

The meeting was called to order at 2:29 p.m. in Room 323 in the Legislative Building.

Senator Blakemore in the Chair.

PRESENT: Senator Richard Blakemore, Chairman  
Senator Wilbur Faiss, Vice-Chairman  
Senator Keith Ashworth  
Senator Clifford McCorkle

ABSENT: Senator William Hernstadt- Excused  
Senator Lawrence Jacobsen- Excused  
Senator Joe Neal- Excused

OTHERS

PRESENT: Assemblyman Nash Sena, Clark County District #21  
Sharon Alcamo, Driver's License Division, D.M.V.  
John Ciardella, Registration, D.M.V.  
Donald Heath, Nevada Insurance Commissioner  
Kevin Sullivan, Nevada Insurance Division, counsel  
Chuck Knaus, Nevada Insurance Division, actuary  
Hal Smith, Burrows, Smith and Company  
Wink Richards, Motor Carrier Division, D.M.V.  
Richard Gillespie, Dick's Tricky Trikes  
Barney Dehl, Nevada Highway Patrol  
Russell McDonald, Washoe County  
Robert Guinn, Nevada Motor Transport Association  
Daryl Capurro, Nevada Motor Transport Association  
Assemblyman Mike Fitzpatrick, Clark County District #12  
Sam Mamet, Clark County  
Virgil Anderson, American Automobile Association

A.B. 108 REQUIRES PERSON SEEKING TO REGISTER MOTOR VEHICLE TO  
SUBMIT PROOF THAT MANDATORY INSURANCE FOR THE VEHICLE  
IS IN EFFECT.

Assemblyman Nash Sena, Assembly District #21, spoke on A.B. 108. He said he has been working with the Department of Motor Vehicles and the Nevada Motor Transport Association to amend the bill so that it would pacify everyone, but there is probably still one more amendment to be made.

Mr. Sena said the insurance commissioner would supply the forms that would be required upon renewal of registration. He said the fines have been incorporated and it makes it permissible for judges to fine. He said the bill will go into effect January 1, 1980 in order to give the department one year to work with this legislation before the next session.

Senator McCorkle asked why this couldn't take effect July 1, 1979. Mr. Sena replied that the forms have to be printed for the insurance commissioner and it would also give the public enough time to obtain insurance, since they would be more aware of the necessity

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due to the passage of the bill and consequent press releases.

Donald Heath, Nevada Commissioner of Insurance, introduced the actuary of the Nevada Insurance Division, Chuck Knaus, and the legal counsel, Kevin Sullivan. Mr. Heath said that they support the bill even though they have not had time to read the proposed amendments. He said it is an acceptable bill, in its present form, to the Insurance Division.

Senator Blakemore asked what the minimum insurance is under the law. Mr. Knaus replied that it is 15-30-5. He said the 5 is for property damage liability. It is \$15,000 per person bodily injury, \$30,000 per occurrence bodily injury in case there is more than one person injured in the same accident, and then \$5,000 property damage liability. He said this is the minimum. This can be met by adding a combined single limit policy of \$35,000, which means the whole limit can be put toward either property damage or bodily injury and this is also a little cheaper. Mr. Knaus said that NRS 698 also requires \$10,000 in basic reparation benefits.

Senator Blakemore inquired about the valid certificate of insurance; the little card that is carried is not a certificate? Mr. Heath replied that it is not. He said that according to the proposed amendments in Exhibit A, the words "valid certificate of insurance" would be changed to "evidence of insurance provided by the insurer", which would cover the card.

Senator McCorkle referred to the language in the amendment that says, "The department may file the certificate, return it to the applicant, or otherwise dispose of it." Mr. Ciardella, Department of Motor Vehicles, explained that when a person registers a vehicle for the first time and he is there in person, they could return the evidence of insurance to him which he could carry in his vehicle. He said in the renewal program it would be impossible to return the evidence of insurance, so it would be more workable for a copy to be supplied to the person by the insurance agency and then D.M.V. would dispose of the copy that is given to them.

Senator McCorkle asked if there shouldn't be language that says the D.M.V. will accept on renewal, a copy of the certificate, but it is the responsibility of the applicant to keep the original as security. Mr. Ciardella said that language would take care of it.

Mr. Heath said that Senator McCorkle's concern could be taken care of by a regulation to require inclusion of a duplicate of the certificate.

Mr. Heath referred to a memo to the committee from him (Exhibit B). He said this memo tries to estimate the impact that this bill would have in terms of reducing the numbers of uninsured motorists, and the consequent effect it might have on premium reduction, which he feels would be positive.

Date: May 10, 1979

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Assemblyman Mike Fitzpatrick, Clark County District #12, spoke on A.B. 108. He said there is one basic flaw in the amendment in which the dates that coverage begins and ends were deleted from the bill. Mr. Heath said that also could be taken care of by regulation.

Sharon Alcamo, Department of Motor Vehicles, spoke in support of A.B. 108. She said the department wanted to go on record as being in support of A.B. 108. She said that in analyzing all the various methods of enforcing the insurance requirements, this would be the most cost effective way to do it.

Mr. Ciardella said there would be a very minimal amount of work for D.M.V. Registration Division.

Mr. Virgil Anderson, A.A.A., said they agree with the amendments as submitted. They think they do improve the bill. He said he thought the point should be brought up that both the bill and the amendments refer to Chapter 698, which is the no-fault law and since this law may be repealed, this may be an incorrect reference.

Mr. Heath said they were also concerned about that and said it should go under the financial responsibility law which is NRS 485. This leads to another point that has to do with paragraph (b) where it refers to evidence of insurance as required by Chapter 698. Mr. Anderson said that changing those words to "evidence of financial responsibility" would take care of that.

Daryl Capurro, Nevada Motor Transport Association, said they had participated in amending this bill with Mr. Sena, Assembly Transportation Committee and the Department of Motor Vehicles, because of the unique situation involving fleet vehicles, both on a self-insured basis or on an insured basis. He said that fleets are generally covered under a fleet policy issued covering all vehicles within the fleet and they are not necessarily named vehicles. He had some question about referring to Chapter 485 since that is an after-the-fact-type situation in safety responsibility. He said the mandatory language is contained in Chapter 698 now.

Mr. Capurro said he had looked over the proposed amendments and the only problem that he saw was that the last amendment shows the change to be in lines 30-31 and he felt it should be in lines 32 and 33. He said the bill with the amendments presents no particular problem to the trucking industry.

Senator Blakemore asked Mr. Heath if he would bring the amendments talked about referring to the chapter number. Mr. Heath said the Insurance Division would be happy to take the amendments and try to get them to track so they could put the compliance with another section other than 698.

Chairman Blakemore closed the hearing on A.B. 108.

A.B. 67 EXEMPTS EQUIPMENT OF CONTRACTORS USED ON HIGHWAYS UNDER CONSTRUCTION OR RECONSTRUCTION.

Daryl Capurro, Nevada Motor Transport Association, said this bill is a product of the Interim Transportation Committee. He said it is primarily to alleviate and to address some inconsistencies in the current law. He particularly wished to address the changes in 706.281, Section 4 and 5. They were made at the insistence of Frank Daykin. Mr. Daykin felt there should be a specific subpoena provision dealing with the exemption section of Chapter 706 which is the Motor Carrier Act, specifically dealing with operation with, or without, a public convenience and necessity certificate. He said there is a quirk in the law in that anyone who operates outside of a five-mile radius of the city limits would be under P.S.C. jurisdiction, while anyone operating within that radius would be exempt from this jurisdiction. He said the exemption was not to accommodate gypsy operators who prevented local operators and their teamster drivers from having any opportunity to perform the same service. Consequently, the money went out of the community. Under these circumstances, the state highway fund lost revenues because of this exemption since gypsy carriers are not required to pay fees from a pit site to a job site.

Mr. Guinn, Nevada Motor Transport Association, spoke on A.B. 108. He said the way the present law is worded, the exemption not only applies to contractors, but to everybody in the state that might travel over a highway under construction or reconstruction. He stated that Frank Daykin said this should never have been in the law in the first place. What has been done by striking 706.086 and putting the exemption in on Page 2, line 34, is the law has been restricted to the contractors' vehicles only.

Harold K. Peterson, Public Service Commission, said he had no objection to the bill in its present form.

A.B. 70 PROVIDES AUTHORITY FOR ESTABLISHMENT AND OPERATION OF REGIONAL SYSTEMS OF TRANSPORTATION.

Russell McDonald, Washoe County, spoke in support of A.B. 70. He said that all it does is change the name of the Regional Street and Highway Commission to the Regional Transportation Commission. This would allow the Regional Transportation Commission to establish or operate a bus system.

Chairman Blakemore said this bill is in conflict with S.B. 335 and A.B. 549.

A.B. 74 EXEMPTS COUNTY OPERATING AS COMMON MOTOR CARRIER FROM REQUIREMENT OF CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY.

Mr. McDonald said that A.B. 74 proposed to amend 706.401 which is supposed to be amended in Section 5 of A.B. 70. He suggested

that they go with A.B. 74 and it seemed to him that A.B. 74 and A.B. 70 could be incorporated.

Senator Ashworth gave some background on both bills. He said the problem of mass transit in urban areas came up during the interim study meetings. They decided that rather than try to encompass a mass transit authority within the Department of Transportation, they determined it could best be done at the local level. There is a mechanism already established at the local level in some counties in the form of the Regional Streets and Highway Commission. This bill would give the proper authority to this commission to establish and/or operate a system of public transportation. He said that Section 5, 706.401 would include counties, then A.B. 74 would not be necessary.

Mr. McDonald asked the committee if he could speak to A.C.R. 45 then since he had another appointment. Chairman Blakemore agreed.

A.C.R. 45 REQUESTS DEPARTMENT OF HIGHWAYS TO PROMPTLY SELECT ROUTE FOR CERTAIN FREEWAY IN WASHOE COUNTY.

Mr. McDonald, Washoe County, said this only addresses a Washoe County problem. He said the county needs a route for the freeway very badly. He thought a good deal of the hold-up on this is from the federal government in the form of impact studies as well as there being some court suits pending. He thought that all this resolution points to is the establishment of the freeway route.

Senator McCorkle said he did not know if this resolution is necessary. He had talked to the highway department two weeks ago and they had just started the hearing process all over again.

Mr. McDonald said irrespective of Senator McCorkle's observations, he urged the adoption of the resolution.

Chairman Blakemore closed the hearing on A.C.R. 45 and resumed the hearing on A.B. 70 and A.B. 74.

Sam Mamet, Clark County, spoke in support of A.B. 70 and A.B. 74. He pointed out to the committee that possibly there could be a conflict between the bill dealing with the abandoned rail lines, S.B. 335, and Section 7 of A.B. 70 which would repeal 710.290 through 710.390 which is that body of law that allows counties to operate, maintain and provide financial assistance. This is a substantive conflict.

Chairman Blakemore took note of this and called for testimony on S.B. 570.

S.B. 570 PROVIDES MANNER IN WHICH OBLIGATION BONDS AND REVENUE BONDS FOR MUNICIPAL AIRPORTS MAY BE SOLD.

Hal Smith representing the municipal financial consulting firm,

Burrows, Smith and Company, spoke on S.B. 570. He said this bill is the result of a recent airport bond sale in which the market went to pieces the day of the sale and there was only one syndicate left to bid. He said the bid came in at 7-1/2% and within two days it had dropped down to 7%. If they had had the ability to negotiate a revenue bond sale, they could have saved almost \$3-1/4 million.

Mr. Smith said that general obligation bonds are bonds that are voted on by the public in support of airport activities. There are three bonds in Clark County that have never been supported by general obligation and have a balance of \$900,000 in them. As the law presently stands, there could only be a public sale of these bonds and not a negotiated sale.

Senator McCorkle said the private language is the key language. Mr. Smith said that was correct, it is negotiated sale.

Chairman Blakemore closed the hearing on S.B. 570 and resumed the hearing on A.B. 74.

Daryl Capurro, Nevada Motor Transport Association, agreed with Mr. McDonald in there being an inconsistency in the bill, but did not agree on how to go about solving it. He thought the way to handle it would be to take the language out of A.B. 74 and insert it into Section 5 in A.B. 70. He said under the current language in the current law, it would be probable for a city to have a charter bus company, operate taxis or any other type of activity, that would be an infringement on the private sector. He spoke in particular of a local entity getting into the bus business by contracting with the school district to provide bus transportation for children attending the ski program and thereby bypassing private industry.

Chairman Blakemore said since there are two conflict notices on A.B. 70, he thought it would be more feasible to process A.B. 74.

Senator Ashworth asked if the language, "an unincorporated city or county where a regional street and highway commission does not exist may" would be more to Mr. Capurro's liking. Mr. Capurro said to bear in mind that A.B. 70 changes the street and highway commission to a transportation commission.

Senator Ashworth asked why not take the city and county out and just say a regional transportation commission is not required to obtain a certificate of public convenience. Then in Section 6 say the regional transportation commission can establish and/or operate a system of public transportation. Mr. Capurro said the problem then would be that every one of the counties that has a regional street and highway commission would have to change their ordinances to call them a regional transportation commission. He said that in regard to Senator Ashworth's previous suggestion, if it is only put in Chapter 710, 706 is the motor carrier chapter, and he thought the change should be made in both places. Senator Ashworth said he felt if there is an incorporated city, the county should be included also

or a regional transportation commission. Mr. Capurro said that many counties that have regional street and highway commissions will have more pressure put on them for the development of a transportation system. He said that unless the language is taken in A.B. 74, Section 5, then that loophole is left wide open. He said that, in their way of thinking, it has to be tied down to a system of bus transportation consisting of regular routes and fixed schedules to serve the public, which would be a transit system. Senator Ashworth said this eliminates the thrust to bus transportation. Mr. Capurro said that was the intent of A.B. 74 and the intent of the Assembly committee. He said it is their suggestion that Section 5 of A.B. 70 be changed to reflect the language in A.B. 74. He thought if "system" were changed to "commission" on line 3, it would take care of it or, in other words, put Section 1 of A.B. 74 into Section 5 of A.B. 70.

Chairman Blakemore closed the hearing on A.B. 70 and A.B. 74.

A.B. 591      REQUIRES USE OF SAFETY CHAINS BETWEEN CERTAIN TRAILERS  
AND VEHICLES TOWING THEM.

Assemblyman Mike Fitzpatrick, Clark County District #12, spoke on A.B. 591. He said after the first revision of the bill, they found that in the statutes the Department of Motor Vehicles had the authority to issue rules and regulations with regard to safety chains on trailers in the past, but nothing had been done for ten years. This bill only changes one word from "may" to "shall" issue the ordinances and regulations. He said Nevada is the only state that does not make this requirement for towing a boat or a camper behind a vehicle.

Barney Dehl, Nevada Highway Patrol, spoke in support of A.B. 591. He said they think it is a safety device and when they draft the regulations they will make them compatible and comparable with all surrounding states. He said that before any enforcement action was taken, they would put out press information and probably warnings to start with.

A.B. 317      REQUIRES FULL PERIOD OF SUSPENSION OF DRIVER'S LICENSE  
BE CARRIED OUT, AFTER REINSTATEMENT PENDING APPEAL, IF  
SUSPENSION IS AFFIRMED.

Since no one was present to testify on this bill, it was rescheduled to be heard May 15, 1979.

A.B. 476      MAKES VARIOUS CHANGES IN LAW CONCERNING MOTOR VEHICLE  
CARRIERS.

Wink Richards, Department of Motor Vehicles, said this is a department bill that does a little housekeeping and makes an attempt to clear up some inequities in motor carrier law. He spoke on the changes and explained the need for them in the Motor Carrier Division.

Daryl Capurro, Nevada Motor Transport Association, said that A.B. 476 is considerably watered down from the original bill. He indicated that some of the people that he represents will be unhappy over the deletion of Section 706.501, which is for the \$25.00 plate. He thought this would have fiscal impact of \$125,000 additional revenue to the department, which will come out of the hides of private carriers. He said it is one of the exemptions that he is sure is hard to administer and they have reluctantly agreed to go along with it.

Chairman Blakemore closed the hearing on A.B. 476.

A.B. 679 CREATING CLASSIFICATION OF MOTOR VEHICLE WITH THREE WHEELS, TWO OF WHICH ARE POWER DRIVEN.

Richard Gillespie, Dick's Tricky Trikes, Las Vegas, spoke on A.B. 679. He said this would enable him to get insurance that he has been denied for this three-wheel motor vehicle under the motorcycle law.

Chairman Blakemore asked if this was creating a separate class of bikes with a different size plate.

Mr. Gillespie said the plate would be the same size as a motorcycle plate, but does create a new classification for a trimobile.

John Ciardella, Department of Motor Vehicles, said the trimobile definition would put the trimobile in a separate classification which is between a motorcycle and an automobile. However, fees, registration and plates would be the same as those for motorcycles. The bill does require that trimobile drivers wear glasses, goggles or face shields. It also specifies that the trimobile can be driven with either a motorcycle license or an automobile license. Mr. Ciardella said emission control for trimobiles would be based on the year the engine of the trimobile was built. He said the Department of Motor Vehicles had no problems with this bill.

Senator Ashworth asked why it should be required in the bill that face protection had to be worn. Mr. Ciardella said because these vehicles have no windshields to protect the face from being hit with bugs or debris. Mr. Gillespie said he felt eye protection should be required.

Chairman Blakemore closed the hearing on A.B. 679.

A.B. 771 LIMITS USE OF STUDED TIRES TO CONFORM TO LAWS OF ADJACENT STATES.

Barney Dehl, Nevada Highway Patrol, spoke in support of A.B. 771. He said this bill would put Nevada law on the date that studded snow tires may be used in compliance with surrounding states. He said the greatest benefit of this law would be that any Nevada resident that was in compliance with Nevada law, would also be complying if they travel to California or some other state.



Senator Fiass asked what the difference in time is. Col. Dehl said one month, Nevada law was between September 1 and April 30th and California is October 1 and April 30th. Col. Dehl said the Department of Motor Vehicles is in accord with the bill also.

Virgil Anderson, American Automobile Association, spoke in support of the bill. He said they are in full accord with it too.

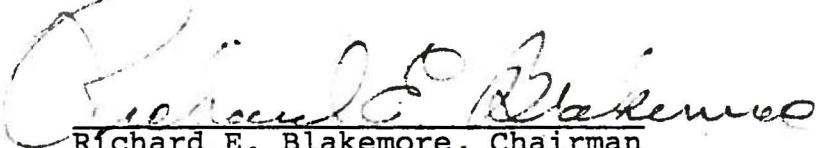
Chairman Blakemore closed the hearing on A.B. 771.

There being no further business, the meeting was adjourned at 4:30 p.m.

Respectfully submitted,

  
Jane A. King, Secretary

APPROVED:

  
Richard E. Blakemore, Chairman

Page 2, line 7 through 11, substitute the following language:

"(f) If security is provided by a contract of insurance, evidence of insurance shall be provided by the insurer on a form approved by the commissioner of insurance, which identifies the vehicle and shows, at the time of application for registration, the coverage conforms with the requirements of chapter 698 of NRS. The department may file the certificate, return it to the applicant, or otherwise dispose of it."

Page 3, line 1 through 5, substitute the following language:

"(b) If security is provided by a contract of insurance, evidence of insurance shall be provided by the insurer on a form approved by the commissioner of insurance, which identifies the vehicle and shows, at the time of application for registration, the coverage conforms with the requirements of chapter 698 of NRS. The department may file the certificate, return it to the applicant, or otherwise dispose of it."

Page 3, section 3, subsection b, lines 30-31 substitute the following language:

"(b) Operate or knowingly permit the operation of a motor vehicle without having current evidence of insurance as required by chapter 698."

TO Senator Blakemore

EXHIBIT B

Memo

FROM Donald W. Heath, Commissioner of Insurance

DATE 5/8/79

SUBJECT Answer to your Question Concerning the Effect  
of Mandatory Insurance on Nevada Insurance  
Premiums

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There are two identifiable reasons why mandatory insurance will reduce premiums for "good drivers":

1. Increased spread of risk within the pool of insured risks.
2. Reallocation of the cost of some accidents.

The combined effect of cost allocation and spread of risk would probably be a maximum of 14%.

Our best estimate is that the spread of risk factor would reduce premiums by 3% to 6% for all auto insurance coverages. Both good drivers and poor drivers would so benefit.

The cost allocation factor would probably reduce premiums for good drivers while tending to increase rates for poor drivers. We estimate the good driver reduction to be a 4% to 8% maximum.

An example of the cost allocation problem is when a properly insured person suffers bodily injury and/or damage to his auto due to a liable but uninsured motorist. In such circumstance, the injured innocent party must recover all elements of his loss from his own insurer. This means that he will bear the cost of his collision deductible (usually \$100-\$200) plus a possible increase in future insurance premiums.

The improper cost allocation factor relates to three current auto insurance coverages. These are basic reparation benefits (no-fault), collision, and uninsured motorist.