

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON TRANSPORTATION**

**Seventy-Third Session
March 29, 2005**

The Committee on Transportation was called to order at 1:35 p.m., on Tuesday, March 29, 2005. Chairman John Oceguela presided in Room 3143 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. All exhibits are available and on file at the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Mr. John Oceguela, Chairman
Ms. Genie Ohrenschall, Vice Chairwoman
Mr. Kelvin Atkinson
Mr. John Carpenter
Mr. Chad Christensen
Mr. Jerry Claborn
Ms. Susan Gerhardt
Mr. Pete Goicoechea
Mr. Joseph Hogan
Mr. Mark Manendo
Mr. Rod Sherer

COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

Assemblywoman Kathy McClain, Assembly District No. 15, Clark County
Assemblyman David Parks, Assembly District No. 41, Clark County

STAFF MEMBERS PRESENT:

Marjorie Paslov Thomas, Committee Policy Analyst
J. Randall Stephenson, Committee Counsel
Linda Ronnow, Committee Attaché

OTHERS PRESENT:

Ginny Lewis, Director, Nevada Department of Motor Vehicles
Tom Fronapfel, Administrator, Field Services Division, Nevada Department
of Motor Vehicles
Charles W. Fulkerson, Executive Director, Nevada Office of
Veterans Services
Jeannette Belz, Nevada Chapter of the Associated General Contractors of
America
Ron Kruse, Chairman, Nevada Veterans Services Commission, Nevada
Office of Veterans Services
Miles Celio, Administrative Services Officer, Office of the Military,
Nevada Department of Administration
Bob Price, Former Assemblyman, Private Citizen, Sparks, Nevada

Chairman Ocegüera:

[Meeting Called to order. Roll called]. I would like to open the hearing on
Assembly Bill 307.

**Assembly Bill 307: Makes various changes concerning registration of motor
vehicles and operations of Department of Motor Vehicles. (BDR 43-346)**

Assemblywoman Kathy McClain, Assembly District No. 15, Clark County:

Most of you were here last session and can recall
Assembly Bill 30 from 72nd Legislative Session. There were some unintended
consequences from that bill. What it did was allow license plate refunds to
Nevada residents under extenuating circumstances. Unfortunately, the way the
wording came out, the extenuating circumstances presented some large
problems for lots of people. We are now back this session to fix it. If you look
at the Legislative Counsel's Digest on the front of the bill, lines 11 through 16,
this was not the intention whatsoever. It says if you have your license plates for
5 months and 28 days and surrender them, you can get the full year back. We
don't want that language in there. If you look on page 5, lines 7 through 19,
that should stay with the original language where you get the refund on your
pro rata basis. That would be the first thing that we need to fix.

I think what happened with this language the intent was that you would get the
full prorated refund based on when you surrendered your plates. What we were
finding was some people would go to the DMV [Department of Motor Vehicles]
and they would be told they had to go through these kind of hoops to get a

refund, then two months later when they would go back, they had already lost two months of that credit. It would be from the time that you actually surrendered the plates, the prorated amount. The other thing that we found was that \$100 was a little high threshold because it appeared that many people who got themselves into this situation, where maybe they had to sell a car or wrecked the car, and couldn't buy a new one, that the difference between \$50 and \$100 was pretty important to them. I think at the \$50 threshold, at least it will help a lot more people, and it doesn't cost more than that to issue the check. I know that there is a Senate bill out there that says \$25, but I think it costs \$30 to issue a check.

[Assemblywoman McClain, continued.] As a member of the Veterans Commission, I heard testimony at one of our meetings that they used to keep statistics on the number of veterans moving into the state. It was through their driver's license issuance, they would be asked if they were a veteran, and they would keep that information. Apparently, that law sunsetted, and no one has done anything about it, so we would like to try and get that started again. It is important that we know how many veterans actually are coming to Nevada. Whether they access Veterans Services or not, it will help us get federal funds for all kinds of veteran services.

Assemblyman Atkinson:

Does this fix the problem? If you buy a new vehicle and you turn in your tags without buying a new vehicle, and then they tell you that you have a \$200 credit but you have to use it by a certain date, and if you don't use it by that date it expires. What does this do for that? I turned in tags on a vehicle I no longer needed or wanted, I was told that I could use \$170 for my next registration, but my next registration wasn't due for five months. I went to use the credit and was told that it had expired by ten days.

Assemblywoman McClain:

That was part of my intent that didn't make it in the language correctly. If that is the way we want to word it, that is fine with me.

Assemblyman Atkinson:

I think that is one of the ways to word it. I remember talking to Ms. Ginny Lewis [Director, DMV] after it had happened to me. I was outraged. Talking to the employees at DMV that same day, they assured me that I wasn't the only one. It happens daily to people. I should have been told when I turned the tags in that it would expire, but I am sure that I was never told that.

Assemblyman Claborn:

Is this the bill that I got all of the phone calls on?

Assemblywoman McClain:

Yes, it certainly is.

Assemblyman Claborn:

When we voted on this bill, it turned out wrong. If you had three automobiles and you parked one of them, then you wouldn't get a rebate. You would get a rebate if you bought another car, and another tag. The DMV was telling my constituents to call me about it.

Assemblywoman McClain:

One of the situations talked about last session was, what happens with a senior who surrenders their driver's license and sells their car? Consequently, that was put into the language, so then the DMV was taking that a little too literally in telling people that you can't get a refund unless you turn in your driver's license. That is one of the things that we are taking out of this bill. You still have to be a Nevada resident; the refund has to be \$50 or over. When you turn in the plates, you get the entire amount from that time. As in Mr. Atkinson's situation, you would have gotten the refund right then.

Chairman Ocegüera:

Why don't we have Ms. Lewis give us the historical perspective again.

Ginny Lewis, Director, Nevada Department of Motor Vehicles:

As Assemblywoman McClain has just mentioned, we worked through Assembly Bill 30 from 72nd Legislative Session, which reduced the amount of revenue that the State was giving back. If you recall, we were faced with some real revenue challenges, both with the General Fund and the Highway Fund. It was appropriate to stop the amount of the refunds that were being generated. As we worked through A. B. 30 of the 72nd Legislative Session, the Committee determined that there were certain criteria that had to be met. We adopted regulations to define extenuating circumstances. Those extenuating circumstances were mirrored after what we used for exceptions in the insurance verification programs. We had similar ways of evaluating if somebody was issued a refund. There was tremendous public outcry. The public was not happy, and certainly there has to be some way to fix this. I don't think you are going to be able to identify every circumstance.

Assemblyman Atkinson had talked about the credit running out. I believe there is a bill that stops the clock on that credit because if you don't use it, it depreciates every month. At the end of your registration period, it's gone. There is that issue and there is probably a misunderstanding or just a lack of understanding on the part of a customer about what happens to that credit. One

of the things that we tried to do starting in fiscal year 2004 was when people did not meet the criteria for a refund we would transfer that credit to a renewal on another car. In the event that they were not buying a new vehicle, there was a lot of frustration from the public. Within the confines of the law, we tried to be liberal in interpreting this, because the public was unhappy.

[Ginny Lewis, continued.] I think what Assemblywoman McClain is trying to do is appropriate. If this bill is now rewritten, we will need to go back and evaluate the fiscal impact. Certainly the impact that we determined based on the current bill is about a \$17 million-per-year loss of revenue to the county, to the state, to the cities, and to the Commissions that have come into the Budget Division. As written, it's a devastating bill as far as loss of revenue. If we refine it, then go back and redo the fiscal note, it will still exist, but certainly not to this extent.

Assemblyman Hogan:

Looking at the last page of the bill, I wasn't aware of the provision "self-identification as a veteran," and I noticed the way it's worded. If I were to pick up my driver's license, as a veteran of military service, I might declare myself a veteran. If my wife, who is not a veteran, desired to declare that she was, she could do so and probably would not really be in violation of this bill. I wonder if there is another way to say that the person, in fact, is a veteran, and wishes to record himself or herself as such.

Tom Fronapfel, Administrator, Field Services Division, Nevada Department of Motor Vehicles:

We have addressed that issue in other program areas in terms of what defines a veteran. Per my discussions with the Department of Veterans Affairs (VA) in Washington D.C., in terms of an individual coming in to obtain a veterans license plate, we require that they fill out a veteran affidavit indicating that they have been honorably discharged from a branch of the military service. That shows us that, yes, in fact, they are classified formally as a veteran. Presumably, we would do the same if the language in this bill passes. At the time I declare myself a veteran, I would have to show my honorable discharge papers in order for us to be able to transmit that information to the appropriate entities.

Chairman Ocegüera:

As I recall last session as we were talking about this bill, there was some concern about people leaving the state, and giving them their refunds. What does this bill do to that?

Assemblywoman McClain:

This will still not allow refunds to people who move out of state. You have to be a Nevada resident. One of the things we talked about last time that we still need to be careful of this time is not to create a situation where somebody parks their R.V. [recreational vehicle] for six months out of the year and gets their refund and then comes back and re-buys their plate. We have to make sure the language still says, "The vehicle has been determined to be inoperable, and the person does not transfer the registration to a different vehicle." That is on page 5, line 31. Item (c) has a little more definition of when you lose a loved one, and when the survivor sells the vehicle.

Chairman Ocegüera:

Have you been discussing this with the DMV? Are we clear on amendments?

Assemblywoman McClain:

We are both definitely clear on removing that one part.

J. Randall Stephenson, Committee Legal Counsel:

My understanding of where we are at on this is the language about "180 days," in paragraphs (a) and (b), subsection 8, of page 5. That's going away. As to the residence requirement, that is in there now as existing law, and we need no changes there. I am not really clear on subsection 9. I think you still want the language on page 9, subsection 5, "within six months after the time you surrender."

Assemblywoman McClain:

I think that refers back to (a) and (b). We do want to remove, "relinquishes driver's license."

J. Randall Stephenson:

Yes, that stays in, and perhaps some helpful language in Section 3, saying, "when a person who is a veteran applies for instruction permit, ID card," you could clarify it that way. To make sure that the person has to in fact be a veteran first before he can even ask, or you can ask him whether he wants to be declared.

Tom Fronapfel:

In terms of the individual indicating that they are a veteran, at the same time we would ask for their documents to show that they have in fact been honorably discharged in order for us to issue that license or ID card, and to allow us to transmit that information.

J. Randall Stephenson:

We could certainly put in specific language like that. One of our catch-all phrases is, "evidence satisfactory to the Department."

Tom Fronapfel:

That would be sufficient.

J. Randall Stephenson:

I believe that cleared it up.

Chairman Ocegura:

Those are some general cleanup amendments that I can have Marji Paslov-Thomas and Randy Stephenson working on to give you some general idea. I still don't think we are there. As I remember last time, I think the \$50 threshold was that 50 percent of the folks were over that \$50 threshold.

Assemblywoman McClain:

I can go back a little bit farther than Ginny did. This refund bill was passed in 1997, and they made it effective 2001. When that thing hit, it was an automatic refund for anybody who turned in their license plates. They were required to send out checks for 40 cents to out-of-state people. It was costing the state a fortune. When we went in to repeal this thing—the refund statutes—that's when the discussion came up as to whether it was a Nevada resident or a senior who needs the money. That's how we got all the little exceptions in there. We are just now trying to get them cleaned up. The prorated refund should include the entire refund from the time they actually turn the plates in, provided they still will be a Nevada resident. If the Committee prefers to leave it at \$100, that is fine also.

Chairman Ocegura:

This is what the Controller said in the 72nd Legislative Session: "During the calendar year 2002, there were 101,000 refunds processed for unexpired motor vehicle registrations for a total of \$4.4 million, but 10 percent of the refund checks were not cashed or went stale. The average amount of refund to a customer was \$48.96. Over 90 of 100 refund checks were for less than \$1, and it cost the State Controller an average of \$15 per check to process each refund check."

Ginny Lewis:

Page 3 of this bill [A. B. 30 of the 72nd Legislative Session] addressed another issue, and that was the individuals who are living in the state and they have not come in and obtained Nevada license plates. In an attempt to try to close that hole, Assemblywoman McClain also added that at the time of the driver's

license. We will educate the new residents. Say you have 30 days to get your vehicles registered in the state, and after that 30-day period we will query the registration table against the driver's license to see if they have come in and registered their vehicles. Then we transmit that data to Highway Patrol for them to take the appropriate action; it's an enforcement issue.

[Ginny Lewis, continued] What this bill does, on page 3, line 4, it adds that we would provide this information to not only the Department of Public Safety, but also the "appropriate local law enforcement." I think it's important that you remember that the majority of the fees that we collect are the government services tax. Those taxes go back to the counties. So, while Highway Patrol is being tasked to do something with this information, it really is law enforcement at the county level issue because they are the ones who are benefiting from those taxes that come back to the county. We would have some programming involved here to transmit the data to all local law enforcement throughout the state.

Assemblyman Goicoechea:

How many hits did you have this way by matching those up?

Ginny Lewis:

We monitored that every month. It's about 3,000; it's a significant issue. I can't tell you the success rate on law enforcement side and what they did with the information, but I do know that what we gave them on a monthly basis was significant.

Assemblyman Goicoechea:

You are saying approximately 3,000 per month.

Ginny Lewis:

Yes, 3,000 a month, every month and we transmitted the data to Highway Patrol.

Assemblyman Goicoechea:

Is there any way to track if in fact that they caught these people and forced them to re-register?

Ginny Lewis:

I do not have that data. That would have to be something from Highway Patrol.

Assemblyman Goicoechea:

Is it possible that you would get the same hits over and over again?

Ginny Lewis:

My understanding is that when we would go in every month, it was just those individuals who had come in within that 30-day period and obtained a Nevada driver's license.

Assemblyman Carpenter:

We really have a problem with people not registering their vehicles. I am sure down south that it's a great problem, and it's getting to be a great problem in the north with the mining people coming in and the contractors. I went to the Highway Patrol and told them this should be your responsibility, and before they used to do quite a bit of that. Maybe the Committee can write a letter to the Highway Patrol and tell them that they need to do that. Having local law enforcement in here is a good idea. Most of that money that is refunded takes away from the schools.

Chairman Ocegüera:

Before 2001 there were no refunds of fees? Then in 2003 we started refunding them, now we are going to try to cut that in half. Is that right?

Assemblywoman McClain:

Up until 2001 there were no refunds. Then in 2001 and 2002 they were refunding to everyone, mandated. Then in 2003, we passed this so they could stop, except under extenuating circumstances.

Chairman Ocegüera:

I can have these guys work on helping you with your amendments. I don't think you are there all the way with the DMV.

Assemblywoman McClain:

Maybe there is another way of getting local law enforcement agencies to deal with it.

Chairman Ocegüera:

I understand these bills are coming out so quickly that it's difficult to get caught up on them and look at them to make sure that they do what you want them to do. We will give you that opportunity; we will have next Tuesday and Thursday as work sessions. Will we have an appropriate fiscal note; will you come up with something by then?

Ginny Lewis:

Once we determine how we want it written, then we will go back and do a new fiscal note.

Charles Fulkerson, Executive Director, Nevada Office of Veterans Services:

I would like to speak to an issue of this bill that hasn't been discussed. On page 6, Section 3, that provides a provision so that a veteran can declare being a veteran. The DMV notes that information and then provides it to the agency on a quarterly basis ([Exhibit B](#)). This would greatly increase the ability of this agency to maintain a more accurate and up-to-date statistical record of the number of veterans in the state. There are 25 million veterans in the nation today. Eight million of them are registered with the VA [U.S. Department of Veterans Affairs]. Where are all the rest? We don't really know. The estimate of veterans in Nevada from the VA is 243,000. They also stated that we had no influx, no gain in the population last year. I had a conversation this morning with a guy in Washington, D.C., and hopefully we are working that out.

We go to the University and they give us a figure for 2003, and then we added a flex factor of 12.5 percent and we come up with 260,000. We need to get a database of that information so we can use it to get more federal benefit for more veterans which go directly into the mainstream of the state. It would be a much better planning tool for an outreach so we can serve veterans better in the rural communities.

Jeanette Belz, Nevada Chapter of the Associated General Contractors of America:

Our concern has not been addressed here, and that's not philosophically whether you want to do a refund or not; that's up to you what you want to do the refund on. Our concern is that we keep giving away the registration fee. The registration fee is usually the smallest part. It's \$33, and it's fixed on every registration. By refunding that registration fee, you are taking money away from the Highway Fund, and the DMV is funded through the Highway Fund, so you are actually taking away their reimbursement for the service that they provide to issue the registration in the first place. When you refund it, you are actually doing more work through the refunding, except that you are giving part of the registration fee back. So now you are actually collecting less on that type of a registration than you are on a car that would be registered for the full year. It is a policy issue and a concern that we just feel that we have to bring up, because it just keeps eating away at the monies that go to the Highway Fund, and therefore the monies that in turn fund the DMV.

Chairman Ocegüera:

I will close the hearing on Assembly Bill 307. Before we go to the next bill, I have Committee BDR 32-423.

- BDR 32-423: Revises formula for distribution of revenue from tax on certain motor vehicle fuel.

ASSEMBLYWOMAN OHRENSCHALL MOVED FOR

COMMITTEE INTRODUCTION OF BDR 32-423.
(ASSEMBLY BILL 547)

ASSEMBLYMAN ATKINSON SECONDED THE MOTION.

THE MOTION PASSED. (Mr. Christensen and Mr. Carpenter were not present for the vote)

I will open the hearing on Assembly Bill 293.

Assembly Bill 293: Provides exemption from governmental services tax for vehicles registered by resident of Nevada who is on active duty in Armed Forces of United States. (BDR 32-948)

Assemblyman David Parks, Assembly District No. 41, Clark County:

Today I am appearing in front of you to hopefully gain your approval for A. B. 293. Assembly Bill 293 was a bill that was previously heard, it was a bill that former Assemblywomen Marcia deBraga, Vonne Chowning, and I worked on in previous sessions and regrettably almost made it but didn't quite make it all the way. Currently under Nevada law, there is no provision for an exemption for the governmental service tax for active duty military service members. I have some handouts (Exhibit C) so that you can get a better appreciation of the situation. All of us have been bombarded over the last two years with news stories about active duty service members who have fallen on very hard times. They have been activated for service, been unable to make house payments, and unable to make car payments.

What A. B. 293 does is exempts all active duty military individuals from having to pay the governmental service tax on the registration of their vehicles. They would still pay the \$33 registration and the other associated costs. If they have a prestige plate, then the renewal cost as well as the fund which has been established for that will continue. The one word that came across two years ago came from Mr. Chuck Fulkerson, Director of the Office of Veterans

Services, when he said that "Giving this exemption is a small token of appreciation that the state could do for its veterans."

[Assemblyman Parks, continued.] In the handouts that I have for you ([Exhibit C](#)), the first one is a green one. As you can see from the highlighted portion of it, it says active duty military members, their dependents and others living temporarily in Nevada are not required to transfer their licenses and registrations. If you obtain outside employment, you then would have to register as a Nevada resident.

The blue handout ([Exhibit C](#)) goes into military licenses. The important thing here, it says, "Nevada residents who are stationed in Nevada are subject to the same licensing and vehicle registration requirements as non-military." This is Nevada residents, it is not Nevada non-residents. I can go back to 1968 when I was stationed at Nellis Air Force Base. I was able to retain my New Hampshire driver license, but had to register the vehicle in Nevada. I remembered distinctly finding out that I did not have to pay what then was the motor vehicle privilege tax, now the government services tax, on the vehicle.

The third page of the blue document ([Exhibit C](#)) says, "Nevada residents on active duty in the U.S. Armed Forces may maintain a Nevada vehicle registration while stationed in other states; however, you are not entitled to tax relief under the Soldiers and Sailors Relief Act. You may be entitled to a Veterans Exemption." What this says is that if you are a Nevada resident, you have to pay the tax, but if you are a non-Nevada resident, you don't pay the tax.

What this bill would do is to allow all active duty military to register their vehicles and continue to maintain Nevada registration on their vehicles without having to pay the governmental service tax. What is important here, and an issue that I am sure that Mr. Fulkerson and other witnesses will talk about, is that when you get stationed in another part of the country or overseas and you have your vehicle with you, you like to retain your home state residency plates on that vehicle. I certainly had thought about doing that many years ago, but found that because I didn't have to pay the tax, I was fortunate enough to register in Nevada. I think it is the fair thing to do. I think that we should consider it this year, and I hope that you would act favorably on it.

Chairman Ocegura:

Mr. Parks, do you have an idea of how many active duty military folks there are at this time?

Assemblyman Parks:

I do not have a strong number on it; however, my understanding is that there are somewhere in the range of 20,000 active-duty Nevada residents. Perhaps the Veterans Services would have a better number.

Charles Fulkerson, Director, Nevada Office of Veterans Services:

This amendment would provide financial relief to those Nevada service citizens who are on active duty with the Armed Forces ([Exhibit D](#)). It also provides National Guard and Reserve members called to active duty. This will certainly help in making up for the lesser military pay over civilian pay that the family is facing. It's not just less pay that Reserve and National Guard families face when the breadwinner is called away to foreign lands. It throws the whole household into turmoil. Medical care to a single mother for young children is a traumatic and ongoing issue. When a Nevada citizen, a guardsman, who works for Sierra Pacific Power goes on active duty, the wife and mother stays in Reno, then has to find another doctor that will take Tri-Care. They barely get settled into that, and nine months later the husband comes back home, gets discharged, and goes back to work at Sierra Pacific Power, and they have to start the medical thing all over again. It shows you the turmoil that these families are going through. For those on active duty and stationed elsewhere, it will preclude them from paying for state services that are not in use. From 1958 through 1971, I always registered my car in Nevada, and it was a source of real pride to see another Nevada car on the post streets of Fort Benning. It's just a small token from this state and very appropriate benefit for Nevada citizens who are serving on active duty.

Ron Kruse, Chairman, Nevada Veterans Services Commission:

I am in total support for all the veterans of this state, and I am here to represent them in their case on this particular bill, and full support of the veterans' community. This is a good step in the right direction in making things a lot better for veterans of Nevada. I have put 21 years in the United States Navy. I have been in two wars and involved in veterans affairs for the next 30 years.

Assemblyman Parks:

I did provide copies, one in pink, one in yellow ([Exhibit C](#)), of two states, one of which is Connecticut, the other is Arizona, as to the forms that they actually use for their active duty military service members in granting this waiver on tax on registration.

Tom Fronapfel, Administrator Field Services Division, Nevada Department of Motor Vehicles:

The Department would certainly be remiss if it didn't bring forward the information and concerns that it has on any particular bill. We have prepared a

draft fiscal note for this bill. We have not yet forwarded it to the Fiscal Division, but as it stands in draft, we estimate the net impact to the state as a result of the loss of the GST [government and services tax], and programming costs in excess of \$2 million per fiscal year. We did obtain some information, and that was based on information we obtained from the Nevada Office of the Military. The figures that we had, in response to one of the earlier questions, information shows there are about 12,196 active, on-duty military personnel in the state.

Chairman Ocegura:

I was looking at the fiscal note from last year on this and it was \$3.2 million, estimated at 20,000.

Tom Fronapfel:

If, in fact, there were 20,000, that would certainly increase that fiscal note substantially.

Chairman Ocegura:

That was \$3.2 million total over the biennium, so it was \$1.6 million per year, and you are telling me it is \$4 million now for 12,196?

Tom Fronapfel:

Based on the draft fiscal note that was prepared, and as I said, we haven't finalized it yet. The final number I do not have in front of me.

Chairman Ocegura:

You have no way of telling who would take advantage of this. You have to use the highest number because you don't know that a third of them, half of them, all of them would take advantage of it.

Tom Fronapfel:

Exactly.

Chairman Ocegura:

I still don't understand the math there. Based on 20,000, you had a fiscal note of \$3.2 million, and now you are telling me there are 12,000 and it's \$4 million.

Ginny Lewis:

I would suspect that it is a change in the value of the vehicle, which is going to change the average registration fees that are paid. I think right now our average registration fees are higher than when we would have prepared a fiscal note two years ago.

Chairman Ocegüera:

I am guessing if you are in the military and are making \$20,000 per year, you don't have a \$500-a-month vehicle payment.

Genny Lewis:

I appreciate that comment, but when we do a fiscal note we have to make some assumptions. We have to take the average, not knowing what the value of the veterans vehicles are.

Tom Fronapfel:

Section 1 of the bill, subsection 2, describes who would be appropriate for getting the exemption and determine whether their qualifications for that individual were sufficient. After the Department determines if the applicant is entitled, we grant that exemption annually. There is nothing in the bill that indicates how that information would be provided to the Department to show that annual exemption was appropriate. Presumably, we would prepare a form that would have to be completed by an individual who is on active duty and submitted to the Department by a family member.

The other problem with that is, the way the bill is structured currently, those individuals on active duty and their family members would not be eligible to use our alternative service registration capabilities. They would not be able to re-register a vehicle over the Internet and they would not be able to use our interactive voice response program and the kiosk because they would have to come in with proof with each registration cycle that they were still eligible for that exemption. We are eliminating some people's ability to use alternative services and forcing them to come into the office on an annual basis.

The other issue that we have, we would not know when that exemption was no longer valid unless an individual actually came in and told us that it was no longer valid.

Assemblyman Parks:

Currently, as far as the alternative service method, a month or two ago when I re-registered my pickup truck, I couldn't do it over the Internet because I had the exemption on that vehicle. Veterans, at the moment, if they are going to use an exemption, have to mail it in. There is no way you can do it over the Internet or use one of the alternative services that I know we like to get everybody to use.

I don't want to be argumentative, but the number that was thrown out as far as 20,000 active duty, we know not all active duty members are stationed somewhere that they have their vehicles with them. Their vehicles are

sometimes left at home. I figured that it was roughly \$1 million, and I can quickly go through the logic that I gave for that. I would also like to comment that when we had testimony two years ago, we had individuals from Austin, Nevada. Out of those 8 veterans, only 2 of them had vehicles. We are not going to find that all 12,196 or 20,000 veterans are going to have vehicles they register.

[Assemblyman Parks, continued.] What I did was took the value of the vehicle, \$20,000, and multiplied it by the assessment factor, which came up at \$7,000. Multiply that by four years of age— there is a sheet in your paper from the NRS [*Nevada Revised Statutes*] ([Exhibit C](#)) of 55 percent of the value that I applied to the tax—and it came out to slightly under \$200. For those individuals, and I figured \$10,000 times \$200 on the maximum, that would be in the range of \$1 million. What I would certainly hope is we could adopt forms such as the forms that Arizona and/or Connecticut uses. Connecticut goes through their individual towns. It serves as an ideal form. You have to certify, it has to be notarized, and it has to be submitted, just like you would submit your veteran's exemption.

Miles Cileo, Administrative Services Officer, Office of the Military, Nevada Department of Administration:

I am here representing General Vanderhoof, who is unable to be here today. He has asked me to come listen and make comments for him. We would like to comment on the bill and explain that the term "active duty" is a concern to us, and there are about 300-plus people who work for the National Guard who are— *U.S. Code* Title 32— active duty. Most people associate active duty with Title 10; that is, active military duty in the marines, air force, navy, and army. Our individuals are on active duty with the National Guard. We believe the way the bill is written would include our AGR [Active Guard and Reserve]. They normally work and live here in Nevada and work for us in the National Guard. We would like to work with Assemblyman Parks and see if he couldn't make sure that they either are or are not included in the term "active duty."

We have quite a number. I was the individual who helped the DMV get their figures. We were able to reach a database at the Department of Defense to show how many people in each branch of service declare Nevada their state of residence.

The figures that I heard testimony on were approximately what we provided. Since 9/11 [September 11, 2001], we have been mobilizing Army and National Guardsmen to go on active duty, to go in service in the United States and also overseas in Iraq, Afghanistan, and various places like that. We believe the bills, as it's written, would also cover those people. We have a concern that it says

when a person comes back and returns from that kind of duty, they have to inform the DMV and pay a prorated amount of the tax that they were exempted from. We have a concern when people come back from 18 months or a year overseas, they are so excited about getting home to their loved ones, getting back with their families, getting their job re-started, I am not so sure that running to the DMV to say, "Oh, by the way, I owe four months of that tax that you exempted me from" may be something that they immediately remember to do. Our concern is it talks about a misdemeanor if you don't do that or if you falsely get this exemption.

[Miles Celio, continued.] We would like to work with Assemblyman Parks to see if we can do something in the verbiage. On our part, we might suggest something such as, "If a person is due to register their vehicles, or their spouse's, and they have been mobilized to go overseas, they are granted this exemption. If they come back 10 months later, owe 2 months of the exemption back and they don't remember to come in and get it, they will have to re-register their vehicles the next year. If the next year they are no longer overseas, and they are no longer entitled to that exemption, could the state carry them for the two months and not have to come after them for the prorated part of the taxes?

What intrigued me in this last bill was this government service tax really goes to the counties. Most of this saving isn't to the state; it's out of the pockets of the counties.

Bob Price, Former Assemblyman, Private Citizen, Sparks, Nevada:

As many of you know, my wife Nancy was active in the National Guard for many years, and she is chairman on the national committee. I ask that you support and find the proper amendments that are needed because those folks deserve our support as much as they can get.

Chairman Oceguela:

I will close the hearing on Assembly Bill 293. Mr. Parks, if you can work on it a little bit and get back to us, that would be great.

I will open the hearing on Assembly Bill 230.

Assembly Bill 230: Revises provisions governing transfer of registration of certain vehicles. (BDR 43-261)

Assemblyman Kelvin Atkinson, Assembly District No. 17, Clark County:

I am presenting Assembly Bill 230. It is going to sound a lot like a bill you heard earlier today. In Nevada, when you buy a new vehicle, you are given a 30-day placard for your car. In most instances, the dealership could take up to three weeks to secure financing for you. What happens when you take that placard and the green slip that you get from the dealership down to the DMV [Department of Motor Vehicles] to register your vehicle, instead of getting a prorated refund from the date you purchased your vehicle, they do it from the date you came in. This was another one of those issues that I did receive phone calls about and was asked to do something about, and I am sure that the DMV gets the same people complaining to them. The person who buys a new car and has never owned a car gets to use their placard for the full 30 days and aren't really penalized at all. I truly believe that people are being penalized because the dealership may take a little bit longer to get them the green slip. This doesn't equate to a refund to me. If you bought the car on April 1 and you are bringing in your tags on April 15, you should be credited from the day you bought the vehicle. What they do is apply the rebate that you have left to your new vehicle.

You have a vehicle and you bought a new vehicle. They give you back your tags from your old vehicle, and you have those tags but you have to take those tags, the green slip, and the insurance down to the DMV to register the new vehicle. Financing can take two weeks. You will only get prorated from the day you came in, not from when you purchased the vehicle. It doesn't equate to a refund. I was looking at the bill and it said it may have a fiscal impact, and it may have an effect on the state. I would like to hear that because I don't know how that will have an effect or a fiscal impact because I am not asking for money to be given back to the consumer, I am just asking that the prorating start the day that they bought the vehicle, as opposed to the date they brought it in. I don't think that the purchaser should be penalized because of how long it takes to get financing.

Tom Fronapfel, Administrator, Field Services Division, Nevada Department of Motor Vehicles:

We did review this bill and prepared a fiscal note for it. It comes out over the first year of the biennium at \$2.4 million and the second year about \$2.5 million. The bill only applies to registration transfers in terms of applying the date of the registration to equal the date the new vehicle was purchased.

For example, you bought a new vehicle, got rid of your old vehicle, retained your plates and tags, and you had 10 months left in your registration cycle on that previous registration on the date that you bought the new vehicle. If you waited a month before you came in to register a vehicle, the prorated basis that would be applied to that transfer, we would credit that based on 9 months,

rather than 10 months, because you waited the month after the vehicle was purchased.

[Tom Fronapfel, continued.] For that \$100 credit that remained at 10 months of the date of purchase, we would apply a \$75 credit. If we were to apply that credit based on the 10 months to coincide with the date of purchase of the vehicle, we would be applying an \$83 credit to that registration. So there is a difference of \$8 on that particular vehicle, and obviously those numbers would change based on whatever remaining credit there was on that registration cycle. There is a fiscal impact as identified in the fiscal note.

Chairman Ocegura:

That is a great example, but can you explain the fiscal note?

Tom Fronapfel:

The fiscal note was based on the number of vehicle dealer sales in FY2004, which were 240,000 vehicles. The average vehicle registration that was identified was \$225 per 12 months that would be applied for a revenue loss of \$18.75 per vehicle registration transfer. If you took that \$18.75 and multiplied it by 240,000 vehicles, add program costs that would be associated with moving that date back to the date of purchase of the new vehicle.

Chairman Ocegura:

You did use his example of a 30-day, just taking a month off of that, right?

Assemblyman Atkinson:

I knew it was going to be some kind of fiscal impact; however, I don't feel that it's fair to consumers that they are being penalized because the dealership is securing financing. In this case, they are buying a new vehicle, and it's their money; they should be entitled to their money. I do believe that it's up to this Body to protect our consumers, and that is what I am attempting to do.

Assemblyman Sherer:

Do you pay for the 30 days when you are driving your car on the green slip?

Assemblyman Atkinson:

I am sure you do; I am sure the dealer collects that somehow. If you went in and bought a vehicle and you did not trade your tags, you're going to drive on that same 30-day placard, but for the person who has a car they're going to pay to drive on that 30-day placard. If you go in and you didn't have a car to trade in, you are going to drive on the 30-day placard anyway.

Assemblyman Sherer:

If you bought a new car, you're not paying for that 30 days that you are driving the car anyway, right? You are not paying for the privilege of driving for that 30 days while you are getting your financing.

Chairman Ocegüera:

The DMV doesn't back-charge you to day 1 when you purchased the vehicle when you had the 30-day green slip. If you didn't have anything to trade in, you just went and bought a new car, they don't go back to the day you bought it, they go to the day you came in.

Assemblyman Atkinson:

The consumers are not being treated equally. Maybe the DMV if there is a fee that each dealer pays for those placards; I can almost guarantee you that they are charging them to the consumer.

Tom Fronapfel:

Yes, the dealers do pay a fee for the dealer's report of sale and dealer's placards. I believe those are included in the purchase price that is passed on to the consumer.

Chairman Ocegüera:

Is that based on the cost of the vehicle?

Tom Fronapfel:

No, it's just a flat fee. I believe the placards are ten dollars each and the dealers' report of sale booklets—I don't recall what the price of those are. I can get that information if you would like it.

Assemblyman Atkinson:

I would like it.

Tom Fronapfel:

We do have a number of programming hours identified in the bill, and the bill itself does not identify a formal effective date other than the default date of October 1, since one is not identified. We have about 963 programming hours identified. If the bill passes in its current form, we would need some latitude in terms of when the effective date was after passage and approval, assuming that it gets to that point, to allow us to complete those programming hours.

Chairman Ocegüera:

We will close the hearing on Assembly Bill 230.

The meeting is adjourned [at 2:49 p.m.].

RESPECTFULLY SUBMITTED:

Linda Ronnow
Committee Attaché

APPROVED BY:

Assemblyman John Ocegüera, Chairman

DATE: _____

EXHIBITS

Committee Name: Committee on Transportation

Date: March 29, 2005

Time of Meeting: 1:30 p.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
307	B	Charles Fulkerson, Director, Nevada Office of Veterans Services, Reno, Nevada	A.B. 307 letter. (1 page)
293	C	Assemblyman David Parks, District No. 41, Clark County.	Nevada DMV New Resident Guide (9 pages)
392	D	Charles Fulkerson	A.B.392 letter. (1 page)