

TRANSPORTATION COMMITTEE MEETING - MINUTES  
APRIL 12, 1977  
3:40 P.M.

MEMBERS PRESENT: CHAIRMAN HAYES      Mr. Jacobsen  
                         Mr. Demers                      Mrs. Westall  
                         Mr. May

MEMBERS ABSENT: Mr. Glover  
                         Mr. Harmon

GUESTS PRESENT: Heber P. Hardy, Public Service Commission  
                         Howard Hill, Department of Motor Vehicles  
                         Leonard Winkelman, Department of Motor Vehicles  
                         Col. James Lambert  
                         Carole Vilarde, Gene Baker Helicopter Service  
                         Wink Richards

AB 628

Carole Vilarde, representing Gene Baker Helicopter Service and Hal Jones of Oasis Aviation, both of Las Vegas, speaking in favor AB 628, said a helicopter when used in construction work is used exactly as a crane. The helicopter operators involved in construction projects would like to bid on projects but Nevada Revised Statute 704 precludes them from bidding; they must submit their rates exactly as published whereas a crane operator can bid on the job. The bulk of construction jobs require bids and this makes it extremely difficult to compete and yet they are competing with one another and the crane operators are not regulated by any agency in so far as the rate they may charge. By nature of some of the construction jobs it becomes necessary to either have made or obtain, special equipment at a greater cost than initially computed; the published tariff does not allow this leeway unless one goes through the full procedure of applying for a change of rates; unfortunately application for change of rate sometimes entails delays of 150 days; many of the jobs are ready to go in two weeks or at most, a month. Crane operators are not regulated; they are in direct competition and they feel they should be allowed to operate as a crane operator does--by competitive bidding.

They feel helicopters should be exempt from most other areas governed by NRS 704. It is a utility section; with very few exceptions the operators of helicopters within the state are not working as common carriers in so far as passenger or freight service in the sense of a fixed wing aircraft. Most are used for commercial purposes hired by other business persons to do specific jobs. Construction work should not fall within the definition of a common carrier.

Mr. May asked that if helicopters did not sometimes carry passengers, also.

Ms. Vilarde replied they did carry passengers in connection with a construction job. On some jobs because of inaccessability by other types of vehicle, it was necessary to transport personnel of the contractor. If the proposed changes omit transport of personnel that could be a problem; restriction to contractor personnel was acceptable.

Heber Hardy, Public Service Commission, opposing AB 628, said a resolution had been introduced to make a study of this particular area to find out whether jurisdiction between the Motor Carrier Division of the Department of Motor Vehicles and the Public Service Commission should be clarified to a greater extent. Provisions of the Public Service Commission as related to aircraft are not always compatible with practical application; they recognize this and there does need to be some clarification. There is at present no rules and regulations for air carriers; those applicable to motor carriers are used. The Chairman of the Commission is the chairman of the National Association Regulatory Utilities Commissioners Committee on Motor and Air Transportation and as such has developed model statutes for the entire scope of air transport. The study proposed by the resolution should make it easier for carriers to work in the subject area. Prior to regulation of helicopters the situation was chaotic because of the lack of controls and this category of aircraft should not be eliminated from control.

The problem of certificated helicopters attempting to compete with nonregulated crane operators is a recognized problem, but if a certificated carriers involves himself in contract work there could be a real problem as to whether his equipment is available for the public purposes for certificated services. A helicopter engaged in both regulated and nonregulated services presents a problem in determining allocation of expenses for rate purposes. The solution to problems outlined is not deregulation of one portion of the transportation area but to look at that in conjunction with the whole. There is a need for more flexibility so the carriers can compete on construction projects; however, the study should be completed before any actions to deregulate are made.

Mr. May said the helicopter companies would like to be able to submit bids on construction projects; there is a need for their services; it would not be an abdication of authority to transfer authority for licensing and fiscal responsibility to the State Contractors Board. AB 628 would offer relief of this situation as of July 1.

Mr. Heber stated the problem should be included in the recommended study and was informed by Mrs Hayes that the study had just been introduced today. She added it would be unfair to effected parties to continue the present policy for 2 years, until completion of the study. We can supply a solution, perhaps temporary, for the next two years.

Mrs. Westall moved to do pass AB 628; Mr. Jacobsen seconded the motion; motion carried unanimously.

SB 144

Mr. Howard Hill, Department of Motor Vehicles, spoke in favor of SB 144. The purpose of the bill was to afford the assessors of the counties additional funds by raising the fee from one dollar to two dollars. The Senate Finance Committee asked why Department vehicles were not registered in Carson City and they were told the law did not permit this. The Senate Finance Committee asked the Department to include a clause to provide for registration of a vehicle here, as is done in Clark and Washoe counties. The reason is the difficulty involved in registration in Carson City; that is, registration, title, inspection, weight

requirement and license purchase are all accomplished at different locations. The idea is for the Department to perform all these services at one location. That is the purpose of the reprint. Its for the convenience of the people of Carson City.

SB 228

Mr. Wink Richards, Chief, Motor Carrier Division, Department of Motor Carriers said the original bill included 366 and NSP 706 dealing with special fields and motor carrier act. For an unknown reason these were omitted from the bill. The sponsor of the bill agrees with this concept. If there is going to be an amendment to have all chapters in the Department of Motor Vehicles the same, the Motor Carrier Division has no objection to allowing a certificate from a credit union in lieu of a bond. If you would like to consider that in the amendment, there is no objection to it.

Mr. Robert Quinn, Nevada Transport Association said the bill was introduced by Senator Dodge because of the problems encountered in getting the \$10,000 bond required by new automobile dealers, particularly someone new in the business. The requirement now is to put up \$10,000 worth of collateral. The dealers request the opportunity to post a saving certificate from a bank so the individual can continue to draw the interest and yet the security would be there as far as the Department were concerned. The Department pointed out that in this particular type of operation they did not want the responsibility if someone made a claim against that bond of deciding how to allocate the funds so at the suggestion of the Department there were some amendments that were in reprint process that specify court responsibility. In that respect all are in agreement. In the testimony before the Senate there was a question raised because credit unions do not issue a certificate of deposit like a savings and loan institution or a bank and there was concern that a person might have \$10,000 in a credit union but there is no assurance it will remain there. The reference was deleted. No one has a right to file a certificate from a credit union. As the bill stands, it accomplishes the intent of the sponsor.

John Ciardella, Department of Motor Vehicles stated they find no fault with the bill. As a member of the board of the Credit Union there is no provision for issuing any type of certificate. That is why the language was deleted.

Senator Dodge, sponsor SB 228, said people were concerned because bonding costs were rising, the ability to get bonds was getting more difficult. This bill would give the Department of Motor Vehicles the security they require.

Mr. John Crossley, C.P.A., Legislative Council Bureau, said their amendments were with the mechanics of the depositing of the cash, the P.C.D.s. With the Tax Commission and all other agencies, arrangements are between the applicant, the licensees and the department. The department deposits the money with the State Treasurer, giving the department full control, rather than the applicant depositing directly with the State Treasurer. On page 2, line 16, "state treasurer" should be deleted and "Department of Motor Vehicles" substituted. Then the department has control over the complete transaction. (See EXHIBIT A). ACCESS

Senator Dodge concurred with Mr. Crossley's proposed amendment.

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Chairman Hayes declared a recess.

Chairman Hayes asked Mr. May to handle AB 628 on the floor and he agreed to do so.

Amendments to SB 323 were discussed. This bill had been passed out of Committee. It is a compromise worked out by the bill sponsor and the Department of Motor Vehicles. Chairman Hayes suggested putting the bill on the chief clerks desk and if there were any problems with the amendment she would have it rereferred to the Committee.. Members present concurred with the action.

The meeting adjourned at 4:45 P.M.

Respectfully submitted:

*M. Robertson*  
M. Robertson, Secretary

STATE OF NEVADA  
LEGISLATIVE COUNSEL BUREAU

LEGISLATIVE BUILDING  
CAPITOL COMPLEX  
CARSON CITY, NEVADA 89710



LEGISLATIVE COMMISSION (702) 885-5627  
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ANDREW P. GROSE, *Research Director* (702) 885-5637

April 4, 1977

The Honorable Karen W. Hayes  
Chairman  
Assembly Committee on Transportation  
Legislative Building  
Carson City, Nevada 89710

Dear Assemblyman Hayes:

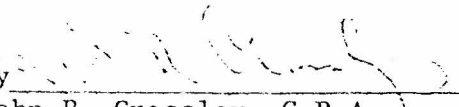
SB 228 is presently before your committee. In our review of the bill we noted some problems with the mechanics of depositing money, TCD's, and pass-books. Generally, rather than having the applicant deal directly with the State Treasurer, we feel that it would be more appropriate for the applicant to deal with the Department and the Department deposit with the State Treasurer.

Accordingly, we would like to suggest the attached amendments to SB 228. In general the amendments provide that the applicant would deal directly with the Department rather than with the State Treasurer. In addition, we are adding a new section to NRS 482, which will provide the mechanics for the Department to deposit the money with the State Treasurer. The reason all money will be credited to the Motor Vehicle Fund is, it is a Trust Fund and is where the Department is currently depositing any other money received in comparable situations.

We are available to discuss these amendments with you at your convenience.

Sincerely yours,

EARL T. OLIVER, C.P.A.  
LEGISLATIVE AUDITOR

By   
John R. Crossley, C.P.A.  
Chief Deputy Legislative Auditor

ETO:JRC:mr  
Attachment  
cc: Senator Carl F. Dodge  
Frank Daykin

EXHIBIT A

SB 228  
PROPOSED AMENDMENTS

Amend Section 1 (6,7,8,9)

Page 2, line 16

6. In lieu of a bond an applicant may deposit with the (state treasurer) department,

Page 2, line 27

7. A deposit made (with the state treasurer) pursuant to subsection 6

Page 2, line 29

(a) A court order requiring the director (and the state treasurer) to

Page 2, lines 33 and 34

acknowledgments in this state, requesting the director (and the state treasurer) to release the deposit, or a specified portion thereof, and stating the

Page 2, line 42

(b) Restores the deposit with the (state treasurer) department to the original amount

Page 2, line 46

9. A deposit made with the (state treasurer) department pursuant to subsection 6

Amend Section 2 (4,5,6,7)

Page 3, line 25

(state treasurer) department, under the terms prescribed by the department;

Page 3, line 35

5. A deposit made with the (state treasurer) department pursuant to subsection 4

SB 228  
PROPOSED AMENDMENTS  
(continued)

Page 3, line 37

(a) A court order requiring the director (and the state treasurer) to

Page 3, lines 41 and 42

take acknowledgements in this state, requesting the director (and the state treasurer) to release the deposit, or a specified portion thereof, and stating

Page 4, line 1

(b) Restores the deposit with the (state treasurer) department to the original amount

Page 4, line 5

7. A deposit made with the (state treasurer) department pursuant to subsection 4

ADD A NEW SECTION TO NRS 482:

All money which the department receives from any applicant or licensee to meet a prerequisite for the issuance of a license or to comply with a provision of this Title shall be deposited with the state treasurer for credit to the Motor Vehicle Fund.

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TRANSPORTATION  
LEGISLATION ACTION

DATE 4-12-77

SUBJECT AB 628

MOTION:

Do Pass  Amend \_\_\_\_\_ Indefinitely Postpone \_\_\_\_\_ Reconsider \_\_\_\_\_

Moved By Mrs. Westall Seconded By Mr. Jacobsen

AMENDMENT:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Moved By \_\_\_\_\_ Seconded By \_\_\_\_\_

AMENDMENT:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Moved BY \_\_\_\_\_ Seconded By \_\_\_\_\_

VOTE:

MOTION

AMEND

AMEND

Yes

No

Yes

No

Yes

No

HAYES  
DEMERS  
GLOVER  
HARMON  
MAY  
JACOBSEN  
WESTALL

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TALLY:

ORIGINAL MOTION: Passed  Defeated \_\_\_\_\_ Withdrawn \_\_\_\_\_

AMENDED & PASSED \_\_\_\_\_ AMENDED & DEFEATED \_\_\_\_\_

AMENDED & PASSED \_\_\_\_\_ AMENDED & DEFEATED \_\_\_\_\_

Attached to Minutes \_\_\_\_\_