.76 gallons average fuel purchased per boat; and

43 (b) Adding 566,771 gallons of fuel purchased by out-of-state boaters
44 as determined through a study conducted during 1969-1970 by the
45 division of agricultural and resource economics, Max C. Fleischmann
46 college of agriculture, University of Nevada, Reno; and

47 (c) Multiplying the total gallons determined by adding the total
48 obtained under paragraph (a) to the figure in paragraph (b) times [the
49 excise tax rates levied under the provisions of NRS 365.170 to 365.190,

1 inclusive,] 6 cents per gallon, less the percentage of the [rate] tax
2 authorized to be deducted by the dealer pursuant to NRS 365.330.

3 3. The department of wildlife shall submit annually to the depart-
4 ment, on or before April 1, the number of boats with motors registered
5 in the previous calendar year. On or before June 1, the department,
6 using that data, shall compute the amount of excise taxes paid on all
7 motor vehicle fuel used in watercraft for recreational purposes based
8 on the formula set forth in subsection 2, and shall certify the apportion-
9 ment and distribution ratio as defined in subsection 4, in writing, to the
10 department of wildlife and to the division of state parks of the state
11 department of conservation and natural resources for the next fiscal
12 year.

13 4. In each fiscal year, the state treasurer shall, upon receipt of the
14 tax money from the department collected pursuant to the provisions of
15 [NRS 365.170 to 365.190, inclusive,] section 2 of this act, allocate the
16 remittances and deposits made pursuant to subsections 1 and 2, in
17 proportions directed by the legislature, to:

18 (a) The wildlife account in the state general fund. This money may
19 be expended only for the administration and enforcement of the pro-
20 visions of chapter 488 of NRS and for the improvement of boating
21 facilities and other outdoor recreational facilities associated with boating
22 on state-owned wildlife management areas. Any of this money declared
23 by the department of wildlife to be in excess of its immediate require-
24 ments for these purposes may be transferred to the credit of the parks
25 marina development fund for use by the division of state parks of the
26 state department of conservation and natural resources in accordance
27 with the provisions of paragraph (b).

28 (b) The parks marina development fund which is hereby created as
29 a special revenue fund for use by the division of state parks of the
30 state department of conservation and natural resources. All money so
31 deposited to the credit of the division of state parks may be expended
32 only as authorized by the legislature for the improvement of boating
33 facilities and other outdoor recreational facilities associated with boating.

34 5. Remittances and deposits required to be made by the state
35 treasurer pursuant to the provisions of subsection 4 may be made
36 quarterly or oftener if convenient to the state treasurer.

37 SEC. 8. NRS 365.540 is hereby amended to read as follows:

38 365.540 1. The [money collected as] amount per gallon prescribed
39 by [NRS 365.170] column B of subsection 1 of section 2 of this act
40 and 365.185, after the remittances and deposits have first been made
41 pursuant to the provisions of NRS 365.535, [shall] must be placed to
42 the credit of the state highway fund by the state treasurer.

43 2. The [money collected as] amounts per gallon prescribed by
44 [NRS 365.180 and 365.190,] column C and column D of subsection 1
45 of section 2 of this act, after the remittances and deposits have first been
46 made pursuant to the provisions of NRS 365.535, [shall] must be allo-
47 cated by the department to the counties as prescribed in NRS 365.550
48 and 365.560.

49 3. The money collected as prescribed by NRS 365.200 [shall] must

1 be allocated by the department as prescribed by NRS 365.550 and
2 365.560.

3 SEC. 9. NRS 365.550 is hereby amended to read as follows:

4 365.550 1. The [receipts of the tax as levied in NRS 365.180]
5 amount per gallon prescribed by column C of subsection 1 of section 2
6 of this act must be allocated monthly by the department to the counties
7 upon the following formula:

8 (a) One-fourth in proportion to total area.

9 (b) One-fourth in proportion to population.

10 (c) One-fourth in proportion to road mileage and street mileage (non-
11 federal aid primary roads).

12 (d) One-fourth in proportion to vehicle miles of travel on roads (non-
13 federal aid primary roads).

14 2. The amount due to the counties under the formula must be
15 remitted monthly. The state controller shall draw his warrants payable to
16 the county treasurer of each of the several counties, and the state treas-
17 urer shall pay the warrants out of the proceeds of the tax [levied in
18 NRS 365.180.] on motor vehicle fuel.

19 3. Money received by the counties by reason of the provisions of
20 this section must be used exclusively for the service and redemption of
21 revenue bonds issued pursuant to chapter 373 of NRS, for the construc-
22 tion, maintenance and repair of county roads, and for the purchase of
23 equipment for that work, under the direction of the boards of county
24 commissioners of the several counties, and must not be used to defray
25 expenses of administration.

26 4. The formula computations must be made as of July 1 of each
27 year by the department, based on estimates which must be furnished by
28 the department of transportation. The determination so made by the
29 department is conclusive.

30 SEC. 10. NRS 365.560 is hereby amended to read as follows:

31 365.560 1. The [receipts of the tax as levied in NRS 365.190
32 shall] amount per gallon prescribed by column D of subsection 1 of
33 section 2 of this act must be allocated monthly by the department to the
34 counties in which the tax payment originates.

35 2. [Such receipts shall] This amount must be apportioned between
36 the county, towns with town boards as organized under NRS 269.016 to
37 269.019, inclusive, and incorporated cities within the county from the
38 general road fund of the county in the same ratio as the assessed valua-
39 tion of property within the boundaries of such towns or incorporated
40 cities within the county bears to the total assessed valuation of property
41 within the county, including property within the towns or incorporated
42 cities.

43 3. All [such] money so apportioned to a county [shall] must be
44 expended by the county solely for the service and redemption of revenue
45 bonds issued pursuant to chapter 373 of NRS, for the construction, main-
46 tenance and repair of the public highways of the county and for the
47 purchase of equipment for such work, and [shall] must not be used to
48 defray the expenses of administration.

49 4. All [such] money so apportioned to towns or incorporated cities
50 [shall] must be expended only upon the streets, alleys and [public]

1 highways of [such] the town or city, other than state-highways, under
2 the direction and control of the governing body of the town or city.

3 SEC. 11. NRS 366.190 is hereby amended to read as follows:

4 366.190 A tax is hereby imposed [at the rate of 6 cents] in the
5 amount per gallon on the sale or use of special fuels [.] which equals the
6 amount in column A opposite the price range used during the month in
7 which the sale or use was made, for determining the tax on motor vehicle
8 fuel in subsection 1 of section 2 of this act.

9 SEC. 12. NRS 373.120 is hereby amended to read as follows:

10 373.120 1. No county motor vehicle fuel tax ordinance [shall]
11 may be repealed or amended or otherwise directly or indirectly modified
12 in such a manner as to impair adversely any outstanding bonds issued
13 hereunder or other obligations incurred hereunder, until all obligations
14 for which revenues from such ordinance have been pledged or other-
15 wise made payable from such revenues, pursuant to this chapter, have
16 been discharged in full, but the board may at any time dissolve the com-
17 mission and provide that no further obligations [shall] may be incurred
18 thereafter.

19 2. The faith of the State of Nevada is hereby pledged that this
20 chapter, [NRS 365.180 to 365.200, inclusive,] section 2 of this act
21 and NRS 365.200, and any law supplemental thereto, including without
22 limitation, provisions for the distribution to any county designated in
23 NRS 373.030 of the proceeds of the motor vehicle fuel taxes collected
24 thereunder, shall not be repealed nor amended or otherwise directly or
25 indirectly modified in such a manner as to impair adversely any out-
26 standing bonds issued hereunder or other obligations incurred here-
27 under, until all obligations for which any such tax proceeds have been
28 pledged or otherwise made payable from such tax proceeds, pursuant to
29 this chapter, have been discharged in full, but the State of Nevada
30 may at any time provide by act that no further obligations [shall] may
31 be incurred thereafter.

32 SEC. 13. NRS 373.130 is hereby amended to read as follows:

33 373.130. 1. [Funds] Money for the payment of the cost of a
34 project within the area embraced by the streets and highways plan
35 described in NRS 373.030 may be obtained by the issuance of revenue
36 bonds and other revenue securities as provided in subsection 2 of this
37 section, or, subject to any pledges, liens and other contractual limita-
38 tions made hereunder, may be obtained by direct distribution from the
39 regional street and highway fund, except to the extent any such use is
40 prevented by the provisions of NRS 373.150, or may be obtained both
41 by the issuance of such securities and by such direct distribution, as the
42 board may determine. [Funds] Money for street and highway con-
43 struction outside the area embraced by [such] the plan may be distri-
44 buted directly from the regional street and highway fund as provided
45 in NRS 373.150.

46 2. The board may, after the enactment of an ordinance as author-
47 ized by NRS 473.030, from time to time issue revenue bonds and other
48 revenues securities, on the behalf and in the name of the county:

49 (a) The total of all of which, issued and outstanding at any one
50 time, [shall] must not be in an amount requiring a total debt service

1 in excess of the estimated receipts to be derived from the tax imposed
2 pursuant to the provisions of NRS 373.030; and

3 (b) Which **[shall]** *must* not be general obligations of the county or
4 a charge on any real estate therein; but

5 (c) Which may be secured as to principal and interest by a pledge
6 authorized by this chapter of the receipts from the motor vehicle fuel
7 taxes herein designated, except such portion of such receipts as may be
8 required for the direct distributions authorized by NRS 373.150.

9 3. A county **[is authorized to]** *may* issue bonds without the neces-
10 sity of their being authorized at any election in such manner and with
11 such terms as herein provided.

12 4. Subject to the provisions of this chapter, for any project author-
13 ized therein the board of any county, as the board may determine from
14 time to time, may, on the behalf and in the name of the county, borrow
15 money, otherwise become obligated, and evidence such obligations by the
16 issuance of bonds and other county securities, and in connection with
17 such undertaking or such project, the board may otherwise proceed as
18 provided in the Local Government Securities Law, as from time to time
19 amended.

20 5. **[All such securities shall]** *These securities* constitute special
21 obligations payable from the net receipts of the motor vehicle fuel taxes
22 designated in this chapter except as otherwise provided in NRS 373.150,
23 and the pledge of revenues to secure **[the payment of such securities**
24 **shall be]** *their payment is limited to [such] these* net receipts.

25 6. Except for:

26 (a) Any notes or warrants which are funded with the proceeds of
27 interim debentures or bonds;

28 (b) Any interim debentures which are funded with the proceeds of
29 bonds;

30 (c) Any temporary bonds which are exchanged for definitive bonds;

31 (d) Any bonds which are reissued or which are refunded; and

32 (e) The use of any profit from any investment and reinvestment for
33 the payment of any bonds or other securities issued hereunder,
34 all bonds and other securities issued hereunder **[shall be]** *are* payable
35 solely from the proceeds of motor vehicle fuel taxes collected by or
36 remitted to the county pursuant to chapter 365 of NRS, as supplemented
37 by this chapter. Receipts of the taxes levied in **[NRS 365.180 and 365.-**
38 **190]** *section 2 of this act* and accounted for in the general road fund of
39 the county may be used by the county for the payment of securities issued
40 hereunder and may be pledged therefor. If during any period any securi-
41 ties payable from **[such]** *these* tax proceeds are outstanding, **[such tax**
42 **receipts shall]** *the tax receipts must* not be used directly for the construc-
43 tion, maintenance and repair of any streets, roads or other highways nor
44 for any purchase of equipment therefor, and the receipts **[of the tax**
45 **levied in NRS 365.190 shall]** *representing the amount specified in*
46 *column D of subsection 1 of section 2 of this act must* not be apportioned
47 pursuant to subsection 2 of NRS 365.560 unless, at any time such tax
48 receipts are so apportioned, provision has been duly made in a timely
49 manner for the payment of such outstanding securities as to the principal
50 of, any prior redemption premiums due in connection with, and the

1 interest on the securities as the same become due, as provided in the
2 securities, the ordinance authorizing their issuance, and any other instru-
3 ment appertaining to the securities.

4 7. The ordinance authorizing the issuance of any bond or other
5 revenue security hereunder [~~shall~~] *must* describe the purpose for which
6 it is issued at least in general terms and may describe the purpose in
7 detail. Nothing herein contained shall be construed as requiring the pur-
8 pose so stated to be set forth in the detail in which the project approved
9 by the commission pursuant to subsection 2 of NRS 373.140 is stated,
10 nor as preventing the modification by the board of details as to the pur-
11 pose stated in the ordinance authorizing the issuance of any bond or
12 other security after its issuance, subject to such approval by the com-
13 mission of the project as so modified.

14 SEC. 14. NRS 365.180 and 365.190 are hereby repealed.