

SENATE TRANSPORTATION COMMITTEE

MINUTES OF MEETING

TUESDAY, APRIL 5, 1977

The meeting was called to order in Room #323, Legislative Building at 2:15 p.m. on Tuesday, April 5, 1977.

Senator Richard Blakemore was in the chair.

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

OTHERS

PRESENT: James C. Bailey, Lee Bros. Leasing
Harry N. Coel, CATRALA
Richard R. Garrod, Farmers Insurance Group
Virgil Anderson, Triple A
John Ciardella, Department of Motor Vehicles
Howard Hill, Department of Motor Vehicles
Richard Bunker, City of Las Vegas
Leonard Winkelman, Department of Motor Vehicles
Assemblyman Robert Robinson

The Committee then heard the following measures:

SB 325 MAKES INSURER OF LESSEE OF MOTOR VEHICLE THE PRIMARY INSURER.

Mr. James Bailey of Lee Bros. Leasing testified in favor of SB 325. The trucking and car rental industry requested the bill to amend section 1 of NRS 482.295. The first three paragraphs are mostly housekeeping changes to clarify the bill. Section 4 has a new paragraph which deals with the policy of insurance and other security required of an owner under the section. He said that the industry feels this is a step towards improving the driving habits of Nevada drivers by making him responsible for the life and property of others. This law would make the lessees of automobiles the primary insurer and thus make him more aware of his obligations.

Mr. Harry Coel of the CATRALA stated that this measure would help preserve the small car rental businesses because the high insurance rates are putting them out of business. At the present time, the lessors have to place a layer on their insurance rates which covers everyone, the poor or the good drivers. This penalizes the good driver because of the bad

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driving record of others. This bill would place the responsibility of each man's driving record upon himself when leasing an automobile or truck.

Richard Garrod of Farmers Insurance Group testified in opposition to the bill. He stated that Farmers was totally against this concept of insurance. At no time is the collision insurance transferable from one vehicle to another. When a person takes out his own insurance it is on a specific car and cannot be transferred to another car. In the case of a leased vehicle, a person can buy special insurance when he is leasing a vehicle, but it is excess insurance to what he normally carries on his own vehicles. It is not his primary insurance. A persons "drive other car" coverage will protect your liability while driving another car.

Virgil Anderson of Triple A said that the issue is who is going to pick up the primary coverage on leasing fleets in Nevada. His company's objection to the bill is that if it passes the insurance companies will have to pick up the liability coverage for leasing fleets and they, in turn, will have to add this back on to the policy holders. He distributed a copy of an article from the Wall Street Journal to the Committee for their information. (see Attachment A.)

AJR 31 MEMORIALIZES CIVIL AERONAUTICS BOARD TO EXPEDITE ITS CONSIDERATION OF OTHER CARRIERS FOR LAS VEGAS-RENO PASSENGER AIR SERVICE.

Assemblyman Robert Robinson testified that he had introduced this measure because officials in the Las Vegas Chamber of Commerce were concerned about the parallel routing between Las Vegas-Reno-Las Vegas. Air West's position is that dual carriers between the two cities would increase fares which has been inconsistent with their testimony on dual routes in other areas. He said that the intent of the bill is similar to that of SJR 8. He remarked that he would be willing to pay a little more for the choice of service between Las Vegas and Reno and could pick the carrier which offered to him the best time schedule and the most comfortable accommodations.

SB 403 PROVIDES PROCEDURE ON FAILURE TO SATISFY OUTSTANDING PARKING CITATIONS.

Senator Hernstadt testified that he had introduced this measure by request of the City of Las Vegas to help alleviate its parking citation problem. The bill is just the framework for a certain procedure that should help in collecting for citations.

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Mr. John Ciardella of the Department of Motor Vehicles stated that the thrust of the bill is that the DMV will receive notices of citation from the Court and when there are five or more citations outstanding on one driver the driver will be notified of a hearing. If the driver does not satisfy the claim, the Court will issue an order to the DMV to refuse to renew the registration of the vehicle. One of the major problems with the bill is that registration plates do not necessarily identify each person who drives that car. It appeared to him that it would be difficult to refuse to renew a registration on a car when another member of a family who is not the registered owner of the car was the one who received the parking citations.

He added that another problem is that he felt the fiscal impact of this measure could be quite large because it would take more employees to implement the program.

Mr. Hill, Department of Motor Vehicles stated that Las Vegas does have a problem, however, he felt this should be solved by the City itself as most other communities within the State do not have a large problem in this area.

Mr. Richard Bunker of the City of Las Vegas testified that the City does have a problem, however, it has been partially solved by the use of the "Oregon Boot". He was also concerned about the cost of implementing this measure. He added that most of the offenders are out-of-state tourists in rental cars. He stated that the City would appreciate any help they could get to solve the problem, but he was not certain that this was the correct solution.

SB 405 AUTHORIZES ISSUANCE OF SPECIAL MOTOR VEHICLE LICENSE PLATES FOR CONSULS.

Senator Hernstadt stated that he had introduced this measure by request of Consuls in the Las Vegas area. Before any plates would be issued to a Consul there would have to be a letter of authorization from the Embassy on file with DMV. Other states do recognize and issue special plates to Consuls and Senator Hernstadt felt that with four Consuls in Las Vegas presently, it was time that Nevada issued this type of license plate.

John Ciardella from the Department of Motor Vehicle said that they had discussed this with people in Washington, D.C. and San Francisco concerning this measure. They informed the DMV that there are three instances where these plates are authorized: 1) The Federal Government provides Federal plates for the Federal vehicles which the Consuls use; 2) If there is

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a Consul living in a specific State, the State would be required to provide the plate; and 3) Honorary Consuls do not have to be provided with a plate. Mr. Ciardella said that according to this bill, the Honorary Consul would have to pay the same fee as those who buy personalized license plate, \$25.00; however, it will cost the State \$450 to \$500 to make each die for the plate.

Senator Faiss introduced Mr. Richard Gillespie from North Las Vegas who was present to see if there was some way that the Legislature could amend the helmet law so that those on 3-wheel motorcycles would not have to wear a helmet. It was the consensus of the Committee that there was not time to introduce a new bill covering this; however, possibly there was still proposed legislation in the bill drafter's office wherein this amendment could be added. Chairman Blakemore asked Senator Faiss to talk to the bill drafter on this matter.

AB 422 REVISES DISTRIBUTION OF MOTOR VEHICLE PRIVILEGE TAXES.

Chairman Blakemore distributed a letter from Assemblyman Jeffrey regarding the purpose of the bill (see Attachment B).

Leonard Winkelman, Department of Motor Vehicles, stated that this measure would not involve the Department of Motor Vehicles. The distribution of taxes that this measure speaks to are those distributed from each county to the entities within each county which receive the privilege taxes. The counties would each hold an entities' monies until the amount would accumulate up to \$100 before it would disburse that money to a specific entity.

Senator Ashworth moved "DO PASS."
Senator Foote seconded the motion.
Motion carried unanimous.

THE COMMITTEE THEN TOOK FURTHER ACTION ON THE FOLLOWING BILLS:

SB 405 Senator Hernstadt moved "DO PASS." Motion died for lack of a second.

Senator Ashworth moved "indefinite postponement."
Senator Young seconded the motion.
Motion carried with all voting aye except Senator Hernstadt who voiced "not voting."

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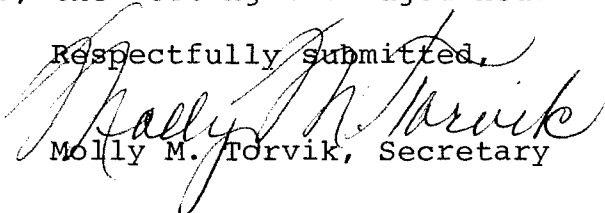
SB 403 Senator Young moved "indefinite postponement."
Senator Hernstadt seconded the motion.
Motion carried unanimously.

SB 325 Senator Hernstadt moved "indefinite postponement."
Senator Foote seconded the motion.
Motion carried unanimously.

AJR 31 Senator Young moved "DO PASS."
Senator Foote seconded the motion.
Motion carried will all voting aye except Senator
Ashworth who voiced "not voting."

There being no further business, the meeting was adjourned.

Respectfully submitted,


Molly M. Torvik, Secretary

APPROVED BY:


Senator Richard Blakemore, Chairman

Avis Files More Data On Dubious Payments Disclosed in November

By a WALL STREET JOURNAL Staff Reporter

NEW YORK—Avis Inc. late yesterday in a lengthy statement elaborated on \$425,000 in questionable payments disclosed last November that followed a study by the board's audit committee.

The company said it had filed the new information with the Securities and Exchange Commission. It hadn't any comment on its reasons for the more detailed disclosure.

Basically, it broke down the previously announced amount of payments into about \$384,000 in foreign payments and \$41,000 in payments made in the U.S. It also gave details for certain off-book cash funds from which some of the payments were made.

"Several members of senior U.S. management, including the two management directors, had knowledge of some of the foregoing payments and off-book cash funds at various times," Avis said, "but in most cases didn't authorize or have specific knowledge of particular payments. No outside director knew of any of these matters prior to April 1976."

At the time of the study the two "management directors" were Colin M. Marshall, currently president and chief executive officer of Avis, and Winston V. Morrow, then chairman and chief executive, who resigned from Avis without giving a reason last December.

"Following completion of its investigation, the audit committee considered the involvement of corporate employees in these matters, and, based upon the committee's conclusions, the board of directors took appropriate action with respect to several employees. In the view of the board, no further personnel action is warranted as a result of the audit committee's findings," the company said.

Avis's breakdown of the U.S. payments included \$20,000 as the estimated value of complimentary vehicle rentals to officials, miscellaneous small rewards to police for recovering stolen vehicles and "similar minor payments." It also included \$10,800 in political contributions, and \$8,700 in cash payments to a municipal official in 1971 through 1973 to reimburse him for the cost of a vehicle rented by him.

Beyond that, it said it included an alleged \$4,000 in unrecorded cash paid to an attorney retained by the company.

It broke the foreign payments into about \$180,000 in miscellaneous payments in minor amounts to local officials in several countries; about \$65,000 as the estimated value of complimentary vehicle rentals to officials in several countries, about \$135,000 in unrecorded bonus payments to employees in certain foreign countries for the purpose of avoiding local tax or other regulations, and an unrecorded \$4,000 cash payment to an attorney who was on retainer.

About \$125,000 of the payments were made from two "off-book funds" derived from insurance premium refunds payable to foreign subsidiaries and in the names of officers of foreign subsidiaries," the company added.

Avis also said that after receiving the audit committee's report, the board adopted an amended policy providing that all payments of the type described are "prohibited, except that, after prior approval at appropriate corporate levels, facilitating or similar payments may be made in minor amounts, only in foreign countries, where no competitive advantage is sought, but where such payments are necessary to prevent disruption of company business, harassment, detention or endangerment of customers or employees" or certain other conditions. "The company believes that no domestic payments of any kind are continuing," Avis said.

JOHN E. JEFFREY
ASSEMBLYMAN
DISTRICT 22 (CLARK)
46 ARKANSAS STREET
HENDERSON, NEVADA 89015
PHONE 564-1444



COMMITTEES
MEMBER
GOVERNMENT AFFAIRS
AGRICULTURE
ENVIRONMENT AND PUBLIC RESOURCES

Nevada Legislature

FIFTY-NINTH SESSION

March 30, 1977

Senator Blakemore, Chairman
Committee on Transportation

Dear Rick,

Assembly bill #422 came as a result of a request from the Henderson and Boulder City Public Library Districts.

During the 58th Session we passed a housecleaning measure that was intended to eliminate small payments from motor vehicle privilege tax funds.

These small payments often cost more to pay than the checks were worth.

As a result of the bill passed during the 58th Session the Henderson Public Library lost approximately \$3,000.00 and Boulder City lost approximately \$2,000.00 in revenue.

The figure, 1/2 of 1% of the total county allocation, probably serves the intended purpose in the small counties. This figure causes an inequity in the districts in Clark County.

By changing the figure to \$100.00, the intent of the 58th Session should be satisfied and the inequity corrected.

During testimony in the Assembly Committee on Government Affairs, the County of Clark supported the bill. There was no opposition.

I appreciate your consideration.

Sincerely,

A handwritten signature in cursive script that reads "John E. Jeffrey".

John E. Jeffrey

JEJ:ph

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4461 Woodcrest Road
Las Vegas, Nev., 89121

April 1st, 1977

The Honorable Wilbur Faiss
State Legislature
Carson City, Nev., 89701

My dear Senator Faiss:

This is in reference to SB 405, which was introduced by Senator Hernstedt, and referred to the Transportation Committee, which would provide for the issuance of special license plates to members of the Consular Corps:

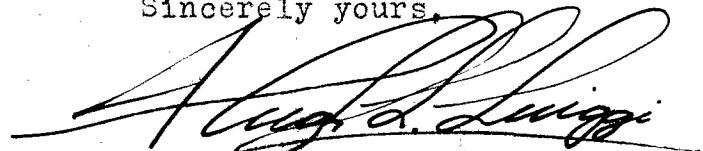
This legislation would be pretty much in line with the practice followed in other states and in foreign countries. I can see no objection to this bill where it involves legitimate members of the consular corps, even if their duties are part-time.

I would point out that there are individuals in this State who hold commissions as "honorary consul" or "honorary vice-consul"; these people maintain no offices, are not listed in the telephone directory, and have no authority to certify documents or perform other duties commonly associated with the consular office.

It would be quite inequitable to give special license plates to these people, where the sole effect would be to bolster their egos or to aid them in the pursuit of other occupations, and possibly even to permit them to break traffic rules with impunity.

It is hoped that all this will be taken into consideration when the legislation is drafted.

Sincerely yours,



Hugh L. Luiggi

ASSEMBLY BILL NO. 422—ASSEMBLYMEN JEFFREY
AND SENA

MARCH 9, 1977

Referred to Committee on Government Affairs

SUMMARY—Revises distribution of motor vehicle privilege taxes.
(BDR 43-1147)

FISCAL NOTE: Local Government Impact: Yes.
State or Industrial Insurance Impact: No.

EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT relating to the motor vehicle fund; revising distribution of privilege taxes;
and providing other matters properly relating thereto.

*The People of the State of Nevada, represented in Senate and Assembly,
do enact as follows:*

- 1 SECTION 1. NRS 482.180 is hereby amended to read as follows:
2 482.180 1. There is hereby created in the state treasury a fund
3 which shall be known as the motor vehicle fund. Money received by the
4 department shall be deposited with the state treasurer to the credit of the
5 motor vehicle fund. Any check accepted by the department in payment of
6 vehicle privilege tax or any other fee required to be collected under this
7 chapter shall, if it is dishonored upon presentation for payment, be
8 charged back against the motor vehicle fund or the county to which such
9 payment was credited, in the proper proportion.
10 2. [Funds] Money for the administration of the provisions of this
11 chapter shall be provided by direct legislative appropriation from the
12 state highway fund, upon the presentation of budgets in the manner
13 required by law. Out of such appropriation the department shall pay
14 every item of expense.
15 3. The department shall certify monthly to the state board of exam-
16 iners the amount of privilege taxes collected for each county by the depart-
17 ment and its agents during the preceding month, and such [moneys]
18 money shall be distributed monthly as provided in subsection 4.
19 4. The distribution of the privilege tax within a county shall be made
20 to local governments, as defined in NRS 354.474, in the same ratio as all
21 property taxes were levied in the county in the previous fiscal year, but the
22 State of Nevada is not entitled to share in any such distribution. The
23 amount attributable to the debt service of each school district shall be

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Original bill is 2 pages long.
Contact the Research Library for
a copy of the complete bill.

S. B. 405

SENATE BILL NO. 405—SENATOR HERNSTADT

MARCH 28, 1977

Referred to Committee on Transportation

SUMMARY—Authorizes issuance of special motor vehicle license plates for consuls. (BDR 43-1407)

**FISCAL NOTE: Local Government Impact: No.
State or Industrial Insurance Impact: No.**

EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT relating to motor vehicle license plates; authorizing the issuance of special plates for consuls; and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

- 1 **SECTION 1.** Chapter 482 of NRS is hereby amended by adding
2 thereto a new section which shall read as follows:
3 1. *The department shall furnish to each consul, consul ad honorem*
4 *and any former consuls who have served in Nevada and who reside in*
5 *this state, upon compliance with the provisions of subsection 2, a special*
6 *license plate or plates showing on the face thereof "Consular Corps" with*
7 *three consecutive numbers.*
8 2. *The department shall issue the license plates described in subsection*
9 *1 upon:*
10 (a) *Receipt of a signed application accompanied by a letter from the*
11 *embassy of the country which the applicant purports to represent which*
12 *identifies the applicant as the consul, a consul ad honorem or former con-*
13 *sul of that country; and*
14 (b) *Payment of the fees prescribed by NRS 482.367.*

Original bill is on file at
the Research Library.

SENATE BILL NO. 403—SENATOR HERNSTADT

MARCH 25, 1977

Referred to Committee on Transportation

SUMMARY—Provides procedure on failure to satisfy outstanding parking citations. (BDR 43-617)

FISCAL NOTE: Local Government Impact: No.
State or Industrial Insurance Impact: Yes.

EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT relating to vehicle licensing and registration; providing procedures for actions against persons who fail to answer parking citations; and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

- 1 SECTION 1. Chapter 482 of NRS is hereby amended by adding
2 thereto a new section which shall read as follows:
3 1. *When any court finds that there are five or more parking citations*
4 *which have been outstanding for more than 30 days against a motor vehi-*
5 *cle registered to one or more natural persons, it shall give notice of the*
6 *fact to the owner or owners of the vehicle, and also that a hearing will be*
7 *held, at a time and place stated, not less than 15 days or more than 30*
8 *days after the date of the notice, to determine whether an order should be*
9 *issued pursuant to subsection 2.*
10 2. *If the owner or one of the owners fails to appear at the time and*
11 *place set for the hearing, or to satisfy the fines resulting from the citations*
12 *outstanding, including any citations issued after the date of the notice, the*
13 *court shall issue an order directing the department to refuse to renew the*
14 *registration of the vehicle to which the citations have been issued.*
15 3. *The department shall not renew the registration of any vehicle*
16 *which is the subject of an unrescinded order of a court given under this*
17 *section.*
18 4. *Upon satisfaction of all parking citations against the vehicle which*
19 *is subject to an order under this section, the court shall rescind its order*
20 *and immediately give notice to the department that it has done so. Upon*
21 *receipt of notice of rescission of the order, the department may immedi-*
22 *ately renew the registration of the vehicle if all other conditions are prop-*
23 *erly met.*
24 SEC. 2. Section 1 of this act applies to orders issued on or after Jan-
25 uary 1, 1978, upon citations issued for parking violations on or after
26 December 1, 1977.

SENATE BILL NO. 325—SENATORS SHEERIN, FOOTE
AND BLAKEMORE

MARCH 9, 1977

Referred to Committee on Transportation

SUMMARY—Makes insurer of lessee of motor vehicle the primary insurer. (BDR 43-1088)

FISCAL NOTE: Local Government Impact: No.
State or Industrial Insurance Impact: No.

EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT relating to the leasing of motor vehicles; apportioning financial responsibility for negligent acts or omission among the parties; and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

- 1 SECTION 1. NRS 482.295 is hereby amended to read as follows:
2 482.295 1. The department shall not register a vehicle intended to
3 be leased by a short-term lessor until the owner [shall demonstrate]
4 *demonstrates* to the department his financial ability to respond to damages
5 as follows:
6 (a) By carrying insurance in an insurance company [or companies]
7 approved by the insurance commissioner [of this state] as provided in
8 subsection 2 and NRS 482.305;
9 (b) By filing with the department a surety bond in the principal sum
10 of \$100,000 with an admitted insurer as surety for the protection of the
11 lessee of the vehicle; or
12 (c) By making and thereafter continuously maintaining on deposit
13 in this state through the director, cash or securities such as may be
14 legally purchased by savings banks or for trust funds, of a fair market
15 value of not less than \$100,000 for the protection of the lessee of the
16 vehicle.
17 2. If the owner's demonstration of financial ability is pursuant to
18 paragraph (a) of subsection 1, it shall be as follows:
19 (a) If he [apply] *applies* for registration of one motor vehicle, insur-
20 ance in the sum of at least \$15,000 for any person injured or killed and
21 in the sum of \$30,000 for any number more than one injured or killed in
22 any one accident.
23 (b) If he [apply] *applies* for the registration of more than one motor

(REPRINTED WITH ADOPTED AMENDMENTS)

FIRST REPRINT

A. J. R. 31

ASSEMBLY JOINT RESOLUTION NO. 31—ASSEMBLYMEN
ROBINSON, MANN, HARMON, DREYER, HAYES AND WEISE

MARCH 7, 1977

Referred to Committee on Transportation

SUMMARY—Memorializes Civil Aeronautics Board to expedite its consideration of other carriers for Las Vegas-Reno passenger air service. (BDR 1635)

EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

ASSEMBLY JOINT RESOLUTION—Memorializing the United States Civil Aeronautics Board to expedite its consideration of the applications of air carriers who wish to provide passenger service between Las Vegas and Reno.

- 1 WHEREAS, Superior service at the least cost often results when buyers
2 may freely choose among competitors on the basis of merit; and
3 WHEREAS, Convenient and efficient air transportation is needed in
4 Nevada because of the vast distances between its population centers; and
5 WHEREAS, Passenger air travel between the major population centers of
6 Las Vegas and Reno serves as a vital link between the distant southern
7 and northwestern areas of the state; and
8 WHEREAS, Direct passenger air service between the two cities is pres-
9 ently operated without competition by a single carrier; now, therefore,
10 be it
11 *Resolved By the Assembly and Senate of the State of Nevada, jointly,*
12 That the United States Civil Aeronautics Board is memorialized to expedite its consideration of the applications of competitive air carriers who wish to provide service between Las Vegas and Reno; and be it further
13 *Resolved,* That the Civil Aeronautics Board is urged to give substantial
14 consideration to the beneficial effects of free competition when acting
15 upon those applications; and be it further
16 *Resolved,* That copies of this resolution be prepared and transmitted
17 by the legislative counsel to the chairman and members of the Civil
18 Aeronautics Board; and be it further
19 *Resolved,* That this resolution shall become effective upon passage
20 and approval.
21
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Original bill is on file at
the Research Library.