

# Nevada Sustainable Transportation Funding Alternatives Study

## Advisory Working Group Meeting #4

### Meeting Minutes

November 9, 2021

9:00 AM – 3:00 PM

#### Meeting Locations:

NDOT Headquarters  
1263 South Stewart Street,  
3<sup>rd</sup> Floor Conference Room  
Carson City, Nevada 89712

NDOT District Office Conference Room  
Building B  
123 East Washington Avenue  
Las Vegas, Nevada 89101

#### 1. Welcome and roll call

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

#### 2. Public Comment

There were no public comments regarding items on the agenda.

#### 3. Approval of the Minutes from September 14, 2021

The minutes from the September 14, 2021, AWG meeting were approved unanimously.

#### 4. Preview of Today's Meeting and Future Meeting Topics

Jeff Doyle, CDM Smith consultant team, outlined the agenda for the day. He then described the themes and desired outcomes of future AWG meetings.

#### 5. Presentation on draft revenue principles

Justine Sydello of the CDM Smith consulting team gave a presentation on how the draft transportation revenue principles were developed. Next, Travis Dunn of the CDM Smith team gave a presentation illustrating how Nevada's current motor fuels tax (gas tax) would perform relative to the draft principles. After a short break, the meeting resumed, and Advisory Working Group members began discussing the draft principles.

Carlos Gomez asked for clarification on what is meant by "user equity". Justine responded that this principle is aimed at vehicle users rather than transit riders, bicyclists, pedestrians, etc. Craig Madole asked how the "flexibility" principle would be measured. Mr. Dunn replied that this is mostly a

measure of constitutional or other legal restrictions on the revenue mechanism, for example, how the motor fuel tax is constitutionally restricted to highway-related expenditures only. Kristina Swallow added that the GST is another example of how a revenue can be “flexible” legally, but practically it might have drawbacks (in this case, often used for general fund expenditures, perhaps “too” flexible.). Doug Musselman asked how the AWG will be able to compare various options against each other, beyond just a graphic of how the revenue options rate in each category. Mr. Dunn replied that the January briefing book will include more detailed analysis, including financial comparisons. Harshal Desai asked why “maintenance” was specifically identified as a measure of revenue sustainability. Justine explained that this was incorporated based on member feedback and intended to recognize there is an ongoing cost to sustain (or maintain) transportation facilities even once they are constructed.

Bill Thomas asked whether fuel tax indexing is supported by everyone. Vinson Guthreau asked whether local-option fuel tax indexing will be included on the list of options. Ms. Swallow explained that detailed analysis of each of the specific revenue mechanisms found on the starter list will be taken up by the AWG in January 2022. Today’s discussion is focused on the principles that will help guide the ultimate selection and making sure that the starter list is comprehensive.

Justine Sydello then guided the AWG’s discussion of each of the specific draft principles. A live document was shared on screen so members could view the edits in real time. At the end of the discussion and editing period, Justine projected the proposed final version of the Guiding Principles for Transportation Revenue in Nevada.

At the conclusion of the discussion, AWG member Kathleen Taylor moved adoption of the principles, which were adopted unanimously.

Just prior to the lunch break, Jeff Doyle of the consulting team handed out a list of all previously identified transportation revenue options that will be the subject of detailed financial and qualitative analysis before the next AWG meeting in January 2022. Members were asked to review the list during the lunch period and identify revenue options that should not be carried forward for analysis, as well as noting any potential sources that should be added to the list.

## **6. Recent statewide new transportation revenue initiatives from other states**

Jeff Doyle of the consulting team gave a presentation on transportation revenue initiatives enacted in other states within the past six years. Common elements and success factors were highlighted to serve as examples for the AWG’s consideration.

## **7. Two variations of per-mile fees**

Travis Dunn then presented information on two different approaches to road usage charges (RUC), sometimes referred to as mileage-based user fees, or per-mile fees. First, he presented an overview of Utah’s current RUC program, which allows owners of electric and hybrid vehicles to opt in to paying a mileage tax instead of paying a lump-sum registration surcharge. A question was asked whether the Oregon and Utah road usage charge programs have mechanisms (such as indexing) to account for inflation. No, neither program is indexed for inflation. Craig Madole asked how the local gas taxes would be treated if a RUC rate is set equal to the total state plus county gas tax rate (Clark County’s fuel tax, for example). Mr. Dunn replied that only the state rate has been used in the

examples. Bill Wellman asked whether the federal gas tax was included in the calculations done on what rate might be needed to replace the fuel tax in Nevada. Kristina Swallow clarified that the 2.2 cent per mile rate is simply an example and not being proposed for Nevada. Chair Valentine asked if Utah attempts to collect revenue for out-of-state mileage; Mr. Dunn replied no, but that there are several multi-state collaborations underway to examine how that could be accomplished. Kyle Davis asked for clarification on the goals of Utah's program: will the focus remain on just EVs? Mr. Dunn described Utah's intent to extend RUC to all vehicles eventually, but that the fleet may transition on its own toward EVs and hybrids so that those vehicles become subject to RUC without any further legislative action.

Next, Mr. Dunn described a proposal from the Natural Resources Defense Council that would also charge a mileage-based fee to all passenger vehicles, but where the per-mile rate varies based on the MPG (or MPG equivalent, also known as MPGe) rating of the vehicle so that more fuel-efficient vehicles would pay a lower rate than less fuel-efficient vehicles. He also explained how the rates paid by gas-powered vehicles would be indexed to inflation so that total revenue collections can be propped up even while the overall vehicle fleet becomes much more fuel efficient.

Kyle Davis asked how the revenue curve with the NRDC model compares to today's revenue curve under today's the gas tax system? Mr. Dunn said the shape is the same but that the range of vehicle MPGe represented is much more extended in the NRDC model.

Carlos Gomez raised questions about user and social equity implications of the NRDC model, since lower income families tend to drive the lower-MPG gas-powered vehicles. Mr. Dunn acknowledged that this would be a potential impact of that model as presented.

#### **8. Transportation funding options to be carried forward for financial and qualitative analysis.**

After a short break, Chair Valentine returned the discussion to deciding funding options to carry forward for continued analysis. Members were referred to a handout of a comprehensive list of potential revenue options. The objective for this segment of the meeting was to add or delete from the comprehensive list of options for further analysis. Member discussion ensued.

Chair Valentine asked for additions or deletions. Additional information was requested on the legal limitations on Nevada's ability to institute toll roads. The team will look into this and provide more information at the January meeting. Craig Madole asked for clarification on whether a special fee on EVs, hybrids and other alternative fuel vehicles are included. Mr. Doyle replied that it was covered under "engine type fees." Mr. Thomas questioned whether the tax on vehicle insurance is appropriate for this effort. The AWG generally agreed to remove this from further consideration.

Julie Butler asked the team to explore how the transportation system might be funded similar to a utility. The AWG agreed and asked for more information on transportation or street utility fees. Chris Martinovich reported that his Carson City board members are also interested in this. Julie Regan wanted to make sure that congestion zones or cordon pricing is considered. Harshal Desai wanted to make sure that the AWG will still take up on the topic of the role of land use decision-making. The consulting team replied that this would be taken up in the AWG March meeting.

At the conclusion of the discussion and upon presentation of the revised list of revenue options, the AWG agreed with the consulting team moving forward with analysis of the identified revenue options.

**9. Public comment period.**

There were no public comments.

**10. Adjournment**

Chair Valentine adjourned the meeting.