

MINUTES

COMMITTEE: COMMERCE

MEMBERS PRESENT: Chairman Prince, Dr. Robinson, Messrs Demers Hafen and Wittenberg;

MEMBERS ABSENT: Messrs Capurro, Bickerstaff, Dini and Torvinen;

DATE: Thursday, March 22, 1973

GUESTS: See attached Exhibit "A"

Chairman Prince called the meeting to order at 4:00 p. m. He asked for Committee introduction of a bill\* regulating mortgage companies. Since Mr. Torvinen and Mr. Dini were absent to explain the bill, Chairman Prince suggested that it be held over until the next meeting. This was one of two bills requested by the Committee to replace AB 167.

Regarding AB 343, Mr. Demers moved to indefinitely postpone the bill and Mr. Wittenberg seconded the motion because the bill is identical to SB 156. This bill relates to insurance rates being increased solely because of an insureds age. The vote was unanimous. Regarding AB 669, a bill relating to telephone subscriber's indicating in the telephone book if they are or are not interested in telephone solicitations, the Committee agreed to hold the bill until a later date. Mr. Demers, referring back to SB 156 (AB 343), stated that he felt Paragraph 3 of the bill discriminatory against drivers between the ages of 16 and 25. Mr. Demers moved to pass the bill; Dr. Robinson seconded the motion. It was unanimously carried.

Mr. Wittenberg presented AB 301 as amended which creates a Consumer's Affairs Division of the Department of Commerce. He stated that the "meat" was taken from AB 300 and added to this bill to strengthen it; that he hoped the Committee would pass the bill. Mr. Hafen stated that he opposed the bill principally on a philosophical basis and also for the reason that the bill would allow harrassment of legitimate businessmen. Mr. Demers felt that we would be creating a power that is too strong in the State, though subsequent Legislative sessions could amend the act. Dr. Robinson agreed that consumers with the slightest gripe could complain and harrass. Mr. Demers wanted it clear that no information obtained by this Division could be used for grand jury investigations. Mr. Wittenberg asked if the Committee was agreeable to passing this bill with no Consumers Affairs Division established.

\*A.B. 906 (BDR 54-1988)

Chairman Prince presented a series of bills requested by the Savings and Loan Division of the Commerce Department: AB 728, 729, 730, 731, and 732. Mr. Hafen asked for a letter from Mr. Tarkington of the Savings and Loan Division explaining AB 728. Otherwise it was agreeable with the Committee to pass the

## Joint Meeting

At 4:25 p.m. the Committee adjourned to Room 345 to meet with the Senate Transportation Committee. Present from the Senate were Senators William Raggio, Carl Dodge, Warren Monroe, Richard Blakemore and Archie Pozzi. Absent were Senators Helen Herr and Joe Neal.

Mr. Pete Holden of the Washoe County District Attorneys' Office testified on AB 296 prohibiting unauthorized motor vehicle repair cost estimates and statements of charges. He discussed the provisions of the bill and stated that SB 284, AB 230, AB 300 and 301 all have been heard and include the penalty clause of \$2,500 for each violation. Senator Dodge asked if an estimate must be given before any work is done at all. Mr. Holden stated, "Yes, it must be given at the time the car is brought in." He further stated that the garage would give a "tear-down" estimate; then when it is determined what actual work must be done, another estimate is given.

He further stated that his office has received 700 complaints in six months, 31% of which refer to automobile repairs. Under present law there is nothing that can be done to correct these unfair practices by the District Attorney's Office. Though these practices are performed by perhaps only 3% or 5% of all the Reno automobile repairmen, something must be done to protect the legitimate repairmen who are losing business because the illegitimate repairmen are enticing customers into their shops through unfair means. This bill would place certain burdens on the legitimate repairmen because they must maintain certain forms. "We will do our best to put the illegitimate operators out of business," he said.

Mr. Demers asked if this bill isn't duplicating provisions contained in the proposed Consumers' Affairs Division. Mr. Holden stated that they request specific legislation only when there is a big problem. He further stated that this bill would not create a new bureaucracy, would require no licensing, no appropriation for funds, and that 31 or 32 states have enacted such legislation. The Washoe County DA's office endorses this bill over other proposals and Clark County feels the same.

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SB 501 sets up a board of automotive repairs and in the California law, a customer leaving a note on a windshield constitutes a waiver by the customer of an estimate prior to work being done on his car. Mr. Holden felt this would be interpreted the same by Nevada.

Mr. Walt Epprecht, a new car dealer, stated that in the summer he has 180 cars in his lot to be repaired at one time and that it would be impossible to properly diagnose the problems of all these cars for proper estimates. "All we can do is get the car in, get the name and address of the customer, and write up the work order".

Mr. Howard Henning of Fallon who has 14 employees, stated that he would have to put on one more man just to give estimates and that the additional cost would have to be passed onto the consumer.

Mr. Don Hellwinkle of the COD Garage in Minden stated that in his business, many cars are left at his shop before he opens making it impossible for him to give an estimate and that his business, as in any small community, would not succeed very long if he performed any unnecessary repairs. He also pointed out that in out-lying areas, parts must be sent from distant areas such as Sacramento and Reno. "This bill is not for the State of Nevada; we're not that big and we're not that crooked, yet", he said.

Mr. John Hops of Scott Motors in Reno stated that repairmen in California have reaped tremendous profits since this bill was instituted because they over-estimate the repairs and then do work to come up to that estimate that may not be necessary; that it doesn't make sense to pass this bill for only 3% of the repairmen.

Mr. Robert Guinn representing the Nevada Federation of Automobile Dealers Association discussed SB 388 and said that his organization has no appetite for the bill because it would increase bureaucracy and "I hope we don't get off into that field", he said. Regarding AB 296, he felt the bill suitable if it was modified to require that estimates be given only upon request and that the "call back" provision should apply. He felt that not more than 2% or 3% of the customers would ask for an estimate and that every shop should post a sign stating that State law requires that estimates be given and the "call-back" provision. He feels the waiver provision should be re-written because of the difficulty in reaching tourists in the area and suggests a waiver on the "call back" provision.

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He also suggested clarifying the clause exempting warranty work from these provisions and also clarify "reasonable time". He also suggested substituting Chapter 598 for Chapter 487.035. Chapter 487.035 is the chapter in the law covering garages and automobile repairs.

Mr. B. M. Edge of the Department of Motor Vehicles agrees with Mr. Guinn but feels that AB 296 should remain in Chapter 598, not placed in Chapter 487. "We would have to police this if it is not in Chapter 598." Mr. Holder of the Washoe County District Attorney's Office stated that if it were not under Chapter 598, it would be enforced by the county District Attorneys.

Mr. Virgil Anderson of the AAA stated that he has no position either way, but suggests amending the bill to exempt minor repairs such as oil, tire changes, etc. performed at service stations and he also asked that the authorization for repairs be given to insurance companies.

Mr. Keller, a garage repairman, stated that he is in favor of owners requesting estimates; that a clause should be inserted in the bill stating that repairs already performed must be paid for. (line 20, page 2) "payment of current charges", were his words to be added and that in Section 8, either the Department of Motor Vehicles or the State Printing Office should prepare the waiver forms.

Mr. Raggio pointed out that under present law, an itemized statement is required. "We are now proposing to add that an estimate be given upon request".

Mr. Ciardella of the Department of Motor Vehicles, stated that Chapter 487.035 establishes the procedure for lien sales and that if either of these bills passes, they would have many investigations to make. Chapter 598 would include the Consumers Affairs who have investigators. Mr. Holden added that if the bill is placed in Chapter 487, the DMV will receive 350 complaints from Washoe County alone and they have just one investigator. "I think we can do it equally as well as Consumer's Affairs."

Chairman Prince asked if anyone had any appetite for AB 88. Mr. Ciardella of the DMV stated that he wrote AB 88 but would defer any testimony pending action on AB 296.

Mr. Wittenberg stated that he would get together with Mr. Guinn regarding his suggested changes and report back to the Commerce Committee.

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Noel Clark of the PSC stated that he suggested that in AB 88, requiring a property owner's release to collect charges for towing must be removed.

Senator Bryan, sponsor of SB 388, stated that the purpose of his bill was to bring into focus the problems of automobile repairs; that some legislative action was necessary to alleviate this consumer problem. He indicated that he would defer his bill to others.

Chairman Prince adjourned the meeting at 5:50 p.m.

Respectfully submitted,

PHYLLIS BERKSON, Attache

ASSEMBLY

J O I N T      H E A R I N G

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COMMITTEE ON     C O M M E R C E    

Date Thurs., March 22 Time PM Adj. Room 131

Bill or Resolution  
to be considered

Subject

THIS AGENDA CANCELS AND SUPERSEDES PREVIOUSLY PUBLISHED

AGENDA FOR ASSEMBLY COMMERCE COMMITTEE DATED FRIDAY, MARCH 16.

AB 296

Prohibits unauthorized motor vehicle  
repair and requires cost estimates and  
statements of charges.

AB 88

Requires statement of fees for repairs  
or storage, authorization prior to towing  
for storage or repairing of a vehicle.

ASSEMBLY  
H E A R I N G

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COMMITTEE ON COMMERCE

Date Thurs., March 22 Time 4:00 Room 222

Bill or Resolution  
to be considered

Subject

THIS AGENDA CANCELS AND SUPERCEDES THE PREVIOUSLY PUBLISHED HEARING  
AGENDA FOR THURSDAY, MARCH 22, 1973

- |        |   |
|--------|---|
| AB 88  | Requires statement of fees for repairs or storage, authorization prior to towing for storage or repairing of a vehicle. |
| AB 296 | Prohibits unauthorized motor vehicle repair and requires cost estimates and statements of charges.                      |