

# **Nevada Sustainable Transportation Funding Alternatives Study**

## **Advisory Working Group Meeting #10**

### **Meeting Minutes**

**November 9, 2022**

**9:00 AM – 1:00 PM**

**Meeting Location:**

**\*\*Online-only meeting\*\***

#### **1. Welcome and Roll Call**

Virginia Valentine, AWG Chair, welcomed AWG members and their alternates. Chair Valentine read the attendance roll, declared a quorum and called the meeting to order.

#### **2. Public Comment**

Chair Valentine reported that written public comments were received from Sarah Marks. Her written comments were emailed directly to all AWG members prior to this meeting and posted on the project website along with other comments on the Recommendations that were provided by AWG members.

#### **3. Approval of the Minutes from September 13, 2022, AWG meeting; the June 14, 2022 AWG meeting; and the April 12, 2022 AWG meeting.**

Jeff Doyle, CDM Smith consulting team, explained that prior meeting minutes were distributed but no action was taken at the September 13, 2022, meeting to approve them. Chair Valentine asked for and received a motion and a second to approve the past meeting minutes. The motion passed unanimously.

#### **4. Summary of proposed Final Recommendations, and corrections received.**

Jeff Doyle, CDM Smith consultant team, briefly highlighted the proposed changes to the draft Recommendations received from AWG members.

#### **5. AWG member discussion and possible adoption of Final Recommendations**

Chair Valentine described the process to be used for amending the proposed recommendations during the meeting. She stated that members will be offered the opportunity to discuss each individual recommendation and develop proposed amendments before a final vote is taken on the recommendation.

#### **6. Recommendation #1**

The CDM Smith consulting team presented the draft Recommendations, including amendments to the recommendations resulting from the AWG's June 2022 meeting.

Harshal Desai moved to adopt the technical amendments to recommendation #1 which would replace the word "develop" with "institute" in relation to instituting a mileage-based charge, and to

change internal references from “electric vehicles” to “all zero-emission vehicles”. Kristina Swallow seconded this motion.

Paul Enos offered an amendment to the main motion that would have replaced the recommendation for a per-mile charge on zero-emission vehicles with an energy-based (kWh) charge.

As the member who moved the main motion, Hashal Desai did not agree to this amendment to his motion. A vote on the motion to make technical corrections to Recommendation 1 passed with 4 opposing votes. Further amendments were considered.

Paul Enos moved to delete the text of recommendation #1 as amended and replace it with a recommendation that Nevada institute an energy-based charge for zero-emission vehicles. Doug Busselman seconded his motion.

Julie Butler agreed with the sentiment to reduce the administrative cost of collection. She also suggested that the cost of a special EV license plate could count toward the registration cost for zero-emission vehicles.

MJ Maynard noted the difficulty in instituting an energy-based fee immediately without studying it in full depth. To institute this concept would require further research or a pilot. Bill Thomas agreed, pointing out that a pivot to an energy-based charge could be considered down the road as part of addressing how best to implement a road usage charge.

Mr. Enos’s motion to amend Recommendation 1 failed with 5 in favor and 21 opposed. Further amendments were considered.

Kyle Davis offered an additional amendment to strike the paragraph that includes special registration fees for electric vehicles on the grounds that the previous amendment that was adopted would institute a per-mile EV fee immediately, obviating the need for a registration fee. In addition, he noted there are relatively few electric vehicles on the roads in Nevada, and a special fee on EVs would be a deterrent for electric vehicle purchases. Mr. Davis’s motion was seconded by Doug Busselman. A vote was taken and the proposed amendment failed with 22 opposed and 4 in favor. Further amendments were considered.

Doug Busselman offered an amendment that Nevada should immediately start charging a tax on all public charging networks. Paul Enos seconded the motion. Mr. Busselman’s motion failed 3-22. Further amendments were considered.

Julie Butler moved adoption of an amendment to require electric vehicles to purchase a special license plate. Paul Enos seconded the motion. This motion failed with 4 in favor and 18 opposed.

Kristina Swallow moved to adopt Recommendation 1 as amended. Bill Thomas seconded the motion. It was adopted, 19-6.

## **8. Recommendation #2**

Following the break, recommendation #2 was considered.

Kristina Swallow made a motion to adopt Recommendation #2 as is, followed by a second from Bill Thomas.

Kyle Davis commented that implementation of a road usage charge program by 2035 did not seem to be a realistic timeline. Kathleen Taylor asked whether this recommendation would apply to all new vehicles or just zero-emission vehicles by this timeframe. Jeff Doyle clarified that this recommendation would apply to all new vehicles but that by 2035 most new vehicles would be zero-emission or at least more fuel-efficient.

To discuss the recommendation further, Kristina Swallow withdrew her motion. Jayce Farmer noted that the timeframe in the recommendation reflects current trends in electric vehicle adoption and provides a point of reference for the Legislature. Jayce Farmer made a motion offering several technical changes to the recommendation. This motion was seconded by Bill Thomas. Kathleen Taylor suggested 2045 would be a more flexible start date for a road usage charge program in order to eliminate the concern that drivers would be paying both a road usage charge and gas tax. As the member who made the main motion, Jayce Farmer did not accept the proposed change from 2035 to 2045.

Chair Valentine then conducted a roll call vote on Dr. Farmer's amendment. The amendment was adopted 20-4.

Following adoption of the amendment, Doug Busselman moved to replace the word "extend" with "replace the fuel tax system with..." in the sentence: "Because revenue from the gas tax is declining and because vehicles are becoming more fuel efficient and operating on electricity or other alternative fuels, the Legislature should *replace the fuel tax with* a per-mile road usage charge on all new vehicles by 2035." Kyle Davis seconded the motion. The motion was adopted unanimously.

Kristina Swallow then moved to adopt Recommendation 2, as amended, seconded by Bill Thomas. The recommendation was adopted 22-2.

## **9. Recommendation #3**

### **A. Increasing statewide fuel taxes (gasoline and diesel)**

Paul Enos made a motion to support Recommendation 3A coupled with 3B, which was seconded by Harshal Desai. Bill Thomas noted that these two recommendations should be considered separately since current indexing would result in Washoe County taxpayers paying disproportionately. Paul Enos noted that in Clark County there is a cap for taxpayers that would be helpful across the counties. The AWG proceeded to vote on Recommendation 3A and 3B separately.

Paul Enos amended his motion for Recommendation 3A to read "Increasing the uniform rate of the state fuel excise taxes (gasoline and diesel).

Chair Valentine conducted a roll call vote on Recommendation 3A, which was adopted as amended 15-7.

### **B. Indexing the portion of the state and federal fuel taxes not already indexed (outside of Clark and Washoe Counties) to keep pace with construction cost increases over time, while limiting**

**increases to a 10-year rolling average of the Producer Price Index for Highway and Street Construction, with a maximum annual cap on inflationary adjustments**

Bill Thomas moved to adopt Recommendation 3B, seconded by MJ Maynard. Doug Busselman then proposed an amendment to Recommendation 3B to include "With a majority vote of statewide voters approving the action" regarding indexing. Sherry Ely-Mendes asked if this process was already in place and could be mandated within each county. Doug Busselman's motion to amend did not receive a second. Bill Thomas's original motion to adopt Recommendation 3B as written was approved 22-1.

**C. Enabling County commissions to enact inflation adjustments to the county's portion of fuel taxes, with the same indexing formula and limitations as statewide fuel taxes**

Bill Wellman moved adoption of Recommendation 3C. The motion was seconded by Kristina Swallow. Chair Valentine conducted a roll call vote, and the amendment was adopted 19-3.

**D. Increasing vehicle registration fees to provide modest revenue for highway purposes**

Paul Enos moved to adopt the recommendation, which was seconded by Kristina Swallow. The recommendation was adopted unanimously, 22-0.

**E. Increasing the Governmental Services Tax (GST) proceeds to transportation purposes**

Alexis Motarex moved to amend the recommendation by changing "increasing" to "redirecting" 100% of the state portion of the GST proceeds to the state highway fund. Carlos Gomez seconded the motion. Bill Thomas stated that he is unable to support this amendment because local governments have already allocated these revenues to alternate funds.

Travis Dunn, CDM Smith consulting team, stated that receipts from State Highway Fund portion of the GST from years 2018-2020 was 75% and generated between \$60-\$65 million dollars per year.

Harshal Desai raised a concern related to the proposed amendment that it would raise an insufficient amount of money to meet the unmet need.

Chair Valentine conducted a roll call vote on the proposed amendment, which was adopted 16-5. Kristina Swallow then moved to adopt Recommendation E as amended, seconded by Alexis Motarex. Recommendation E as amended was adopted 18-4.

**10. Recommendation #4**

Consultants from CDM Smith presented a technical amendment. Kristina Swallow moved adoption of the technical amendment, which was seconded by Harshal Desai. It was adopted 15-7.

Paul Enos shared his concern that a new commission could get out of control and moved adoption of an amendment. Mr. Enos's amendment struck the entire recommendation and replaced it with: "Require local governments to share in the costs for mitigating impacts of projects adjacent to or in the vicinity of a state road." Bill Wellman seconded the motion. Kristina Swallow shared that she was opposed to the amendment because AB 413 directed the AWG to evaluate land use and its role in transportation. Kyle Davis stated his support for the amendment. Mr. Enos's amendment failed 4-18.

Kristina Swallow then moved to adopt the recommendation, as amended by the technical amendment. Carlos Gomez seconded the motion. The motion failed as a result of a tie, 11-11.

Kyle Davis asked what the requirements were for a vote on any matter. Lori from the Attorney General's Office stated that a majority of the members present are required for an affirmative vote, so long as there is a quorum. A quorum was present.

#### **11. Recommendation #5**

Kristina Swallow moved adoption of the recommendation, which was seconded by Jayce Farmer. The recommendation was adopted unanimously, 22-0.

#### **12. Final Recommendation**

Harshal Dasai moved that the Recommendations, as amended and adopted by the AWG, be drafted and reflected in the final report and revised by the consultant team to be consistent with the meeting's action items. Furthermore, the final version shall be distributed to all members for corrections before it is sent to the Legislature before December 31, 2022. Kristina Swallow seconded the motion. The motion carried with 1 opposing vote.

#### **13. Adjournment**

Chair Valentine adjourned the meeting.