

**MINUTES OF THE
SENATE COMMITTEE ON TRANSPORTATION**

**Seventy-Seventh Session
May 29, 2013**

The Senate Committee on Transportation was called to order by Chair Mark A. Manendo at 8:39 a.m. on Wednesday, May 29, 2013, in Room 2135 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Mark A. Manendo, Chair
Senator Kelvin Atkinson, Vice Chair
Senator Pat Spearman
Senator Joseph P. Hardy
Senator Donald G. Gustavson

GUEST LEGISLATORS PRESENT:

Assemblyman James Healey, Assembly District No. 35

STAFF MEMBERS PRESENT:

Jered McDonald, Policy Analyst
Darcy Johnson, Counsel
Jennie F. Bear, Committee Secretary

OTHERS PRESENT:

Troy L. Dillard, Director, Department of Motor Vehicles
Richard J. Nelson, P.E., F.A.S.C.E., Assistant Director, Operations Division,
Nevada Department of Transportation
Anita K. Bush, P.E., Maintenance and Asset Management Division, Nevada
Department of Transportation
Claudia Vecchio, Director, Department of Tourism and Cultural Affairs
Nick Vassiliadis, Xpress West
Catherine Levy, Xpress West
Wayne Seidel, Administrator, Motor Carrier Division, Department of Motor
Vehicles

Senate Committee on Transportation
May 29, 2013
Page 2

Paul J. Enos, CEO, Nevada Trucking Association
Craig Madole, The Associated General Contractors of America, Inc., Nevada
Chapter

Chair Manendo:

We will open the hearing on Assembly Bill (A.B.) 454.

ASSEMBLY BILL 454 (1st Reprint): Requires that certain information be transmitted electronically to the Department of Motor Vehicles. (BDR 43-1161)

Troy L. Dillard (Director, Department of Motor Vehicles):

The Department of Motor Vehicles (DMV) supports A.B. 454. It requires auto dealers to submit their dealer reports of sale to the DMV in an electronic format. A successful pilot phase has been conducted during the past few years. The program has two benefits. The first is better customer service to Nevadans. They can register their new vehicles online without going to a DMV office. The second benefit is time saved for staff and customers. Since the information already will be in the DMV database after dealers submit their reports of sale, DMV technicians will not have to enter the information. This will reduce errors and transaction time. Additionally, there is no cost for dealer participation in the program. The bill is a customer service bill.

Representatives for the Nevada Franchised Auto Dealers Association testified in support of this bill in the Assembly Committee on Transportation. They were unable to be at today's hearing and asked me to convey their support of the bill to you.

Chair Manendo:

I will close the hearing on A.B. 454.

SENATOR SPEARMAN MOVED TO DO PASS A.B. 454.

SENATOR ATKINSON SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

* * * * *

Chair Manendo:

We will open the hearing on A.B. 447.

ASSEMBLY BILL 447 (2nd Reprint): Revises provisions relating to roadside rest areas. (BDR 35-1157)

Richard J. Nelson, P.E., F.A.S.C.E. (Assistant Director, Operations Division, Nevada Department of Transportation):

The Nevada Department of Transportation (NDOT) supports A.B. 447, a bill that will help the Department reduce maintenance costs by allowing sponsorships of rest areas.

Anita K. Bush, P.E. (Maintenance and Asset Management Division, Nevada Department of Transportation):

I will review the presentation (Exhibit C). Assembly Bill 447 also raises the fines for placing illegal signs along highways. The fine structure was established in 1979. Under A.B. 447, the fines will range from \$1,000 to \$5,000. I will skip page 6 of Exhibit C.

One acknowledgment sign for each rest stop may be installed on the main highway. An artist's simulation of such a sign is found on page 7 of Exhibit C.

Chair Manendo:

What page in Exhibit C did you skip and why?

Ms. Bush:

I skipped page 6 of Exhibit C because it discusses the Randolph-Sheppard Act of 1936, which involves preference for blind vendors in the operation of vending facilities on federal property. Since goods and services were omitted from A.B. 447, this page no longer applies.

Additional acknowledgement signs may be placed within the rest areas, provided they are not visible to highway traffic and do not pose risks to rest area users. As noted on page 9 of Exhibit C, annual average daily traffic counts range between 5,200 and 25,000 vehicles along Interstate 80. The traffic counts can be higher along Interstate 15.

Senator Gustavson:

Are there requirements for how often sponsors must maintain the rest areas?

Ms. Bush:

Yes. The NDOT provides a service, with some rest areas receiving service 5 days per week and others 7 days per week. We will require at least the same level of service as currently provided. Sponsors can choose to offer more service since the cleanliness of the rest areas will reflect on their companies. Rest area crews usually work 4 hours per day. After they leave, the facility can become dirty and remain that way until the next time the crew arrives.

Senator Gustavson:

The minimum amount of service will be in the contract. Is that what you mean?

Ms. Bush:

Yes.

Senator Gustavson:

Would sponsors be allowed to make improvements to the rest areas, with the approval of NDOT?

Ms. Bush:

With NDOT approval ...

Chair Manendo:

For instance, if they wanted to plant a tree ...

Senator Gustavson:

... or improve the building or add a structure.

Mr. Nelson:

We would consider such improvements on an individual basis. If sponsors agree to maintain the improvements they wish to make, NDOT would look favorably on it. However, we will not require sponsors to make improvements to rest areas.

Senator Gustavson:

Is there a time limit to the sponsorships? Do they sign up for a year, 5 years or another amount of time?

Ms. Bush:

The *Nevada Administrative Code* limits service agreements to a 2-year minimum. They can be extended up to 4 years. After that, the NDOT would need to release a request for proposals.

Chair Manendo:

If Senator Gustavson wanted to sponsor a rest area, he would contract with NDOT for a minimum of 2 years. An acknowledgement sign would be installed for him. Would he pay monthly or annually? How much would he pay?

Mr. Nelson:

It would have been presumptuous for us to build a program without the enabling legislation, but we likely would model it after our Sponsor-A-Highway Litter Removal Program. We contract with a third party to manage that program. Sponsors contract with the third party, at which point details are established about payments, service frequency and so on. The Sponsor-A-Highway Program sponsors have an option to pay private entities to perform the services for them. Fees are structured around the contract requirements. Furthermore, this is how many of the other states manage their programs. We will look at their procedures as we develop our rest area sponsorship program in Nevada.

Senator Hardy:

It would reflect poorly on a sponsor's business if the rest area were messy for 20 hours in the day. Have you found this to be an incentive in the other states for sponsors to maintain rest areas more often?

Ms. Bush:

Yes. It is in the sponsor's best interest to keep the rest areas as clean as possible 24 hours a day.

Senator Hardy:

When I travel in Utah, I see a sign announcing a public-private partnership. It seems to be working. The Utah Department of Transportation is probably saving money. Does NDOT expect to save money with A.B. 447?

Ms. Bush:

Yes. The NDOT will no longer be paying to clean the rest areas.

Senator Hardy:

How will the savings from this bill be used?

Ms. Bush:

The savings will go into the Highway Fund for road maintenance, capacity improvements and other facility projects.

Senator Hardy:

With the Highway Fund, we will refurbish and build roads, replace bridges, create jobs and enhance our quality of life.

Ms. Bush:

I agree.

Senator Spearman:

How will NDOT handle businesses that might be socially unacceptable but that wish to sponsor rest areas?

Mr. Nelson:

If we use a third party to manage this program, we will have well-defined guidelines for participation. We have reviewed requests for proposals from other states in this regard. Anyone wishing to participate must follow federal laws, including those for civil rights, hate crimes and antidefamation. Additionally, we will incorporate the State's strict guidelines for personalized license plates to avoid offensive language. We do not wish to have this program reflect poorly on the State.

Chair Manendo:

Back in 1997 or so, we passed a bill to enable school districts to advertise on the sides of their buses, similar to an effort in Colorado Springs, Colorado. An example of a message might be "Go for Your Dreams—Stay in School! Buick/GMC." School art departments were involved. The money raised would go to the school districts. The bill was crafted to avoid negative messages. The rest area sponsorship program likely will be modeled after such an effort.

Senator Spearman:

Protocols are already in place that can be used. I encourage you to look at the acronyms for sponsor names to avoid unintended consequences. Sometimes acronyms spell out undesirable words we do not want to advertise.

Chair Manendo:

What businesses are interested in advertising this way?

Mr. Nelson:

We have not solicited any yet since the legislation has not been passed. We expect to have a pool of businesses that will want to do this, based on responses to the Sponsor-A-Highway and logo sign programs.

Chair Manendo:

I wonder if any of the sponsors in the Sponsor-A-Highway Program have expressed interest in sponsoring a rest area, even before the bill was heard.

Mr. Nelson:

I do not know of any, but they will be a good initial pool from which to draw candidates.

Chair Manendo:

The Clark County School District school bus sponsorship program has not been initiated, even with the legislation in place, because no companies have shown interest in advertising that way. I wonder if any companies will be interested in sponsoring rest areas.

Mr. Nelson:

With the restrictions on billboards in Nevada law, advertising opportunities along interstate highways are limited. This form of advertising will provide a new kind of opportunity for businesses to expose their products and services to the public. It would be especially attractive to businesses near certain rest areas.

Chair Manendo:

I understand what you are saying, but I wonder why businesses do not want to advertise on any of the 500 Clark County School District school buses. They are highly visible as they go around town throughout the week during the school year. That is why I wonder if NDOT will have the same experience. A rest stop in the middle of nowhere will only be seen by a few people in a month. I am not hearing that there is interest in this form of advertising.

Mr. Nelson:

We believe there will be interest. On Interstate 80, we have annual average daily traffic counts in the 15,000 range, particularly in rural areas. We have had

good response for the Sponsor-A-Highway Program, which provides far less exposure than sponsoring a rest area will have.

Chair Manendo:

Not all travelers will go into rest areas as they travel, but they will see a sign on the road as they drive past it. I think you have the concept reversed. I cannot remember the last time I stopped at a rest area. Almost every day I drive on the major highways in Las Vegas and see the signs. If there were a rest area at Jones Avenue and U.S. Highway 95, I would not necessarily go there, but I would see the Zappos sign, for example, that is about a mile up the road.

Senator Hardy:

I recall stopping at rest areas to walk around. Many informational, historical and geographical signs were at these rest areas. We are not talking about replacing those kinds of signs but installing acknowledgement signs for the sponsors. The NDOT will allow flexibility for sponsors to have such signs as well as signs with information about where to find the sponsors' locations. Is this something that other states have done to make this kind of rest area sponsorship more enticing?

Ms. Bush:

We are not envisioning that now. However, on page 8 of [Exhibit C](#), there is an artist's rendering of such a sign. The interior signage could include advertising slogans and sponsor locations. These ads would have to fit within the measurements of the sign. Sponsors can tell the traveling public where they are located and include a brief slogan such as "The Fastest Service in Nevada." The signs on the highways will only show the names of the sponsors.

Senator Hardy:

A sponsor likely will want to include a phone number on the interior sign with a message that says, "If there is any problem with this rest area, call this number."

Ms. Bush:

Yes.

Senator Gustavson:

Who will be responsible for paying for cleaning supplies?

Mr. Nelson:

The sponsors will buy all the supplies needed to maintain the rest areas.

Chair Manendo:

It costs a million dollars per year to maintain all of the NDOT rest areas.

Claudia Vecchio (Director, Department of Tourism and Cultural Affairs):

I have written testimony ([Exhibit D](#)) in favor of A.B. 447. As much as this bill is a transportation bill, it is a tourism bill. I invite you to think a bit bigger and broader with A.B. 447. The bill is important for the traveling public, both from the shipping and logistics standpoints as well as those of leisure and business travelers. Including sponsorships for these facilities offers tremendous opportunities for growing Nevada's brand through association with highly respected companies that provide holistic synergy and increased marketing channels.

The program in Ohio was mentioned. I was tourism director in Ohio for several years and worked closely with that state's department of transportation to create and enhance rest stops. They became more than just rest stops. In fact, they became rest stop experiences.

The Commission on Tourism within the Department of Tourism and Cultural Affairs is working hard to market Nevada through a variety of audiences, including Nevadans. Last year, we initiated a program called "Discover Your Nevada." Its purpose is to educate Nevadans about what is available right here in our State. Only about 6.5 percent of our visitors are from Nevada. This is unusual, as most states have the majority of visitors from within their own boundaries. We have a great opportunity to invite Nevadans to travel through the State.

Many of Nevada's most extraordinary natural and cultural resources are located just beyond eyesight from roadways and are passed by travelers who have no idea what treasures are in the area. I envision these rest stops as more than rest rooms, but rest experiences where travelers are provided essential services and education about the history, culture and offerings in the immediate region. This will help us increase tourism through the educational aspect we are missing now. These do not have to be elaborate facilities but should meet the needs of the types of travelers who currently and potentially journey into rural Nevada.

The potential of this type of visitor center, and what we can offer, expands by having sponsorship funding.

I do not want to complicate this bill or delay it with new language, but I do want to ensure it is written so we have the ability to build these facilities that drive tourism through increased education and enhanced visitor services and provide the necessary traveler safety.

Creating a sponsorship program is a tremendous first step to helping fund rest stops. We applaud everyone for embracing this innovative approach. The original bill included an opportunity for products and services in addition to the information offered at rest stops. I have managed many sponsorship programs. Generally, potential sponsors will not bite if they do not have an opportunity to gain access to customers through offering some type of product or service. For example, the NDOT offers Wi-Fi services at rest stops. This is a great idea. We should feel proud of the rest stops by providing good experiences to people who stop at them. If an auto insurance company, for instance, became a sponsor, having all Wi-Fi access begin with an interstitial page with the company's advertising message would appeal to this kind of sponsor. Such a page is an environment most people are used to experiencing these days. This is a simple service or product. Using signs, even nice signs as shown in the NDOT presentation, is not the way sponsors operate today. We need to have some kind of customer engagement. Being allowed to offer products and services in controlled environments will be more palatable to potential sponsors.

Another example is electric cars. As they become more popular, having charging stations for these vehicles, sponsored by a utility company, provides a chance to attract an emerging population. This possibility works well with the State's brand, "Nevada. A World Within. A State Apart." Such a partnership would not be allowed if the phrase about products and services were deleted from the bill.

I recommend reinstating all references to products and services. Services and products would be available only if they meet the parameters of the strategic plan. This will allow strict control over the sponsoring companies and the information, products and services involved.

I recommend revising section 2 to read as follows:

As used in [*Nevada Revised Statute*] NRS 408.551 to 408.567, inclusive, "rest stop" or "center" means a facility, including without limitation, a rest area and/or visitor welcome center that offers information, essential services and/or products to the traveling public.

The next section I recommend to reinstate is the collaboration between NDOT and the Commission on Tourism, plus the strategic plan components. The collaboration was removed because it is in statute already. However, I encourage its reinstatement for this purpose. Additionally, I recommend revising the strategic plan components to include laying a foundation for potential success of these facilities with measurement of traffic counts, estimating potential visitor volume and evaluating important environmental and sustainable elements to create "green" centers.

States across the Country have programs in place we consider when creating a strategic plan. Many create partnerships with local communities and businesses that manage the facilities through a request for proposal process. Others have partnerships with other commercial ventures. Such endeavors would be part of the sponsorship plan developed collaboratively with my office and NDOT. We will look for best practices in other states and go a step further to improve facility management. Our efforts will meet the promise Nevada gives visitors from around the world, which is to be a world-class tourism destination.

I recommend reinstatement of section 5 as follows:

The Department shall develop a strategic plan for developing new rest areas, in cooperation with the Commission on Tourism, to carry out the provisions of NRS 408.551 to 408.567, inclusive. The plan must take into consideration such factors as: (a) Traffic counts; (b) Impact of the location on conveying Nevada's global brand as a visitor destination; (c) Current/potential visitation of domestic and international travelers; (d) Area's natural, cultural and commercial resources; (e) Population of a particular area; (f) Potential roadway construction; (g) environmental sustainability challenges and opportunities; and (h) availability of funding for the purpose of NRS 408.551 to 408.567, inclusive.

I also would include a provision that NDOT and the Commission review the plan annually. These are the kinds of things we must track to promote successful business ventures and enhance visitors' experiences.

I recommend amending section 8 of A.B. 447 to include programs from which we could gain revenue and reflect the channels by which travelers gain information. While retaining section 8, subsection 1, paragraph (a), subparagraph (1) concerning trademarks and symbols, I suggest the following revisions to section 8:

Money received by the Department from (a) Fees derived from (1) A sponsorship program in which a commercial enterprise partners with the State of Nevada as an identifiable sponsor of a particular rest stop or rest stops; (2) Appropriations made by the Legislature for the purpose of NRS 408.551 to 408.567, inclusive, (3) A cooperative marketing program that allows direct Internet, mobile or landline phone access from customers to businesses, such as lodging properties, restaurants, retailers, etc., must be deposited with the State Treasurer for credit to the Account for Systems of Providing Information to the Traveling Public in the State Highway Fund, which is hereby created.

The inclusion of direct Internet and mobile phone access will replace the current telephone system at rest stops in much of the State that is used to reserve travel accommodations. While cell phone service is not available yet in parts of Nevada, travelers generally do not use telephones to book accommodations. They use mobile devices and the Internet. This new feature at rest stops will provide another way for sponsors to advertise. Fees will never be derived from the programs in the current bill language because people expect information about commercial attractions, tourism promotional items and travel accommodation reservations to be free.

Helping increase the comfort level of travelers to and within Nevada by knowing that safe, pleasant, interesting and fun rest stops are available is important for connecting marketing programs to travelers. We spend a lot of money telling people to come to Nevada. We need to be sure the experience we provide meets the promise. We in the tourism industry believe rest stop sponsorships are critical components to meet the promise. We urge you to support A.B. 447 to help NDOT and the Commission on Tourism create interesting, cultural and

historical facilities that provide education to travelers and create brand connections with them.

Chair Manendo:

Does the staff at NDOT agree with the thinking of the tourism industry?

Ms. Vecchio:

We have talked about this, and they know our thinking. I am confident we can have a fruitful working relationship. The NDOT people in the room are nodding in agreement.

Chair Manendo:

Do you know who removed section 5 from A.B. 447? Was it done in the Assembly Committee on Ways and Means or the Assembly Committee on Transportation?

Ms. Vecchio:

It was done in the Assembly Committee on Ways and Means. The reason given was it is already in statute. However, once it is removed from this bill, it will no longer be part of Nevada law. I was not involved with that meeting. I recommend section 5 be reinstated in A.B. 447.

Senator Hardy:

I love the vision you have shared. It is where Nevada wants to go. Today is day 114 of the Session. I agree with you that we do not want to complicate and delay this bill. Some of what we are discussing is possible but not preferable. I want us to process the bill. Any time I see multiple sections deleted from bills, I realize someone had issues preventing the bill from moving forward with the larger vision. I spoke with the NDOT representatives and know they narrowed the bill so it would pass. I am interested in the passage of this bill. Your vision is wonderful. I have not polled members of this Committee for their thoughts, and I was not aware of the issues on the Assembly side. Were you not involved with that discussion either?

Ms. Vecchio:

I was not involved at that point.

Senator Hardy:

I worry that if we go out on a limb, we may lose the branch.

Ms. Vecchio:

It is understandable.

Senator Hardy:

I would like to discuss your concepts further and have the Committee include all your suggestions. It appears the NDOT presented the bill with a bigger vision and then had to scale it back. I do not mind going for the bigger vision as long as it does not add a fiscal note, which would kill the bill. This Committee needs to talk about this and decide in which direction we wish to go.

Chair Manendo:

There is still some time to work on this with NDOT and others. I am comfortable not taking a motion on the bill today so you can continue to work on the details. I agree with Senator Hardy that we do not want to create a fiscal note, which would require the bill to go through another committee.

I have traveled the Country many times over the years and have used rest areas. Rest stops that I recall had Stuckey's and other amenities that were awesome and fun. We could not wait to get to the next rest stop. Now the rest stops are boring. Anything we can do to promote your vision will be good. Nevada needs to move forward with the times.

Senator Spearman:

The bill appears to provide broad parameters within which specific tourism and cross-marketing efforts can be made in the planning and implementation phase. I agree that we do not want to risk changing the bill so much that it dies. Is there a way to use what exists in general terms and develop specifics during implementation of the plan?

Mr. Nelson:

Regardless of the bill's current wording, NDOT welcomes the opportunity to work with the Commission on Tourism to meet the needs of both agencies. We can take this initial step toward a sponsorship program and bring enhancements back next Session. We want to start planning now. The NDOT has a history of working with the Commission through the 511 Nevada Travel Info system. We can work with the Commission again to develop strategies for rest areas.

Senator Hardy:

From what you are saying, I gather you want us to pass the bill without changing it drastically so NDOT and the Commission can begin the work. There is a long-term vision. I am concerned that we only have 6 more days in this Session. I do not want to jeopardize A.B. 447 in hopes of obtaining a better version now. Any amendments now likely will have difficulty passing at all. Is this what you are thinking as well?

Mr. Nelson:

Yes, it is.

Senator Gustavson:

I agree with Senator Hardy and would like to see this bill processed without delay. Would anything in the NRS prohibit you from proceeding with a few of the ideas in the Commission's vision?

Mr. Nelson:

We need the bill to pass to authorize the sponsorship program. The NDOT has other tools in place, such as Wi-Fi in rest areas. Primarily it is used to inform travelers of winter road conditions. The 511 system is in place with tourism opportunities. We have other options to expand the vision as well.

Chair Manendo:

The Legislature has not started its conference committees, so we have time to consider amending this bill.

Senator Spearman:

Are you saying that NDOT has already begun some elements and will consider some of the concepts proposed by the Commission later on? Is it possible to link them now so both agencies will move forward together, rather than moving forward separately and joining at a future date?

Mr. Nelson:

Developing a strategic plan with the Commission is important. Sponsoring rest areas is only one way to accomplish the plan.

Senator Spearman:

Research shows organizations and companies that cross-promote their services and products increase their effectiveness by about 70 percent. This means your

agencies would help each other. Neither would be left behind because consumers will be reached at least twice.

Ms. Vecchio:

We also will work with the Department of Wildlife, State Department of Conservation and Natural Resources, and others to reach consumers through this program. It is an extraordinary opportunity for all of us to enhance the visitor experience at rest areas. We can commit to this now. My concern is the products and services part of the bill. I want to ensure we manage the expectations of the kinds of sponsors we will have in the first phase. The program will grow over time, but it needs to be well managed from the start.

Chair Manendo:

I will close the hearing on A.B. 447. We will now discuss several bills under consideration. Does the Committee concur with the Assembly on Senate Bill (S.B.) 508?

SENATE BILL 508 (2nd Reprint): Revises provisions relating to trains. (BDR 58-576)

Jered McDonald (Policy Analyst):

I will read the work session document ([Exhibit E](#)) for S.B. 508.

Senator Hardy:

This bill does not authorize us to do anything. It empowers us to do what other states are doing on this issue. Is that a fair statement?

Senator Spearman:

I agree with you. The amendment is a grammatical point. At some time in the future, Nevada will have more than just a high-speed rail system. As with other legislation we have heard this Session, we are updating the language of this bill for today's environment.

Senator Gustavson:

Page 5 of the amendment, section 3.2, subsection 10 says, "Negotiate, enter into and execute all necessary local, regional and state government agreements to allow for the construction and implementation of the High-Speed Rail System." It might go a bit further.

Senator Hardy:

I will quickly review parts of Amendment No. 697 on pages 4 and 5. Section 3 creates a Nevada High-Speed Rail Authority consisting of appointees from the Governor, Majority Leader of the Senate and the Speaker of the Assembly. This section details the terms of office and election of a chair. Section 3.1 designates the Authority as the State's agency to carry out the provisions of NRS 705.4291 to 705.4296, inclusive.

Section 3.2 proposes that the Authority may secure a right-of-way and award a franchise for the construction and operation of a high-speed rail system and acquire or gain control or use of land and conduct engineering and other studies. Subsection 5 discusses environmental studies, private investment and construction readiness. Subsection 6 says the Authority may accept grants, gifts and allocations, including those from private sources. Subsection 7 says it may issue debt that does not constitute an obligation on the State or its political subdivisions. In other words, it cannot encumber the State. Subsection 8 says the Authority may hire an executive officer. Money for that position does not come from the State. Subsection 9 says the Authority may obtain or select a franchisee, recognizing the preemptive federal authority over interstate passenger railroads. Subsection 10, as Senator Gustavson noted, allows the Authority to negotiate, enter into and execute all necessary local, regional and state governmental agreements to allow the system's construction.

I still do not see where the bill gives authority to encumber the State. Is that how the members of the Committee read this bill? In other words, someone with enough money and desire can develop the system with the State's approval under State regulations yet to be written, since Nevada does not have authority to spend money on the system.

Senator Spearman:

Whether intended or not, the bill crafts a public-private partnership. Policy will dictate standards and protocols. Someone with money can back the project at a future date.

Senator Gustavson:

Subsection 1 in section 2 on page 3 of the amendment mentions the High-Speed Rail Authority. It appears to limit it only to standard-gauge rail system, not a monorail system. Different kinds of super-speed trains exist. Not

all of them use standard-gauge rails. I would like to see options open for any type of rail, because there might be a better or faster system.

Senator Hardy:

I do not know enough about existing high-speed rail systems other than standard-gauge rail systems. I may have missed the hearing on this topic.

Nick Vassiliadis (Xpress West):

Yes, it is standard-gauge rail. This is the way the rest of the Nation is going. High-speed technology is proliferating faster than other rail systems. Because no State money is being spent on this project, it essentially is a public-private partnership with federal dollars. This is in compliance with the federal system requirements so Nevada's capacity is compatible with neighboring states. We will be able to connect to their systems when we build ours. Conceivably, we could travel from here to San Francisco, Salt Lake City or Denver.

Senator Hardy:

How do we protect the rail system from vandals in the middle of the desert?

Mr. Vassiliadis:

We must trust the local law enforcement agencies.

Senator Gustavson:

Where are the other states in terms of developing their systems?

Mr. Vassiliadis:

California is ahead of us, as are parts of Colorado. I do not know the full answer. We are trying to be uniform with the region.

Senator Gustavson:

I am concerned with the high cost of installing this type of high-speed rail system. I love trains. However, billions of taxpayer dollars support a nationwide system that likely will be paid for by those who ride the system.

Mr. Vassiliadis:

I am not sure how to answer. The system is funded with federal money. It will pay for itself over time, but I cannot give a time frame for its completion.

Senator Gustavson:

Not many public transportation systems pay for themselves. All of them are subsidized by taxpayers. Some in the East do very well. The majority in the rest of the Country do not do well.

Senator Atkinson:

This is another discussion in which we want something for free. Our people, especially in southern Nevada where this is much needed, will have to participate. I do not use the term "public-private partnership," but we will have to participate. The users of this product will have to support it. I will not use the "T" word [tax]. We are pandering when we continue to talk as if improvements will be free. I have talked for years about the need for a system like this in southern Nevada. Regardless of what words we use and systems we have used previously, high-speed rail has been part of my thinking. We just have not been able to develop it yet. I anticipate more federal money being allocated for such systems. If Nevada wants to have a high-speed rail system, it will have to act.

Senator Hardy:

Mr. Vassiliadis, I understand you to say Amtrak makes money and does not need federal subsidies now. I am not sure how much federal money has been allocated for this form of transportation. We hear that if the system starts in Victorville, California, and ends short of The Strip in Las Vegas, it will be problematic. Nevada will benefit from the jobs created by such a project. Do we need S.B. 508 to allow Nevada to accept the federal funding and private dollars for the system?

Mr. Vassiliadis:

Yes, we need this bill to pass to receive federal funding.

Senator Gustavson:

Amtrak was subsidized in 2012 by almost \$1.5 billion of taxes. High-speed trains are great, but someone must pay for them. Do we really need them?

Senator Atkinson:

Statistics for a company as big as Amtrak are not comparable to the size of our State. I agree with Senator Hardy in that we do not know what the destination will be in Nevada. I am not a fan of the Victorville to Las Vegas route. A route between Las Vegas and Los Angeles is more favorable to me. While I also am

not a fan of toll roads, I would support a high-speed rail system based on a partnership.

Senator Hardy:

We hear arguments from both sides of the issue. If we want to use the "T" word, we should consider that Nevada does not receive back what its residents pay in federal taxes. This project possibly would bring us up to forty-ninth or forty-eighth in the Nation in terms of support in federal dollars. The bill does not approve a system. It allows us to converse about possibilities. I have misgivings about safety and prefer two lanes each way on highways with safer cars. This bill does not encumber the State in any way. I see heads nodding "yes."

Catherine Levy (Xpress West):

You are right. The bill does not endorse or authorize any particular project. It will bring Nevada in line with federal standards for the future.

Chair Manendo:

I recommend we concur on this bill.

Senator Atkinson:

I think it is important for us to pass the bill so the State can be involved in the conversation with officials in Washington, D.C., and our neighboring states. I concur.

Chair Manendo:

The Committee concurs on S.B. 508.

We will open the hearing on A.B. 336.

ASSEMBLY BILL 336 (2nd Reprint): Provides for an extended term of vehicle registration for certain trailers. (BDR 43-240)

Assemblyman James Healey (Assembly District No. 35):

Assembly Bill 336 is important for Nevada. It deals with two elements. The first concerns trailers used for recreational or business use. These trailers must be registered with the DMV annually. Many people with recreational trailers may forget to register them annually because they only use them seasonally. The bill gives trailer owners the option to register their trailers for a 3-year period. We originally asked for a 5-year period, but the DMV officials preferred 3 years

since it is more compatible with their kiosk technology. We are not mandating everyone pay the 3-year fee. Only those people who wish to do this will have to pay the larger registration fee. The more people who choose this option, the less time the DMV staff will spend processing registrations each year.

A question asked in the Assembly Committee on Transportation was what happens to the trailer registrations of people who move from Nevada during the 3-year period. The answer is they will be given credit with the DMV if they turn in their registrations when they relocate. The State will not give them refunds, but will give credits as it currently does when car registrations are retired or transferred.

The second element of A.B. 336 concerns semitrailers. Nevada now requires owners of semitrailers to register them annually. We are not competitive with neighboring states that allow a one-time trailer registration. Truck owners from Nevada are registering their trailers in other states to save money. This bill proposes changing the annual semitrailer registration to a one-time registration to help Nevada retain revenue.

Assembly Bill 336 is large, but our proposed amendments only affect a few sections. Section 1.4 adds language for the 3-year registration for trailers other than semitrailers. Section 2, subsection 6 explains the transfer or credit of registrations for trailers other than semitrailers. Section 2, subsection 7 entails the transfer or credit of registrations for semitrailers. Section 3, subsection 6 clarifies that the governmental services tax is collected for the full 3 years at the time of registration.

Senator Atkinson:

I have questions about the credit or refund. Three years is a long time. Will the process be similar to what the DMV does for car registrations? I assume there are not as many trailer registrations as car registrations.

Assemblyman Healey:

The 3-year registration is optional. We expect the people who will take advantage of this will be those rooted in Nevada. Changes happen in life, however. The credit process will be the same as for car registration credits. It is a credit, not a refund.

Senator Atkinson:

Will people have an option to register their trailers for 3 years or 1 year?

Assemblyman Healey:

Yes. People will have this option.

Wayne Seidel (Administrator, Motor Carrier Division, Department of Motor Vehicles):

The proposed effective date for A.B. 336 is January 1, 2015. The bill is revenue-neutral because all fees are collected at the beginning of the 3-year period. About 200,000 trailers are registered now. Nearly half of them are small utility trailers that average about \$20 per year to register. Based on our analysis, we anticipate owners of this type of trailer to opt for the 3-year registration. People who own fifth wheel trailers likely will continue with annual registrations because governmental services taxes are higher for fifth wheel trailers than for other kinds of trailers. The 3-year cycle meshes with the DMV decal cycle.

Our analysis of the semitrailer registration situation shows the State has lost approximately 500 to 750 motor carrier trailers to neighboring states since 2008. This has cut our semitrailer registrations almost in half. Many out-of-state trailer license plates can be seen on our roads. Under the International Registration Plan, the tractor that burns the fuel is licensed in its base state. Trailers are secondary and can be licensed anywhere. Our analysis ([Exhibit F](#)) includes registration fees and governmental and supplemental governmental services taxes. Though calculated to be \$121, we are requesting the new registration fee be only \$110. This is \$2 less than the fee in Idaho. With a \$110 fee, Nevada will become competitive again in this market. Another part of the analysis estimates a 1.2 percent to 1.3 percent growth in the number of semitrailers. Of the \$110 fee, \$86 is proposed to go to the counties and \$24 to the Highway Fund.

Chair Manendo:

Is that the normal breakdown?

Mr. Seidel:

This split was designed to make the bill revenue-neutral, keeping the county revenues and the Highway Fund whole.

Senator Gustavson:

I am familiar with this issue from my experience as a truck driver. Nevada is losing money because it is not competitive with other states. Companies will register their trailers in the state that has the lowest fee. My former employer did this. Assembly Bill 336 is a good bill, and I support it.

Paul J. Enos (CEO, Nevada Trucking Association):

We support A.B. 336. Thirty-three states allow permanent registration for semitrailers. Nevada is at a competitive disadvantage since it requires an annual registration for trailers. A trailer can be registered anywhere according to the International Registration Plan. Beginning in 2008 when Idaho initiated this practice, we have seen the number of trailers registered in Nevada decrease from 10,141 to just over 7,000. That is more than a 30 percent decrease. Of course, those years were a time of detrimental economic contraction.

While we continue to see decreased trailer registrations in Nevada, we are seeing an increase in registrations of power units. Using the DMV figure of \$121 per trailer, the loss over the last 5 years to Nevada is about \$370,000. Nevada can recoup much of this lost revenue by charging \$110 to register a trailer now, compared to the \$112 fee in Idaho. We expect to stem the loss of Nevada carriers and gain trailer registrations from companies in other states.

Senator Hardy:

It is a bidding war. Nevada has not been able to compete.

Mr. Enos:

Yes. I saw this coming in 2008 and approached the DMV to sponsor a bill in the 2009 Session. That did not happen, but a few months later DMV staff realized a problem was developing as trailer registrations decreased. We attempted to address the matter during the last Session but never got a hearing. It is not too late to turn the trend. Realistically, companies that have already registered trailers in another state will not move their registrations to Nevada. However, as fleets turn over and expand, companies will register their trailers here.

One member of the Nevada Trucking Association who is an intermodal operator told me he wants to see A.B. 336 pass so he can register his 300 new chassis in Nevada. This is key as more companies buy their own chassis, or boxes, from the Port of Oakland, California, because steamship companies now charge firms to rent them.

Senator Hardy:

What is the life expectancy of a trailer?

Mr. Enos:

It depends on trailer type and maintenance. Refrigerated units that are out of compliance with the standards of the California Air Resources Board might last 5 years. A well-maintained reefer unit could last 15 years. Normal trailers can last from 20 to 30 years.

Chair Manendo:

Did you say reefer unit?

Mr. Enos:

That is the term for a refrigerated trailer.

Senator Hardy:

Will A.B. 336 provide a one-time opportunity initially for more trailers to be registered in Nevada, with more opportunities over time?

Mr. Enos:

Yes. I anticipate all trailers registered in Nevada now to continue being registered here. Annual trailer turnover is about 8 percent, so we expect more registrations each year. In Idaho, they saw an initial decrease after 2008. The number of trailer registrations there returned to the previous annual figure, however, and has remained constant.

Chair Manendo:

Three of the four bills we have discussed today have pointed out how slow Nevada has been to change. This bill appears to move in the right direction.

Mr. Seidel:

The DMV will credit people who turn in their trailer license plates. The credit is based on declining value until the end of the registration period. The sooner someone converts the credit in a transaction, the more credit he or she will receive. This is our standard policy.

Senator Atkinson:

Would people be able to apply the credit to something other than a trailer registration?

Senate Committee on Transportation
May 29, 2013
Page 25

Mr. Seidel:

I must verify that. Is that your goal?

Senator Atkinson:

Yes. People should be able to use their credit for whatever they need.

Mr. Seidel:

I will respond in writing to the Committee.

Mr. Enos:

Dawn Leitz from the DMV just texted me indicating the credits can be used for other business at the DMV.

Chair Manendo:

I will close the hearing on A.B. 336.

SENATOR HARDY MOVED TO DO PASS A.B. 336.

SENATOR GUSTAVSON SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

Chair Manendo:

We will continue with bills under consideration. Does the Committee concur with the Assembly on S.B. 313?

SENATE BILL 313 (2nd Reprint): Revises provisions relating to autonomous vehicles. (BDR 43-954)

Mr. McDonald:

There is a work session document ([Exhibit G](#)).

Chair Manendo:

The Committee concurs on S.B. 313.

Does the Committee concur with the Assembly on S.B. 244?

Senate Committee on Transportation
May 29, 2013
Page 26

SENATE BILL 244 (2nd Reprint): Authorizes the placement of a designation of veteran status on certain documents issued by the Department of Motor Vehicles. (BDR 43-80)

Mr. McDonald:

There is a work session document ([Exhibit H](#)).

Chair Manendo:

The Committee concurs on S.B. 244.

Does the Committee concur with the Assembly on S.B. 456?

SENATE BILL 456 (2nd Reprint): Revises provisions relating to operators of tow cars. (BDR 58-1089)

Mr. McDonald:

There is a work session document ([Exhibit I](#)).

Chair Manendo:

The Committee concurs on S.B. 456.

Does the Committee concur with the Assembly on S.B. 217?

SENATE BILL 217 (2nd Reprint): Revises provisions relating to the manner of performing work on roads in smaller counties. (BDR 35-925)

Senator Hardy:

I have a question on this bill.

Mr. McDonald:

I will read the work session document ([Exhibit J](#)) for S.B. 217.

Senator Hardy:

When we heard this bill earlier, we talked about projects valued up to \$100,000, projects valued between \$100,000 and \$250,000 and projects valued at more than \$250,000. Can day laborers earn higher wages than county employees working alongside them?

Senate Committee on Transportation
May 29, 2013
Page 27

Craig Madole (The Associated General Contractors of America, Inc., Nevada Chapter):

Chapter 338 of the NRS states day laborers must be paid the prevailing wage regardless of project size.

Senator Hardy:

My question is answered in statute.

Mr. Madole:

Yes. This amendment is meant to clarify the point.

Senator Hardy:

I concur.

Chair Manendo:

The Committee concurs on S.B. 217.

Does the committee concur with the Assembly on S.B. 302?

SENATE BILL 302 (1st Reprint): Requires taxicab motor carriers in certain counties to maintain and provide to the Nevada Transportation Authority and other taxicab motor carriers certain information. (BDR 58-846)

Mr. McDonald:

There is a work session document ([Exhibit K](#)).

Chair Manendo:

The Committee concurs on S.B. 302.

Does the Committee concur with the Assembly on S.B. 179?

SENATE BILL 179 (4th Reprint): Makes various changes to provisions governing public safety. (BDR 35-79)

Mr. McDonald:

There is a work session document ([Exhibit L](#)).

Chair Manendo:

The Committee does not concur on S.B. 179.

Senate Committee on Transportation
May 29, 2013
Page 28

Does the Committee concur with the Assembly on S.B. 210?

SENATE BILL 210 (3rd Reprint): Revises provisions governing certain motor carriers. (BDR 58-949)

Mr. McDonald:

I will read the work session document ([Exhibit M](#)) on S.B. 210.

Senator Hardy:

Do we have a definition of "morally unfit?"

Darcy Johnson (Counsel):

No.

Senator Hardy:

I am not aware of one.

Senator Gustavson:

Senator Manendo, have you checked with Senator Cegavske?

Chair Manendo:

Yes. She said the amendments were acceptable. The Committee concurs on S.B. 210.

Does the Committee concur with the Assembly on S.B. 170?

SENATE BILL 170 (2nd Reprint): Revises provisions governing the charges for storage of motor vehicles that are imposed by body shops. (BDR 43-582)

Mr. McDonald:

There is a work session document ([Exhibit N](#)).

Chair Manendo:

The Committee concurs on S.B. 170.

We will open the work session on A.B. 309.

Senate Committee on Transportation
May 29, 2013
Page 29

ASSEMBLY BILL 309 (1st Reprint): Requires the Department of Motor Vehicles to contract for the establishment of an electronic lien system. (BDR 43-947)

Mr. McDonald:

I will read the work session document ([Exhibit O](#)) for A.B. 309.

SENATOR HARDY MOVED TO DO PASS A.B. 309.

SENATOR SPEARMAN SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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Senate Committee on Transportation
May 29, 2013
Page 30

Chair Manendo:

I will adjourn the meeting at 10:46 a.m.

RESPECTFULLY SUBMITTED:

Jennie F. Bear,
Committee Secretary

APPROVED BY:

Senator Mark A. Manendo, Chair

DATE: _____

EXHIBITS				
Bill	Exhibit		Witness / Agency	Description
	A	1		Agenda
	B	2		Attendance Roster
A.B. 447	C	12	Anita K. Bush	Presentation
A.B. 447	D	4	Claudia Vecchio	Written Testimony
S.B. 508	E	10	Jered McDonald	Work Session Document
A.B. 336	F	5	Wayne Seidel	Semitrailer Registration Analysis
S.B. 313	G	5	Jered McDonald	Work Session Document
S.B. 244	H	7	Jered McDonald	Work Session Document
S.B. 456	I	11	Jered McDonald	Work Session Document
S.B. 217	J	5	Jered McDonald	Work Session Document
S.B. 302	K	7	Jered McDonald	Work Session Document
S.B. 179	L	30	Jered McDonald	Work Session Document
S.B. 210	M	16	Jered McDonald	Work Session Document
S.B. 170	N	10	Jered McDonald	Work Session Document
A.B. 309	O	1	Jered McDonald	Work Session Document