

SENATE TRANSPORTATION COMMITTEE

MINUTES OF MEETING

Thursday, February 24, 1977

The meeting was called to order in Room #323, Legislative Building at 2:00 p.m. on Thursday, February 24, 1977.

Senator Richard Blakemore was in the chair.

PRESENT: Senator Richard Blakemore, Chairman
Senator Keith Ashworth, Vice Chairman
Senator C. Clifton Young
Senator William Hernstadt
Senator Wilbur Faiss
Senator Margie Foote
Senator Joe Neal

OTHERS

PRESENT: Leonard Winkleman, Dept. Motor Vehicles, Carson City
Howard Hill, Dept. Motor Vehicles, Carson City
John Ciardella, Dept. Motor Vehicles, Carson City
Ed Pace, Dept. Motor Vehicles, Carson City
Linda Tatum, Dept. Motor Vehicles, Carson City
Gene Phelps, Highway Department
Homer Rodriguez, Carson City Assessor
Robert F. Guinn, Nevada Motor Transport Association
Daryl E. Capurro, Nevada Motor Transport Association and
Nevada Franchised Auto Dealers Association
W. P. Scott, Motor Carrier Division, Dept. Motor Vehicles
W. W. Richards, Motor Carrier Division, Dept. Motor Vehicles

The committee took action on the following bills:

SB 144 INCREASES VEHICLE REGISTRATION FEES PAYABLE TO AGENTS.

Homer Rodriguez, Carson City Assessor, testified in favor of this bill. He said the Assessor's Association worked on this bill requesting a \$1 increase in the registration fee from the Department of Motor Vehicles. The fee was set at \$1 in June and has not been changed since that time. He said the estimated cost of operating an assessor's office is \$66,000 annually, and that the Carson City Assessor's office derived \$27,299 from the DMV for the 1975-76 year. Financial breakdown attached as Exhibit "A".

Daryl Capurro, Nevada Motor Transport Association, handed out a written suggestion for amendment to SB 144. Attached as Exhibit "B". Mr. Capurro stated the NMTA takes no position on the proposed \$1 increase in fees.

Howard Hill, Director, Department of Motor Vehicles, next testified. In reply to a question by Senator Ashworth, Mr. Hill said if the DMV were to take over the issuance of licenses, then new offices would have to be set up in the 15 counties that are not equipped at this time for such a service. The existing law states that the DMV shall handle license sales in counties of 100,000 or more which includes Clark and Washoe Counties. Carson City presently has about 30,000 population.

Senator Ashworth inquired if perhaps Douglas, Storey, Lyon and Carson City could be combined in Carson City and be handled by the DMV. Mr. Hill replied it is possible, but that the existing DMV offices do not have the space and that an additional office set up would cost between \$75,000 and \$85,000 annually.

Senator Ashworth suggested perhaps legislation could be passed this year to give DMV two years to prepare for handling license sales for the counties surrounding Carson City.

"Wink" Richards, Chief of Motor Carrier Division, DMV, testified that SB144 basically means the additional \$1 asked for by the Assessors, would mean an additional \$18,000 in the Motor Carrier Division which in turn goes to the highway fund. His department has no objection to the bill.

SB 145 AMENDS PROVISIONS OF SPECIAL FUEL TAX LAWS.

"Wink" Richards, Chief of Motor Carrier Division, DMV, testified, at length, explaining the proposed amendments. He explained the thrust of SB 145, saying the motor carrier division is in charge of collecting special fuel taxes set down in NRS 366; and in charge of collecting and enforcing NRS 706, which is the motor carrier taxes including the mileage tax and unladen weight fees. SB 145 will combine the mileage tax and fuel tax, and make special tax returns due simultaneously. Total revenues will not be increased. SB 145 basically brings in vehicles required to license under fuel so that NRS 366 reads the same as NRS 706. The special mobile equipment is added in for definition.

Sec. 3 will change the number of years required to keep records to two years.

Sec. 4 will eliminate the "cab card" which is a means of identification.

SB 145 (continued)

Sec. 11 involves the apportionment act in pro rating privilege taxes and the registration. At the present time there are 133,000 trailers licensed with a \$3 minimum privilege tax which is pro rated; ending up with 15¢ per trailer. Rather than having to apply percentage to each vehicle, Mr. Richards asked that there be a minimal amount of money that the pro rate registration collects. He said this bill was drafted in September with a \$1 fee for privilege tax and \$4 for pro rate registration. Since that time the figures have changed to \$1.25 for privilege tax and \$3.75 for pro rate registration. He pointed out this Sec. 20 was written by Frank Dayken and is constitutional.

Sec. 15, reference to SB 144, attempts to void requirement of pro rate registration fees on vehicles which are exempt under special fuel tax. This eliminates special identification; and loss of revenue is minimal.

In referring to line 41, page 5, Mr. Richards said Nevada is presently giving reciprocity to 20 states and eight provinces of Canada. That all vendor stations are instructed not to charge the \$2.50 temporary registration for vehicles coming into Nevada from these areas.

In reply to Senator Hernstadt's question of how much this program brings to the highway funds in temporary licensing, Mr. Richards said approximately one and one-half million dollars.

Robert Quinn, registered lobbyist, #77177, representing Nevada Transport Association and Nevada Franchised Auto Dealers, recommended processing the provisions of SB 145 excepting some problems commencing on page 4. He said in 1954 the states of the west adopted an apportionment basis of collecting fixed annual fees. The format of registration was agreed to during the 1955 Legislature as now outlined in NRS 706 in respect to the apportionment of present fees. Out of this came a Compact now all over the west of which Nevada is a member. Mr. Quinn is concerned over adopting a different format from the rest of the country. He said if the law is changed as proposed in SB 145, a new appendix has to be filed which has to be approved by every other member of the Compact. If one member refuses to approve and the Nevada law has been changed, then Nevada is out of the Compact which creates serious implications as far as the Nevada based carrier is concerned. Mr. Quinn said he would like to work with

SB 145 (continued)

Mr. Richards on the fees on the power unit. He also said in the reciprocity, Nevada does not charge vehicles coming in the \$2.50 registration fee, but there is a \$10 trip permit for diesel fuel for a 48-hour period, and a motor carrier fee which can be as high as \$30. Mr. Quinn suggested that the department hold off on this section of the bill until the fees on the power unit are settled. Mr. Quinn pointed out that Nevada has a mirror type reciprocity which is the law and which has been tested in the courts in several states and has been upheld. If SB 145 is passed the way it is written now, it will take the reciprocity out of the law.

In summation, Mr. Quinn said he would like to see Sec. 11 eliminated. No problem with Sec. 12 and Sec. 13. Would like to see line 16, page 5 deleted. Sec. 16 unnecessary. Line 7, page 6 should be changed. Objected to line 22, page 6; delete lines 36 and 37; and change language in line 45. Sec. 20 is questionable.

Mr. Quinn said if the Committee likes the bill, then he has no argument with it; but if the Committee thinks his suggested changes have merit, he would like to see the changes made.

"Wink" Richards said he does not feel Nevada is giving up privileges to extend reciprocity because Nevada still has the rights to extend reciprocity under NRS706.826. He said Nevada will always have privilege tax on trailing vehicles, that it doesn't matter what it is referred to. That tax goes to the counties.

Chairman Blakemore stated the Committee would meet with Mr. Dayken before changing the language of the bill so that the reciprocity is not jeopardized.

Senator Hernstadt pointed out that Nevada wants to broaden its economic base, especially in the warehousing field, and that the state should be made attractive to basing of fleets here. He said this is something to be kept in mind in changing SB 145.

SB 228

ENLARGES GROUP OF SECURITY DEPOSITS WHICH MAY BE ACCEPTED BY THE DEPARTMENT OF MOTOR VEHICLES.

Daryl Capurro, representing Franchised Auto Dealers Association, said SB 228 was introduced by Senator Dodge with respect to some of the problems which have been

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SB 228 (continued)

related to him by some of the people in his district. He said the FADA does support the bill. It basically allows, in lieu of the surety bond requirements under Chapter 482, dealers and rebuilders to utilize either lawful money, savings certificates from banks or deposits in credit unions, etc.

Senator Dodge testified he introduced SB 228 at the request of an insurance agent in Fallon who furnishes auto dealers with bonds required under the present law which have to be furnished to the Motor Vehicle Dept. Under the proposed changes, a dealer could deposit security in the form of a savings certificate or appropriate evidence from a deposit in a credit union situated in Nevada in place of a surety bond. Senator Dodge pointed out there are other situations in Nevada Statutes where similar situations are permitted, but it has never been done in the case of the MVD. He said the provision is in relief of auto dealers and wreckers and feels it should be accepted because security is as binding as a bond.

Senator Ashworth proposed the question as to how a deposit could be frozen in a credit union. Discussion followed.

Chairman Blakemore said he would check the legality of a frozen deposit in a credit union.

Senator Dodge said the bonding is getting more stringent and expensive all the time. The dealer has to not only pay the bond premium, but also put up collateral. It would be a lot less burdensome if he could deposit collateral which would earn interest and save the premium on a bond.

John Ciardella, Public Motor Vehicles, testified, saying the surety bond is written for the sole purpose to keep the dealer from conducting his business in a fraudulent manner. He said his department investigates thousands of complaints annually about dealers; the majority concerning the inability of a dealer to supply a vehicle title upon purchase. He said the bond holder determines how much money on the dollar the customer gets back when a dealer goes under. He said such cases take a lot of investigation. His department constantly audits the dealers to keep them legal, but he believes the dealer should have to obtain the bond, even if it is expensive.

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SB 228 (continued)

He said the bond is a guarantee the dealer will do business without fraud.

Senator Ashworth said he felt the requirements should not be lessened.

Senator Hernstadt suggested the bill read "may" rather than "shall," be placed in court, thus giving DMV the choice of how to handle the claims.

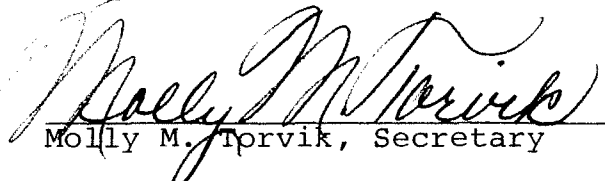
Mr. Ciardella replied the process is essentially done that way now.

Chairman Blakemore inquired as to the dollar figure involved in bonds. Mr. Ciardella said 640 dealers are licensed in Nevada, each holding approximately a \$10,000 bond. No figures in pay-offs, however, about 24 dealers went out of business last year due to bond cancellation.

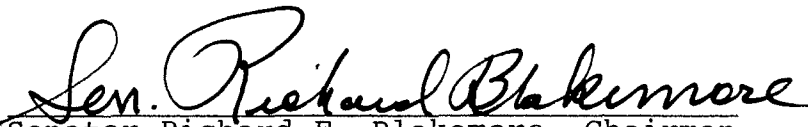
Chairman Blakemore requested Mr. Ciardella get back to the Committee as soon as possible with claim pay-off figures.

There being no further business the meeting was adjourned.

Respectfully submitted,


Molly M. Torvik, Secretary

APPROVED BY:


Senator Richard E. Blakemore, Chairman

ROOM # _____
DAY _____

DATE _____

NAME	ORGANIZATION	ADDRESS
Leonard Wickelmann	DMV	CC
HOWARD HILL	DEPT OF MOTOR VEHICLES	CC
JOHN Cardelli Espace	DMV	CC
LINDA Tatum	DMV	CC
Gene Phelps	Hwy Dept	CC
Thomas Rodriguez	Canon City Canyon	CC
Robert F. Guynn	Nev. Motor Transport Assn -	Reno -
DARYL E. CAPURRO	NEVADA MOTOR TRANSPORT ASSN.	RENO
W. P. SCOTT	NEVADA FRANCHISED AUTO DEALERS ASSN.	
W. P. SCOTT	MOTOR CARRIER DIV., DMV	CC
W. W. RICHARDS	/ / / /	/

ESTIMATE OF COST TO CARSON CITY TO OPERATE THE MOTOR VEHICLE DEPARTMENT FOR ONE YEAR.

The salary figure does not include costs of retirement, hospitalization insurance and NIC insurance.

Salaries.....	\$51,228
Building space 35' x 45' = 1575 Sq. Ft. @ .45¢ per Sq. Ft..	7,087
Janitorial Services 1575 Sq. Ft. @ .11¢.....	2,079
Telephone Services \$100.00 Per Month.....	1,200
Heat and Lights.....	2,974
Maintenance Contracts on Typewriters.....	150
Postage - mailing costs on registrations only 12,000 x .13¢	1,560
Supplies - Scratch pads, pencils, pens, staples, etc.....	200
	<u>\$ 66,478</u>

Cost of Furniture

5 Desks @ 280.....	\$1,400
5 Chairs @ 95.....	475
5 Typewriters @ 500.....	2,500
5 Calculators @ 300.....	1,500
3 - 4 Drawer File Cabinets @ 106.....	318
	<u>\$6,193</u>

Received from DMV \$1.00 per registration for the year 1975/76 \$27,299.

SB 144

Add a new subsection 11 to read as follows:

11. Except for the fees imposed by subsection 9 all fees levied under this section are subject to apportionment in the same manner as other fees imposed under this section according to the provisions of NRS 706.801 to 706.861 inclusive.

STATE OF NEVADA
DEPARTMENT OF MOTOR VEHICLES

MEMORANDUM

..... March 3, 19 77

To..... Mr. Hill, Director

From..... Chief, Motor Carrier Division


Subject: SB 145

I discussed SB 145 with Frank Dayken, Legislative Counsel, with respect to the bill being in "violation of state law" NRS 482.395.

Mr. Dayken feels there is no violation as NRS 706.826 provides for reciprocity agreements between the states as well as NRS 482.395.

Mr Dayken stated he would be happy to discuss SB 145 with Senator Blakemore if he wishes for the transportation committee's information.

Respectively,



W. W. Richards

WWR/cb

cc: Deputy Director
Administrative Assistant

TITLES

The title should have two places for the dealer to sign.

On line three, the dealer should sign when he trades for the car. If not signed, there should be a fine of \$1,000.00 (One Thousand Dollars) for the first offense.

For the second offense, there should be an additional \$1,000.00 (One Thousand Dollars) fine and the license suspended for a period of 90 days.

If the title is changed for two places for the dealer and they live up to the law, this will cut down the "Curb Stoners" on jumping of titles and will increase the sales tax as well as increase the automobile business about 40%.

The Department of Motor Vehicles will tell you they don't have "Manpower". All they have to do is appoint a "Dollar-A-Year-Man". This is a position I would take and pay all the expenses myself. And being a dealer I know the troubles so I could help straighten this into a fair and profitable business.

If the title is signed, on line three from one dealer to another dealer, the second dealer will have to sign the line five (5). If he wholesales it to another dealer, the third dealer will have to send to the Department of Motor Vehicles to have the title changed to a "clear title" with their name on the front.

REGISTRATION

On the registration, the legal owners name should be showing.

For the protection of the dealer, bank, finance and loan companies; in the top right hand corner there should be a notice that this automobile cannot be licensed without a certificate from the legal owner with consent, or a paid in full lien satisfied.

By doing this, if a car is taken out of state, they will have to notify the legal owner before they can get a license. This will cut down on the "skips" and protect the legal owner.