

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON TRANSPORTATION**

**Seventy-Third Session
May 19, 2005**

The Committee on Transportation was called to order at 1:45 p.m., on Thursday, May 19, 2005. Chairman John Ocegüera presided in Room 3143 of the Legislative Building, Carson City, Nevada, and, via simultaneous videoconference, in Room 4401 of the Grant Sawyer State Office Building, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. All exhibits are available and on file at the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Mr. John Ocegüera, Chairman
Ms. Genie Ohrenschall, Vice Chairwoman
Mr. Kelvin Atkinson
Mr. John Carpenter
Mr. Chad Christensen
Mr. Jerry Claborn
Ms. Susan Gerhardt
Mr. Pete Goicoechea
Mr. Joseph Hogan
Mr. Mark Manendo
Mr. Rod Sherer

COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

Senator Sandra Tiffany, Clark County Senatorial District No. 5

STAFF MEMBERS PRESENT:

Marjorie Paslov Thomas, Committee Policy Analyst
Angela Flores, Committee Manager
Linda Ronnow, Committee Attaché

OTHERS PRESENT:

Jacob Snow, General Manager, Regional Transportation Commission of Southern Nevada

Tom Skancke, Legislative Advocate, representing Viacom Outdoor
Troy Dillard, Administrator, Compliance Enforcement Division, Nevada Department of Motor Vehicles

Daryl Capurro, Managing Director, Nevada Motor Transport Association

Neena Laxalt, Legislative Advocate, representing Nevada Propane Dealers Association

Chairman Oceguera:

[Meeting called to order. Roll called.] We have a work session today. We will start with S.B. 251.

Senate Bill 251 (1st Reprint): Authorizes operation of certain motor vehicles without front license plate under certain circumstances. (BDR 43-463)

Marjorie Paslov Thomas, Committee Policy Analyst:

[Distributed Exhibit B.] Senate Bill 251 was sponsored by Senator Raggio. We heard this bill on April 28, 2005. It allows vehicles that are not manufactured with any bracket, device, contrivance, or other means by which to attach a front license plate to have only one license plate attached to the rear of the vehicle. Currently, you are required to have a front license plate and a back license plate on a vehicle. There are no amendments.

Assemblyman Carpenter:

I was wondering if they should carry the other plate in the vehicle.

Chairman Oceguera:

Why?

Assemblyman Carpenter:

They wouldn't lose it if they carried it in the vehicle.

Assemblyman Manendo:

If we exempt certain vehicles just because they don't have a bracket, then I think everybody should be exempted from it. It's about fairness, and if you are going to say that certain people with certain cars do not have to follow the law,

then I think that is discriminatory, and I am not going to support the bill for that reason.

ASSEMBLYWOMAN GERHARDT MOVED TO DO PASS
SENATE BILL 251.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

THE MOTION CARRIED, WITH ASSEMBLYMAN MANENDO
VOTING NO. (Mr. Christensen was not present for the vote.)

Chairman Oceguera:

Let's go to S.B. 327.

Senate Bill 327: Transfers authority to provide for benches and shelters for public mass transportation from local governments to regional transportation commission in certain larger counties. (BDR 32-1167)

Marjorie Paslov Thomas, Committee Policy Analyst:

Senate Bill 327 was sponsored by Senator Lee, and it was heard on April 28, 2005. This bill transfers the authority to provide for construction and maintenance of benches and bus shelters to the Regional Transportation Commission (RTC) in a county whose population is 400,000 or more. This would affect the RTC of Southern Nevada. The measure allows the RTC to provide these services on an exclusive basis, adopt a regulatory scheme governing the provision of these services, or grant a person an exclusive franchise to provide these services. It also prohibits any board of county commissioners, governing body of an incorporated city, or town board from providing for the construction or maintenance of such benches and shelters. There are several proposed amendments. Behind Tab B ([Exhibit B](#)) is some proposed language for establishing a citizens' advisory committee, which is the fifth amendment.

- Amend the bill to add a new section to require the RTC to construct not fewer than 20 new bus shelters throughout the county each year beginning with the 2005-2006 biennium, which begins July 1, 2005. The bill is effective July 1, 2005, so that coincides with the date. I spoke with the RTC and they would be happy to do it on a fiscal year, because it begins on July 1 and ends on June 30.

- Amend the bill to require the RTC, when feasible, to construct benches and bus shelters on fixed bus routes with a wait time of more than 45 minutes between buses.
- Amend the bill to add a new section providing that, on or before January 15, 2007, the RTC must prepare and submit a report concerning the location of new benches and bus shelters constructed during the interim; its activities concerning future construction of bus shelters throughout the Las Vegas Valley; future plans to better maintain existing bus shelters, which may include renegotiating existing contracts with franchisees of bus shelters; and activities of the Community Advisory Committee. The Community Advisory Committee is currently a committee of the RTC that studies bus shelters and benches. The citizens' advisory committee is the fifth conceptual amendment, so that will only apply if you adopt amendment 5. The report must be submitted through the director of the LCB for transmission to the 2007 Legislature.
- Amend the bill to require the RTC to post a notice on a bench or within a bus shelter that contains a contact name and telephone number for a person who believes there is damage to that bench or bus shelter.
- Amend the bill to add a new section to require the RTC to establish a citizens' advisory committee, composed of representatives of the general public, to provide input and advice to the RTC concerning the construction and maintenance of benches and bus shelters for passengers of the buses and the county.

[Marjorie Paslov Thomas, continued.] Tab B ([Exhibit B](#)) has a proposal for language that was prepared by the Legal Division for Senator Lee, regarding the composition of the citizens' advisory committee.

Assemblyman Manendo:

Would this be a new committee?

Chairman Ocegüera:

We were unaware that they already had a citizens' advisory committee. We wanted to put it into statute so that we would know they were discussing this issue.

Assemblyman Sherer:

It has come to my attention that there was a breakdown in communication that caused this frustration to begin with. All you have to do is make a phone call, and the company that takes care of the shelters will be able to locate them

anywhere. It doesn't seem that we need to go through a whole new creation to be able to take care of that. If a set of plans had been in place, this would not have happened, and the lady would not have had to stand behind the bus stop sign to shade herself. She would have had a bus shelter in the area. I think this is unnecessary.

Assemblyman Atkinson:

I think this is a good piece of legislation. I will be in favor of this measure for reasons that I alluded to during the hearing of the bill. Certain areas are in desperate need of this measure. I will be supporting this bill.

Assemblyman Christensen:

After looking into it and meeting with representatives involved, I found out it doesn't take a rocket scientist to get a bus stop put where you want one. This affects private industry and local government. I think we should follow the protocol that is already established, and make a phone request for them to come out and put bus stops where they are needed. Considering the testimony from local government and others involved, I will not be supporting this bill.

Chairman Ocegüera:

I think the phone call idea would be a good thing, but during the last couple of years, there were no shelters erected.

Assemblyman Atkinson:

Several of us asked the question, "How do we get a bus stop shelter at a place we perceived as an area that needed one?" The sponsor of this bill also spoke to the fact that he's made several phone calls about bus shelters at certain places, and it has not happened. I made phone calls about shelters for my own district three years ago, and it still hasn't happened. For people to sit here on this Committee and say, "All you have to do is make a phone call," I think is ridiculous. If that were the case, the bill would not be here.

Assemblyman Goicoechea:

Are all local governments exempted from the amendment other than RTC? It says, "No board of county commissioners, governing body of an incorporated city, or town board, may provide for the construction of."

Chairman Ocegüera:

It says, ". . . in a county of 400,000 or more."

Assemblyman Goicoechea:

I don't see in the amendment or the proposed amendment where it talks about constructing a lot fewer than 20 shelters.

Chairman Ocegüera:

That is correct. That is one of the problems that I saw with the bill, because we could be faced with the same problem we had before. That is why we put in a number.

Assemblyman Goicoechea:

Will it be incorporated into it?

Chairman Ocegüera:

Yes. It is conceptual right now in the Work Session Document ([Exhibit B](#)).

Assemblyman Manendo:

It's not just the building of the shelters, but the maintenance, graffiti, and trash. I have seen citizens cleaning the area. I am offended by the suggestion that just picking up the phone will solve the problem; it is not happening. The current system is broken, and I commend the Senator from North Las Vegas for bringing this bill forward.

Chairman Ocegüera:

I agree with the graffiti part, and that is why we put the telephone number in, so at least people will know who to call for repairs.

ASSEMBLYMAN ATKINSON MOVED TO AMEND AND DO PASS
SENATE BILL 327.

ASSEMBLYMAN MANENDO SECONDED THE MOTION.

Assemblyman Goicoechea:

It seems to me that the RTC is responsible. They have a contractor in place that has been maintaining these shelters and benches.

Marjorie Paslov Thomas:

Currently, the local entities and RTC have contracts with franchisee companies that get the money to build these from advertising and other means. On the effective date of the bill, July 1, all of those contracts from the local entities will go over to the RTC, and they take control of constructing and maintaining the bus shelters.

Jacob Snow, General Manager, Regional Transportation Commission of Southern Nevada:

Prior to last year we didn't have any contracts or responsibility for maintenance, construction, or installation of bus shelters. That was all done through the entities. Last year we started our Metropolitan Express System, and we now have 20 shelters that are in one corridor that we maintain, and we own and operate those. Those are the only ones throughout the system. We don't receive any revenue from advertising for maintenance or construction of shelters.

Assemblyman Goicoechea:

After July 1, 2005, will you receive revenue from advertising?

Jacob Snow:

Yes, sir. If this bill is passed as it is proposed to be amended, we would have that capability.

Assemblyman Sherer:

Can the company that is currently taking care of these shelters elaborate on this issue?

Tom Skancke, Legislative Advocate, representing Viacom Outdoor:

We have been providing bus stop shelters for 15 years throughout southern Nevada. Our markets are North Las Vegas, Clark County, and the city of Las Vegas. I am not formally representing them today, but I wanted to clarify some things. After representing the bus stop shelter industry for the past 15 years in Southern Nevada, I might be able to clear up some misconceptions. When an elected official in Clark County, North Las Vegas, or the city of Las Vegas, has called my client or its predecessor in the past 15 years, we have put in a shelter. If you personally have not called us, I will give you my business card and you can call. If there has been a need for a shelter, it has been put in.

In the outlying areas of Clark County, the city of Las Vegas, and North Las Vegas, those are non-revenue generating shelters. We make our revenue primary off the Strip. We have a public/private partnership with the local governments. We put those shelters in—most of the time, in the rural parts of the city and county—at a loss. Six weeks ago we went to Clark County to renegotiate our contract, to go from a \$600,000-per-month payment to a \$300,000-per-month payment to the county. The reason for that is that the revenues are just not there. If you passed an amendment like you have today, you would be in violation of our contract by allowing another local government entity to take over construction. We have a franchise agreement with those entities, and that would be in violation of our contract.

[Tom Skancke, continued.] If you put this unfunded mandate on the RTC, I don't know where the revenues will come from to maintain, light, clean, and construct these shelters. If they are hit by a car or bus, someone has to rebuild and maintain them. Someone has to replace the glass and electrical system. Whenever an elected official has called us in the past 15 years, a shelter or a bench has been constructed within 60 days.

I can tell you that the individual in North Las Vegas who was responsible for this, Mr. Ray Burke, retired two years ago. Anytime that Ray Burke called me within the past 15 years and wanted a shelter, we put it in. I could provide you with a list of the shelters that Mr. Burke called us for. Are they everywhere they should be? Absolutely not. We put them in as they are requested to be put in by the local governments.

I have renegotiated these contracts, and I have negotiated them for a significant amount of time. I don't want you to have any misconceptions about what is happening in Clark County, the city of Las Vegas, or North Las Vegas. We do not have the contract in Henderson. If there is a shelter or a bench that anyone on this Committee would like, contact me, and I will put in a shelter or a bench. I will guarantee to you it will get done, provided that I can get the right-of-way and access.

There have been comments made that this is a big revenue generator, and it's all about big business. It is not about big business. You might wonder how we can operate at a loss. We are an outdoor company. We own CBS [Columbia Broadcasting System], radio stations, and billboards. When a customer comes to our market in Las Vegas, they will probably purchase 5 to 10 billboards throughout the area. We can offer them a shelter as an added bonus to their purchase.

It's all part of an ongoing marketing package that Viacom Outdoor does on a national basis. They have national media buyers that sell in every market. When Coca-Cola comes to spend \$500,000 this year on outdoor media in Las Vegas, San Francisco, and Los Angeles, these are our markets. They sell it as a huge marketing package.

Chairman Ocegüera:

I have had Legal look at the legal issue, and they don't seem to see it the way you do. The bill in the original form says that those contracts will then go to the RTC.

Assemblywoman Gerhardt:

I understand that your intent is to be reassuring, but I am disturbed when you say, "Anytime an elected official calls, you respond." What worries me is when the senior citizen in my district calls you, and you don't respond. I don't think you should have to have a title in front of your name in order to get the kind of attention that you just elaborated on.

Tom Skancke:

I am not aware of that; I am not inside of the company. I am a contract consultant for Viacom. If that is happening, then there can be a provision put into the contract. If a corporation responded to 1.7 million constituents in Clark County, we would take 1.7 million phone calls a day. The way to determine where a shelter will be located is ridership, the request by the local entity, and where the bus stop is actually located.

In 1992, Councilman Arnie Adamson had a shelter that he wanted on Oakey Boulevard and Rainbow Boulevard. Someone had taken a chain and two lawn chairs, wrapped the chairs, and locked them onto a pole with a sign that said, "Please don't take my chairs; this is for my bus stop." Within 30 days, we put a shelter in because that person actually contacted a city councilman. I am not sure how you solve the problem of constituents calling a company. It would be like someone calling and saying they wanted to put their ad on the radio. If every rider of the bus system called and wanted a shelter or a bench, that would get expensive and create a lot of phone calls.

Assemblywoman Gerhardt:

What this sounds to me like is that it is determined by how much clout the person calling you has, not by need or ridership.

Tom Skancke:

Ridership is determined by RTC—where the buses are—and also determined by the local entity. If I called Viacom and said, "I want a shelter here," I am not sure I would get a response. It's not about a title; it's about how those things are determined within a county, RTC, and the city of Las Vegas as to how those things are worked out. I don't put the bus routes together or determine the riderships, and I am not sure that this legislation or the amendments would solve that problem. We are not a government entity or an elected official that responds in that manner; we are a corporation. If that constituent called our office and complained about something, we would reach out to the elected official in that district. We would want to find out if the ridership was there to provide for that shelter. We respond to the requests of our contractees, who are the city of Las Vegas, Clark County, and the city of North Las Vegas. It is mostly directly through Public Works.

Assemblyman Hogan:

Does the contract that you have with each of the entities grant you an exclusive right to be the only company that can provide the shelters and advertisements?

Tom Skancke:

We don't have an exclusive contract. There are two providers in southern Nevada. Our contract is a five-year contract, with two five-year extensions. We have to negotiate at the end of five years. We just recently renegotiated our contract with Clark County because the revenues were down and we were losing money on our contract. Each city is structured differently, but they are similar in the five-year contracts with the five-year extensions.

Assemblyman Goicoechea:

You stated that you weren't responsible for Henderson. How do they handle it in Henderson?

Tom Skancke:

I believe the name of the company that handles Henderson is Lamar Outdoor. We have the contract in North Las Vegas, and Lamar and Viacom share the contract in Clark County.

Assemblyman Goicoechea:

If you have a contract with the city of Las Vegas, North Las Vegas, and Clark County, you could roll them to the RTC. It looks like those contracts would just roll on over and be in place.

Assemblyman Atkinson:

You mentioned a few levels of government that were able to call and get a shelter. Senator Lee and I have called and have not been able to get a shelter. As elected officials, are we not high enough? Should we be contacting our county officials and asking them to do it for us? I have been told that there is a certain pecking order that they come up in; a certain amount of ridership determines where they will be placed.

Tom Skancke:

That is not how I operate my company. I look at everyone as people, not pecking order or title. I addressed Senator Lee's concern as well. In his particular case, the CEO [chief executive officer] of Viacom Outdoor did contact him directly. These contracts are very sensitive, and we do respond to the proprietors who hold those contracts, and those are the cities and counties that we deal with. If any of you have ever been offended by my client or the other provider, I apologize for them. My client and I tend to respond to requests by

individuals and elected officials, whatever their title; we try to respond to them the best way we know how.

Chairman Oceguela:

A motion is on the floor to amend and do pass S.B. 327.

THE MOTION CARRIED, WITH ASSEMBLYMAN CARPENTER,
ASSEMBLYMAN CHRISTENSEN, AND ASSEMBLYMAN SHERER VOTING
NO.

Chairman Oceguela:

We will move to S.B. 55.

Senate Bill 55 (1st Reprint): Authorizes certain persons to arrange sale of certain governmental vehicles without being licensed as broker or dealer. (BDR 43-722)

Marjorie Paslov Thomas, Committee Policy Analyst:

Senate Bill 55 is sponsored by Senator Tiffany and was heard on May 5, 2005. It provides that a person who operates or does business as an advertising company is not required to be licensed as a vehicle broker or dealer, if that person engages in certain advertising activities to assist the state of Nevada, a political subdivision of the state, or an agency or instrumentality of either, to sell its vehicles.

The bill stipulates that the advertiser's activities must be limited to the following:

- He photographs the vehicles and lists them for sale on the Internet.
- He does not take possession of the vehicles for any purpose.
- He does not alter, process, or otherwise handle vehicle certificates of title or bills of sale.
- He does not negotiate the sales price of vehicles.
- If he is compensated for his services, he must receive a flat rate for each vehicle listed and sold.

There are no proposed amendments.

Assemblyman Atkinson:

How many companies or organizations do we have in the state that conduct this kind of business?

Marjorie Paslov Thomas:

I spoke to the DMV [Nevada Department of Motor Vehicles], and they do not know the exact number of people who are operating like this.

Troy Dillard, Administrator, Compliance Enforcement Division, Nevada Department of Motor Vehicles:

Presently, the way S.B. 55 is worded, there is nobody doing it. Senator Tiffany is the only entity that I am aware of who has entered into a contractual agreement with any of the governments. That contract has been set up as an advertiser. In that contract she receives a fee, regardless of the sale of the vehicle. It is set up for advertising, as opposed to profiting for the sale of the vehicle. There are auction houses that can conduct the same kind of sale for a government entity, provided that they receive flat fees and are not being compensated on the actual sale of the vehicles. They are just being paid a flat fee for their services, provided it's a government entity that makes that exempt sale.

There are other auction houses—who are licensed dealers—who deal with titles and transfers of vehicles. Most of those individuals are licensed. Senate Bill 55 would open it to anybody who effectively wanted to enter into a contract with the government to sell vehicles on its behalf for a flat fee.

Assemblyman Atkinson:

You are saying that there is only one entity doing this, and if this passed, it would open the door for others? In the current form, I don't care for the bill.

Troy Dillard:

That is correct.

Assemblyman Hogan:

I look for some broad advantage for the people of the state when considering any change in law. I don't see that this in any way guarantees that we get a higher return for vehicles or other materials we might be selling. I am not particularly opposed to the bill, but I am not impressed with the fact that it gives us any assurances of a general benefit to the state.

Assemblywoman Ohrenschall:

If there is only one business, could this be viewed as special legislation? It has been a while since I have dealt with this topic; perhaps it could be looked into.

Assemblyman Sherer:

We did this same thing in Nye County. We were having problems getting rid of our vehicles, and the Senator was able to help us out. It has been very lucrative for us to sell some of the vehicles. I will be voting yes on this bill.

Assemblyman Goicoechea:

My colleague in southern Nevada says he doesn't see any far-reaching benefit to the program. I don't see anything that is going to cause any harm, so I will support the bill.

ASSEMBLYMAN SHERER MOVED TO DO PASS SENATE BILL 55.

ASSEMBLYMAN GOICOECHEA SECONDED THE MOTION.

Assemblyman Atkinson:

I have to agree with Assemblywoman Ohrenschall. It seems a bit unethical, and I will not be voting for it.

Assemblyman Carpenter:

If we open it up so that other people can do it, then it's not special legislation.

Assemblywoman Ohrenschall:

I would feel better voting on it if we could have an opinion from our Research Department.

Chairman Oceguera:

Research doesn't really do opinions. I want to be sure that I have the proper constitutional backing. I will vote against the bill.

THE MOTION FAILED BY VOICE VOTE.

Chairman Oceguera:

We will move to S.B. 288.

**Senate Bill 288 (1st Reprint): Revises provisions regarding alternative fuels.
(BDR 43-889)**

Marjorie Paslov Thomas, Committee Policy Analyst:

Senate Bill 288 was sponsored by Senator Tiffany and was heard on May 10, 2005. This adds to the statutory definition of "alternative fuel" the following: methanol; ethanol; other alcohol, or any mixture thereof, containing 85 percent or more by volume of such an alcohol with gasoline or other fuels; natural gas; liquefied petroleum; hydrogen; and electric power.

The measure also exempts from emission testing requirements vehicles that run on any of these fuels, and which do not operate on gasoline.

There are two proposed conceptual amendments that I took from the hearing. The first one was made by Senator Tiffany. It would amend the bill to delete Section 3 and Section 4, which provides an exemption from emission testing for all vehicles. Dan Hyde, Executive Director, Las Vegas Regional Clean Cities Coalition, proposed to amend the bill to add a "hybrid vehicle" to the definition of alternative fuels. If you look behind Tab A ([Exhibit B](#)), it was requested to have a fiscal note prepared by the Department of Motor Vehicles based on the first reprint.

Assemblyman Goicoechea:

Could you give us a description of the fiscal note?

Troy Dillard, Administrator, Compliance Enforcement Division, Nevada Department of Motor Vehicles:

This only affects those if Sections 3 and 4 are left in the bill as it exists prior to the proposed amendment.

- Diesel vehicles presently tested could use biodiesel and get an exemption.
- E85 fuel, which is ethanol fuel 85 percent or greater.
- Heavy-duty diesel vehicles, which are tested on the side of the road with the heavy-duty diesel program presently, based on visual emissions. Those also under the wording of the existing bill would receive an exemption if they are running biodiesel or E85.

Assemblyman Goicoechea:

Is there a cost associated with doing the testing? It's not all income?

Troy Dillard:

The testing itself on the diesels is done primarily by private industry. You have the businesses that have invested in the equipment for the diesel testing requirement. Presently, none of the government fleets have diesel testing analyzers, so they have to go to the private industry to supply that. The cost

associated is basically the purchasing of the emissions certificate. Effectively, you could have an impact on the heavy-duty diesel program by eliminating it.

Assemblyman Goicoechea:

You have Compliance Enforcement doing that.

Troy Dillard:

That is correct. That particular budget account is paid for from the testing fees that exist. It's not a taxable situation; it's generated from the fees from the testing certificates for the emissions.

Assemblyman Goicoechea:

Would you be incurring the cost of having roadside inspections?

Troy Dillard:

For the heavy-duty diesel, yes, if you choose to exempt heavy-duty diesels from all emission testing.

Assemblyman Goicoechea:

Are natural gas and LPG [liquefied petroleum gas] exempt?

Troy Dillard:

Initially there was testimony regarding that. There are certain alternate fuels that are not tested presently. There is no true exemption that exists. The commission that was put together has been looking at the methodology and the standards for testing of those types of alternate fuel vehicles.

Assemblyman Claborn:

Why are we doing this? What are we trying to save? I don't see the need for this, and I can't support it.

Assemblywoman Gerhardt:

The alternate fuels are cleaner, but with time, if the engines aren't properly tuned and maintained, you can actually end up with a worse emissions problem than a regular engine. That worries me. If we are going to exempt out these vehicles, we could be emitting a lot more toxins in the air. Is that correct?

Troy Dillard:

Yes. If the vehicle is not operating properly, regardless of the type of fuel it's running on, it could be putting out emissions that are not meeting the standards.

Daryl Capurro, Managing Director, Nevada Motor Transport Association:

Any vehicle that gets out of tune or has problems with the spark ignition system ends up polluting much worse than if it was uncontrolled and in good running order.

In A.B. 36 of the 72nd Legislative Session, you added alternative fuels to the list of vehicles that would have to be tested. However, it was determined that they would not be inspected until this special committee came up with a protocol for the testing of alternative fuels. That Committee did come up with a recommended protocol and procedure, but they held off voting on it because S.B. 288 was in the Legislature. Had this passed, it would have become a moot point as far as testing those vehicles, so they held off. The procedure is ready to be voted on by that committee, assuming that Sections 3 and 4 are eliminated from this bill. There are many states that do test alternative fuel vehicles.

Assemblyman Claborn:

I was reading in the newspaper that the pollution in the state of Nevada has actually improved by 13 percent over what it was last year. I think we are doing pretty well without alternative fuel. I don't see any need for it. You have hydrogen in the bill, and most people don't even know what hydrogen is.

Daryl Capurro:

You may also recall that they built a new hydrogen production plant in the Las Vegas area. That is looking to the future as far as the use of hydrogen, and I think it is clearly an alternative fuel. The intent of the first two sections was to recognize those fuels that are truly alternatives to gasoline and diesel as standalone fuels. I have a problem with trying to be so specific in statute that you leave no room in the regulatory area to deal with it. I don't see anything particularly wrong with any of the additions that have been placed in this bill, so long as you don't exempt them from emissions testing.

Assemblyman Atkinson:

If a car goes to one of these for gas, is converted, and goes through the process of being exempt because of that, who is going to monitor whether they go back for emissions testing?

Daryl Capurro:

One of the concerns I have with adding hybrid fuels is that essentially, you are using gasoline or diesel and a combination of something else. There is no guarantee that they are going to be operating on one or the other. If you put hybrid vehicles as alternative fuel vehicles and thus exempt them from being tested, you are theoretically going to be eliminating a lot of gasoline or

diesel-powered vehicles from being tested. We have a state implementation plan and a local Clark County plan, because of the status in Clark County with the EPA [U.S. Environmental Protection Agency], which could be affected by doing that. My only concern with the bill is that we eliminate Sections 3 and 4 so that those vehicles will have to be inspected. As far as whether or not they are considered to be alternative fuels, I am not particularly concerned about that part.

Assemblyman Carpenter:

I think that adding the alternative fuels in Sections 1 and 2 is fine, and if we delete Sections 3 and 4, then we are taking out the exemption for hybrid vehicles.

Chairman Ocegüera:

I am not quite clear about the alternative fuel and special fuel conflict.

Neena Laxalt, Legislative Advocate, representing Nevada Propane Dealers Association:

There are two different sections of the law that deal with these vehicles. One is for the private sector, and that is listed as a special fuel vehicle. That portion of the statute was established for taxing purposes, because they were being taxed separately from gasoline. Alternative fuels fall under the chapter of fleets for government purposes only. When you are using this term "alternative fuel," the exemption is not for Mr. Joe Public; it's only for a government fleet. That is the only exemption that you have.

For many of these vehicles, the definition is now becoming very similar, but they are still a little out of alignment on what defines a special fuel vehicle and what defines an alternative fuel vehicle. Propane falls under both categories. They are required to establish standards for emission testing as of last session, but there is no testing for these vehicles right now. Nothing is being done yet; these vehicles were never emission tested or even required to be. The exemption in this bill only applies to government fleets.

Assemblyman Atkinson:

I have an issue with exempting government fleets. Why are we treating them differently from anyone else?

Neena Laxalt:

That was my argument last time. If Sections 3 and 4 of this bill stay in, that allows for an exemption. Private company special fuel vehicles that use these will still be required to be emission tested.

Troy Dillard:

That is not our interpretation of the way the bill reads. It exempts everybody under NRS [*Nevada Revised Statutes*] 445B.700 through 445B.845 from testing requirements. Sections 1 and 2 in the special fuels deal with the government fleets only, defining which vehicles qualify for special fuel treatment. That particular section does not apply to the DMV. We are here on Sections 3 and 4, which, by an interpretation of the bill, exempt all vehicles that could use any of those special fuels from emission testing. The fiscal note that you have is based upon the current E85 and diesel vehicles that are tested today. Those would qualify by simply filling out a waiver stating that they are using biodiesel. You can use biodiesel in one tank today and sign your waiver, and tomorrow use standard diesel. That was our concern with the bill.

Assemblyman Claborn:

What is this going to do for me, my constituents, and the public in the state of Nevada? Is this going to lower their taxes? How much is the hydrogen plant going to cost?

Daryl Capurro:

What Neena was saying with respect to the taxation of special fuels is correct. They fall under NRS Chapter 366, while gasoline stands by itself under NRS Chapter 365. Sections 3 and 4 deal with NRS 445B.759, which is the emission inspection. Therefore, I would concur with the DMV that if you leave Sections 3 and 4 in, that would exempt everybody. As far as whether or not alternative fuels will help you or anybody else in the future, I would hope we can become less dependent upon foreign oil or petroleum products. Some of this involves looking into the future, as to whether or not these fuels will be able to provide a significant amount of help to the environment. Right now they don't, because they are a very small percentage of the overall traffic stream. It doesn't hurt to have them in, but it also indicates to you that there are other fuels besides gasoline and diesel that are used to power vehicles, both light-duty and heavy-duty.

Assemblyman Claborn:

How many states use this?

Daryl Capurro:

Almost all states in the West that I am aware of have some definition of alternative fuels for purposes of taxation or emission inspections. Whether they have the same language that is contained in this bill under Sections 1 and 2, I could not tell you.

Assemblyman Claborn:

Can you name the states?

Daryl Capurro:

No. I was trying to hearken back to the testimony given on A.B. 36 of the 72nd Legislative Session, where there was some study done with respect to which states did test alternative fuels and what those alternative fuels were, but I don't have that information now.

Assemblyman Goicoechea:

I agree that there probably isn't a lot of savings to be recognized today, but we should move ahead with these alternative fuels—especially the biodiesel, methanol, and ethanol—and incorporate some other fuel mixtures so that we can move away from foreign oil.

Senator Sandra Tiffany, Clark County Senatorial District No. 5:

This bill was written for fleet managers. It was not written for anything other than government. There has been some misinformation here. It would be okay with me if you wish to exempt out the testing. The intent of the bill was originally to align the NAC [*Nevada Administrative Code*] with the statutes, which the staff could do, but I decided to bring the bill in myself. If you want to amend out the testing section and leave in Sections 1 and 2, that would be great.

Chairman Ocegüera:

I don't know if we got a good enough answer on the conflict of alternative fuel question.

ASSEMBLYMAN CARPENTER MOVED TO AMEND AND DO PASS
SENATE BILL 288, REMOVING SECTIONS 3 AND 4.

ASSEMBLYMAN GOICOECHEA SECONDED THE MOTION.

THE MOTION FAILED BY VOICE VOTE.

Assembly Committee on Transportation
May 19, 2005
Page 20

Chairman Ocegüera:

Tuesday we will have a joint hearing on A.B. 505. We will recess [at 2:55 p.m.]
[Meeting formally adjourned at 10:00 a.m. on May 20, 2005.]

RESPECTFULLY SUBMITTED:

Linda Ronnow
Committee Attaché

APPROVED BY:

Assemblyman John Ocegüera, Chairman

DATE: _____

EXHIBITS

Committee Name: Committee on Transportation

Date: May 19, 2005

Time of Meeting: 1:45 p.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
SB 251, SB 327, SB 55, SB 288,	B	Marjorie Paslov Thomas / Committee Policy Analyst	Work Session Document (13 pages)