

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

**Seventy-Fourth Session
May 3, 2007**

The Committee on Transportation was called to order by Chair Kelvin Atkinson at 1:32 p.m., on Thursday, May 3, 2007, in Room 3143 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4406 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/74th/committees/. In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: publications@lcb.state.nv.us; telephone: 775-684-6835).

COMMITTEE MEMBERS PRESENT:

Assemblyman Kelvin Atkinson, Chair
Assemblyman Mark Manendo, Vice Chair
Assemblyman David Bobzien
Assemblyman John C. Carpenter
Assemblyman Jerry D. Claborn
Assemblyman Ty Cobb
Assemblywoman Susan Gerhardt
Assemblyman Pete Goicoechea
Assemblyman Joseph Hogan
Assemblywoman RoseMary Womack

COMMITTEE MEMBERS ABSENT:

Assemblyman Ed Goedhart (Excused)

GUEST LEGISLATORS PRESENT:

Senator John Lee, Clark County Senatorial District No. 1



STAFF MEMBERS PRESENT:

Marjorie Paslov Thomas, Committee Policy Analyst
Sharon Wilkinson, Committee Counsel
Christine Henriksen, Committee Secretary
Matt Mowbray, Committee Assistant

OTHERS PRESENT:

Nicholas Anthony, Program Manager, Legislative Relations, City of Reno
Mike Whan, Lieutenant, Traffic Division, Reno Police Department
Joshua Martinez, Detective, Office of Intergovernmental Affairs,
Las Vegas Metropolitan Police Department
Rob Joiner, representing the City of Sparks
Dan Lindholm, Private Citizen
Shaun Jillions, representing the City of Henderson
David Fraser, Executive Director, Nevada League of Cities and
Municipalities
Jacob Snow, General Manager, Regional Transportation Commission,
Southern Nevada
Gary Young, Chief Executive Officer, Outdoor Promotions
Karen Dennison, representing Lake at Las Vegas
Patrick Sanderson, representing Laborers Local 872
Steve Holloway, Executive Vice President, Association of General
Contractors, Las Vegas Chapter
Julia Frehner, President NU Equipment, North Las Vegas
Paul DeLong, Owner and President, Paul DeLong Heavy Haul, Las Vegas
Judy Stokey, Director, Government Affairs, Nevada Power and Sierra
Pacific Power
Paul Enos, Chief Executive Officer, Nevada Motor Transport Association
Berlyn Miller, representing Nevada Contractors Association
Richard Yeoman, Chief, Administrative Services Division, Department of
Transportation
Cheri Edelman, Assistant City Engineer, City of Las Vegas
Jeff Fontaine, Executive Director, Nevada Association of Counties
Jeanette Belz, representing the Associated General Contractors of
America, Nevada Chapter
Charles Silvestri, representing Auto Tag Agency
Clay Thomas, Deputy Director, Department of Motor Vehicles
Oran McMichael, Area Field Services Director, Nevada, American
Federation of State, County, and Municipal Employees, Local 4041
Danny Coyle, representing American Federation of State, County, and
Municipal Employees, Local 4041

William Birkmann, representing Nevada Alliance for Retired Americans

Chair Atkinson:

[Meeting called to order. Roll taken.] Today we have four bills. We will open the hearing on Senate Bill 43 (1st Reprint).

Senate Bill 43 (1st Reprint): Revises provisions relating to an unauthorized speed contest on a public highway. (BDR 43-435)

Nicholas Anthony, Program Manager, Legislative Relations, City of Reno:

Lieutenant Mike Whan from our Reno Police Department in the Traffic Enforcement Division is with me today to present S.B. 43 (1st Reprint). It is a bill requested by the City of Reno dealing with a very serious problem that has been occurring both in northern and southern Nevada.

Street racing, or drag racing, as it is more commonly known, has become a major public safety concern. In the past several years there have been many accidents, including the deaths of innocent bystanders and spectators. This is no longer an issue of high school kids on a weekend night or a once-in-awhile event. It is actually occurring on a regular basis. We are talking about serious offenders, most of whom are between the ages of 18 and 24. Many of these offenders invest thousands of dollars in "souped up" vehicles containing police scanners.

People who organize these events on the Internet often charge admission. There can be several hundred attending these events. In 2006, Reno issued 66 citations under the Reno Municipal Code for street racing. I have handed out a colored graph statistics ([Exhibit C](#)). Out of the 66 persons charged, only one person actually served time. It is a very serious issue. Also included in the handout are a press release and photos from an accident that occurred in Reno last summer, which ended in a death of a bystander.

The Reno City Council inquired as to what the current penalties were under the state law and if there was anything we could do. That is the genesis of this bill. Currently, under state law these offenses are charged as misdemeanors with up to six months and up to a \$1,000 fine. We found that this does not deter this type of behavior. Senate Bill 43 (1st Reprint) does several things. It applies only to unauthorized speed contests. Reckless driving remains the same at a misdemeanor. If you engage in an unauthorized speed contest, which is drag racing, you will be given a mandatory fine: \$400 for the first offense, \$750 for the second, and \$1,000 for the third, with a mandatory suspension of driver's license from six months to two years, and mandatory community service on a graduated basis. On a second offense, there is an additional mandatory vehicle

impoundment, if you are the registered owner and the vehicle was used for racing. We worked with the Senate and with the public defender on that provision. An amendment was added to include the organizer or the promoter of the event. They would be subject to the same penalties. There was no opposition. We have worked statewide with other cities, public defenders, district attorneys, and the Highway Patrol.

Mike Whan, Lieutenant, Traffic Division, Reno Police Department:

We also support this bill. We have been chasing our tails with these individuals. It has been frustrating. We get calls and complaints but by the time we get to the scene, the participants have left. When we show up and write them a ticket; they laugh about it, pay the fine, and are back racing the next day. It would be nice if we could take their cars and licenses for awhile to keep this from happening. At one time, per our policy, we were towing cars. That put a dent in their activity, but because of internal policy we stopped the towing. With this bill, we can educate the drivers that we will be enforcing the law. Hopefully, we can stop this behavior and keep the drivers from participating in these events.

Chair Atkinson:

Why did you stop towing vehicles?

Mike Whan:

We have an internal policy that we will not tow vehicles on charges that are allowed to be misdemeanor citations in lieu of arrest. We do not have a law that says we can tow the vehicle.

Chair Atkinson:

Why are we not correcting that in this bill?

Nicholas Anthony:

The intent of this bill, when it originally came forward, was to aim at the deterrents. We looked at increasing fines, taking away driver's licenses versus opening it up to a felony, or putting someone in jail for a longer period of time. We were concerned with the fiscal impact, as well.

Chair Atkinson:

Why did we not leave the vehicle in? Someone who has the urge to break the law in the first place and drag race will take a chance and do it without a driver's license. It will not stop them. I think towing their vehicle is a stronger deterrent, but I am only one person on this Committee. I do not know why we are not trying to do that.

Nicholas Anthony:

We will work with the Chair and the Committee; if that is your intent we could add that in.

Chair Atkinson:

Was it not discussed in the Senate?

Nicholas Anthony:

No, it was not discussed in the Senate. This is the first I have heard of it. We would be amenable to any amendment.

Chair Atkinson:

To me, it makes it stronger. When people go to drag races they know they are breaking the law, which means they do not care about the law. If you took their license away is that going to stop them? I am not confident it would. You have people driving without a license every day. These individuals are drag racing.

Assemblyman Manendo:

You mentioned about education. How are you going to educate the public on this?

Nicholas Anthony:

We have been meeting with youth groups and informing them of legislation we are bringing this session, which includes this bill, as well as the graffiti bill. The Reno Police Department has held public workshops from time to time.

Mike Whan:

These youths will meet in parking lots during the evenings. They group up and we hand out flyers and let them know what the fines and penalties are for this type of thing. If this bill passes, we will inform them what will happen if they are caught drag racing. We plan to personally talk to the youths or whoever is involved in these gatherings throughout the town.

Assemblyman Manendo:

When you see a gathering do you hang out until they disperse or do you just leave after you hand out the flyers?

Mike Whan:

We still do both. A lot of this is happening on private property, so our hands are tied. We cannot make them leave that property unless the property owner—malls or other places—asks us to make them leave. If we see a

violation with their vehicles we could cite them. If they want to hang out, there is not a lot we can do.

Assemblyman Manendo:

Does it matter what the age group is? Are we getting everybody?

Nicholas Anthony:

This bill would include both juveniles and adults. That discussion came up in the Senate, and because it is a moving violation it does include both.

Assemblyman Manendo:

What happens under this bill if there is property damage? In some cases they leave; if you were to catch them is there an enhanced penalty if they cause property damage?

Nicholas Anthony:

This bill does not address property damage. I do not know if other provisions of the *Nevada Revised Statutes* (NRS) address property damage. This bill only addresses engaging in an unauthorized speed contest.

Assemblyman Claborn:

This is a good bill and this racing has got to stop. It has killed a lot of our young children and bystanders. Along with the penalties you have in the bill, I would like to see the automobiles impounded. You take that car away from them, you take their heart away. Although this is a good bill, I would like to see it have more strength by taking their cars away for 30 days, 60 days, or 90 days, until you get some type of written agreement that they will not do it again. If they do it again, then take the car away and auction it off.

Nicholas Anthony:

The bill does include mandatory vehicle impoundment for up to 30 days on a second or third offense if it is the registered owner and the vehicle was used in the commission of the offense. Certainly, if you want to go longer, we are amenable.

Chair Atkinson:

It was in the bill for the first offense. Why did the Senate take that out?

Nicholas Anthony:

There was discussion at the Committee level; they felt that for a first offense, maybe we should give them one more "bite at the apple." That is why they went with the second and subsequent offense.

Assemblywoman Womack:

Many of these are now organized groups and there are organizers who are putting these together as a hobby for these young people. What is being done or what penalties are being given to the organizers? Where is their liability?

Nicholas Anthony:

In Section 3, subsection 7, page 7, it has a definition of an organizer. Basically, it is a promoter, someone who puts together these events. He would be liable under the same provisions for a misdemeanor as well as a mandatory fine, community service, and vehicle impoundment.

Assemblywoman Womack:

I do not think that is strong enough, Mr. Anthony. What happens in the case of a crash or a death because of one of these events? Are they being held liable? Has anyone been arrested for organizing this type of event?

Nicholas Anthony:

Under current law there are increased penalties if a death occurs in one of these events. It is a category B felony. That provision already exists. Currently, organizers are not liable under the law and this would add organizers to those provisions.

Assemblywoman Womack:

Has anyone been prosecuted?

Nicholas Anthony:

No. It is currently not in State law nor Reno Municipal Codes.

Assemblyman Bobzien:

There are speed contests but there are also other dangerous activities that take place with vehicles. I am thinking of sliding, where you take a vehicle and try to do high speed maneuvers by fishtailing, et cetera. Does "speed contest" adequately capture all the questionable activities you are trying to capture? Is that the true nature of what you are seeing on the streets?

Nicholas Anthony:

Under the law currently, those kind of offenses, such as sliding, exhibition of speed, et cetera, are prosecuted under aggressive driving statutes. This is more drag racing. An unauthorized speed contest is not specifically defined in NRS. There is case law following the chapter that defines it as "you know it when you see it, is what the judge said."

Joshua Martinez, Detective, Office of Intergovernmental Affairs, Las Vegas Metropolitan Police Department:

We are in favor of this legislation. With the increasing drag racing we have been battling for the last three years in southern Nevada, it has become a major concern. We do directed patrol activity on a regular basis with the air unit, as well as patrol and traffic units, to try and stop organized speed contests and drag racing that are occurring in our communities, because it is a safety concern.

In southern Nevada we do not have a lot to address the drag racing, but we created a county ordinance that deals with the spectator part of it. We have issued quite a few citations. We did see a decrease for awhile, but with some of the movies that have come out, and as Assemblyman Bobzien mentioned, the new drifting phase, these kids are starting to become more aggressive. They are circling the officers, spitting at them, and provoking them into a fight. We have other ordinances to deal with those issues, but this bill will help us address the concerns. We want to prevent those deaths. We had a high profile case where two individuals race down a street, ran a red light and plowed into a gentleman, who died at the scene.

Impounding the vehicle would be the weapon in this case; we would like to be stiff on that. The problem is when the vehicle does not belong to the person doing the drag racing. We would like to get the registered owners but the way NRS is written, if you are the driver of the vehicle; therefore, you are responsible. If the Committee wants to look at some amendments, we would be willing to work with you on that.

Rob Joiner, representing the City of Sparks:

We support this bill. We have the same problems as the City of Reno.

Dan Lindholm, Private Citizen:

[Read from prepared text ([Exhibit D](#)).]

Assemblyman Manendo:

How many vehicles are possibly stolen and used in drag racing?

Joshua Martinez:

The statements I have received from the officers who work these events are that sometimes the stolen vehicle is hard to identify because the frames are owned and registered, but the parts on the vehicle may be stolen.

Assemblyman Manendo:

If someone were to steal a car and drag with it, I would not want to see the victim's car impounded because the vehicle was stolen.

Joshua Martinez:

We would get the vehicle back. Our policy when we recover a stolen vehicle is to make sure we contact the registered owner so they get their vehicle back in a timely fashion. If the vehicle is drivable, we have them come out to the scene; if it is not drivable, we direct them to the tow yard.

I would like to answer Assemblywoman Womack's question regarding the organizers and if they were being penalized. The problem is these are organized illegally and it is hard to target and fine these event organizers. We would have to do an investigation, go online, and find some people who attended or know the organizer.

Assemblywoman Womack:

Would this bill help the police department in prosecuting those who are illegally organizing these street races?

Joshua Martinez:

Yes, it would help because we would be able to use this same law.

Assemblywoman Womack:

Has opening up the speedway for legally organized events kept this down to a minimum on the streets? Has it helped?

Joshua Martinez:

It is still increasing. It has not helped.

Shaun Jillions, representing the City of Henderson:

We are in support of this bill. We feel it is a step in the right direction. If it is the Committee's desire to strengthen it further, we will also support those efforts.

David Fraser, Executive Director, Nevada League of Cities and Municipalities:

We are in favor of S.B. 43 (R1) for safer streets. If the Committee is inclined to strengthen it, we would also be supportive.

Assemblyman Hogan:

Several of our witnesses noted their willingness to support further strengthening of the bill. One of the obvious ways of strengthening it is to recognize that the first time offender is not one who made a mini mistake, it was fully intentional,

with full understanding of all the risks. Would you two, who just addressed that point, be in favor of restoring the first offense of seizure of the vehicle which was apparently lost in the Senate?

Shaun Jillions:

We were in support of the bill as it was originally drafted. That was a compromise that was made in part with the Public Defender's Office. There were concerns in the Senate Committee on Transportation and Homeland Security as far as people losing their vehicles and not being able to get to work for someone who just made their "first mistake." That is why it went to the second offense and so on.

Chair Atkinson:

There are concerns from the Committee to make this bill stronger. It appears there were things that were taken out by the Senate. I agree with Assemblymen Hogan and Claborn. I do not think this is just a mistake, but deliberate. If an individual goes out there with their car, or any car, I do not agree with the language being taken out. There is an appetite from this Committee to offer that amendment and put it back in. It might not be 30 days as with the second offense, but there should be some strong warning to these individuals breaking the law.

We will go ahead and close the hearing on S.B. 43 (R1) and bring it back in a work session next week. We will open Senate Bill 417 (1st Reprint).

Senate Bill 417 (1st Reprint): Enacts provisions to facilitate the construction, installation and maintenance of benches, shelters and transit stops for passengers of public mass transportation in certain counties. (BDR 32-955)

Assemblyman Manendo:

We have a special guest here today, Alyssa Palchetti. We would like to welcome her.

Senator John Lee, Clark County Senate District No. 1:

Senate Bill No. 327 of the 73rd Session helped us to regionalize bus shelters within our community. This year Senate Bill 417 (1st Reprint) will allow bus shelters to be built behind the sidewalk area in public easements for transit safety until the bus arrives.

Basically, you have a four-foot sidewalk area where we are putting the bus shelters. There is only 18 inches for a wheelchair, passenger, or a bicycle, to get around it. Our goal is to codify this so we can go into the easements—the

back three feet behind the sidewalk—build a pad, install the shelter, and allow the people to get off the street. We would make this more user-friendly and for protection in case of an accident.

If there is a problem and the bus shelter needs to be removed for utility work, the bus shelter company that has the franchise, will come out and remove the shelter, lift the concrete, allow the repairs to be made, and come back and fix the shelter at our expense. In the meantime, move the shelter to a place where people can go.

You might ask if this is cost effective. It is very cost effective. It seldom happens, but if it does, because of the advertisements we are able to do on the bus shelters, we can assess that risk and take care of the municipalities.

Jacob Snow, General Manager, Regional Transportation Commission, Southern Nevada:

Senate Bill 417 (R1) recognizes that shelters are not just one part of the bus line, but critical to managing our comprehensive transit system.

Although shelters, benches, and transit stations are critical to the success of this mission, the lack of right-of-way and easements can make placing amenities very difficult. Traditionally, transit stop amenities have been placed on the sidewalks. You have already heard testimony about a bill regarding street racing. Being able to place these bus shelters further off the street, behind the sidewalk, will improve safety for all aspects of the traveling public. In addition, the proximity to the sidewalk makes it very difficult for those in wheelchairs and other mobility devices, and parents with children in strollers, to access either the sidewalk or shelter. We are working with Outdoor Promotions, who will install and maintain these shelters and, as Senator Lee mentioned, move them, if necessary, for utility work to take place.

To be successful, this program needs consistency. While the Regional Transportation Commission (RTC) bears the responsibility for providing and maintaining shelters, S.B. 417 (R1) requires the RTC and the municipalities involved to work together to coordinate the placement of these shelters. In a local agreement approved by the RTC, the cities and the county already provide for such coordination. This bill will require continued cooperation among the entities. Early this year, CBS Outdoor, one of the previous contractors that provided shelters in the Las Vegas area, left the Las Vegas market. CBS sold its inventory to Outdoor Promotions, which now holds all the bus shelter contracts in southern Nevada. We are currently working with Outdoor Promotions on the design and installation of new bus shelters. I am pleased to report that, since

last session, we have installed a number of new bus shelters; five times more than we were required to by the bill that was passed last session.

The new design will eventually replace 1,600 shelters in use. That design will be used for the hundreds of new shelters that will be installed over the next few years. We are looking forward to better and improved maintenance on these shelters, which was a big concern by this Committee last session. Last weekend I led a Boy Scout Troop to clean up bus stop shelters in the Boulder Highway corridor.

We are going to follow through with our commitment to improve the maintenance on the shelters as well as our commitment to put more shelters out there for the traveling public. They will look nice and be an important calling card for our system.

Assemblyman Manendo:

That is good news. You were out there cleaning up and we appreciate it. When you are cleaning shelters in my district after this session, please let me know and I will bring some volunteers. We would be glad to lend a hand. We do that with the graffiti cleanups, and when we take volunteers out to clean up empty lots we try to clean up some of the shelters, but we do not have enough bags for all the trash and litter around the bus stops.

Jacob Snow:

We will be looking to involve everyone we can in this effort and we look forward to any cooperation.

Gary Young, Chief Executive Officer, Outdoor Promotions:

We are the vendor that is providing the transit amenities at the bus stops throughout the Las Vegas area. I am in favor of S.B. 417 (R1). We deal with the day-to-day operations and our goal in this bill is to get these shelters moved back, away from the travel lanes Senator Lee spoke about. It provides a much safer environment for the waiting passengers when we can get them away from the travel lane by a few feet. By getting these off the sidewalks, it allows us to meet the Americans with Disabilities Act (ADA) requirements at the bus stops which require access and passage around the shelters. It is a very practical improvement to a very real problem. We had five fatalities over the last few years with people waiting in transit shelters who were struck by cars.

I support this bill and it is something we have discussed since we arrived here as one of the initial vendors in providing transit amenities. We worked with the City of Henderson on a similar effort and they made the decision as a city to allow us to move the shelters off the sidewalk and into the utility easement

areas. It is the right move and provides the safe environment and improvements that need to be made.

Karen Dennison, representing Lake at Las Vegas:

I want to thank Senator Lee for listening to our concerns and they are addressed in this bill. Those concerns are the coordination with the association as to the location, to the extent practicable, of these bus stops and the notice prior to construction. We support this bill.

Patrick Sanderson, representing Laborers Local 872:

I was neutral and did not understand the bill quite so well. The language was hard to understand when it said, "...carrying out its duties pursuant to subsection 1, the commission may displace or limit competition in the construction, installation, and maintenance of such benches, shelters and transit stops."

A good lawyer would make it transit stations. We just built a \$20 million transit station in Reno. That means there would not be any bidding, and they could just do it. Also, subsection 7(b) says:

...may approve any franchise, contract or agreement or take any other action that prohibits or unreasonably restricts the commission from providing for the construction, installation or maintenance of benches, shelters and transit stops ...

Understanding what Senator Lee is doing now, it is fine as long as he does not mean transit stations. A transit stop is wherever the buses are or where they stop on a highway. I do not have a problem with that.

Senator Lee:

I want to clarify that this bill does not bring in a \$20 million transit stop where 500 people would be sitting and waiting on different buses going back and forth. This bill is specifically for shelters and benches.

Jacob Snow:

The bill is very clear and calls for benches and shelters only. It does not apply to the transit stations the gentlemen referred to. If it were intended to apply to transit stations, we would have written it as such.

Assemblyman Carpenter:

Where does it state in the bill that if there needs to be maintenance, you will take up the cement, et cetera?

Senator Lee:

That would be handled in the interlocal agreements with the municipalities. They will have a contract to sign and that will be specified. It is on the record today that is to be included in that memorandum of understanding in the maintenance agreements.

Chair Atkinson:

We will close the hearing on S.B. 417 (R1) and I will entertain a motion.

ASSEMBLYMAN CARPENTER MOVED TO DO PASS
SENATE BILL 417 (1ST REPRINT).

ASSEMBLYWOMAN GERHARDT SECONDED THE MOTION.

THE MOTION PASSED. (ASSEMBLYMEN BOBZIEN AND
GOEDHART WERE ABSENT FOR THE VOTE.)

We will open the hearing on Senate Bill 450 (1st Reprint).

Senate Bill 450 (1st Reprint): Makes various changes to provisions relating to the regulation of oversized and overweight vehicles. (BDR 43-1140)

Steve Holloway, Executive Vice President, Association of General Contractors, Las Vegas Chapter:

I am in support of S.B. 450 (R1). I will give a history on this bill for you who were not here before the 73rd Legislative Session.

For 50 or 100 years the Nevada Department of Transportation (NDOT) issued permits for oversized vehicles and loads to travel the highways and byways of this State. In the current statutory language, however, this provision is for counties and cities to also issue said permits for their roadways and byways. Up until 10 years ago, neither the county, nor any city had issued such a permit in this State, depending exclusively on NDOT to issue those permits. Then Clark County began issuing such permits covering their roads and byways. Shortly thereafter North Las Vegas and Henderson followed. As a result, we found ourselves in a position similar to which many were faced with in California. For example, in order to move a tower crane from a yard in North Las Vegas to a site on the Strip, you had to get four different permits, each taking an inordinate amount of time to get, with four different sets of rules. It is quite possible, for example, in order to move a load down Rancho Drive in Las Vegas, you would have to get a permit from NDOT, requiring you to move exclusively in the day time, a permit from Clark County, which only allows you to move between the hours of 1 a.m. and 5 a.m., a permit from the

City of North Las Vegas which, again, allows you to move only in the day time, and finally a permit from the City of Las Vegas which would have other restrictions.

Eight years ago, we achieved a Ninth District Court Decision which essentially said that this interfered with interstate commerce because it was also affecting transports from outside of the State as well as within the State. The counties and cities went away as far as their permitting was concerned. We went back to NDOT providing the permits.

A few years ago portions of that decision were overruled on appeal, and we had the county and cities within the Las Vegas valley issuing permits again, as well as NDOT.

During the 73rd Legislative Session we came before this Committee with the same type of bill and we reached a compromise. That compromise was that if an NDOT road or highway was involved, NDOT would issue the permit. If a county road or another entity's road was also involved, NDOT would notify the county or entity and they would have to sign off on that permit before you could proceed. The agreement in the current statute that came out of this Committee in the 73rd Legislative Session also says that the county and cities will abide by NDOT regulations. That was our agreement reached in good faith. That is what the law says. Unfortunately, one of the entities refused to follow the law. We are back here before you in the same predicament, even though we have a law. Clark County insists we move at night, refuses to grant permits, and puts in other restrictions, such as their own escort vehicles.

We have come back with S.B. 450 (R1) that takes the authority away from the counties and cities to grant permits to move oversized vehicles. The only county that has ever issued such a permit is Clark County. The only cities are in Clark County. We are not taking much away from the other counties, although the Nevada Association of Counties (NACO) will be offering a compromise amendment. It is a friendly amendment that will allow them a voice in this, which I will accept.

Section 2 of S.B. 450 (R1) provides for an advisory committee in Clark County that consists of representatives from the industry, the various municipalities, and the County itself. This will allow all those groups input into the regulations and actions of NDOT in issuing those permits. They can determine what the haul routes will be, and, the hours and days of the week. We do not care, as long as they are consistent.

The amendment will be addressed by Jeff Fontaine from NACO. I would like to introduce some people who traveled up from Las Vegas who own a trucking company to speak to you about the problems this has created for them. On my left is Julie Frehner who runs her own general contracting and trucking company. On my right is Paul Delong, of Paul Delong Heavy Haul.

Julia Frehner, President, NU Equipment, North Las Vegas:

[Read from prepared text ([Exhibit E](#)).]

Paul Delong, Owner and President, Paul Delong Heavy Haul, Las Vegas:

[Read from prepared text ([Exhibit F](#)).]

Assemblyman Goicoechea:

In conversations during the 73rd Legislative Session, it seemed that the rationale for why we thought the county and NDOT should collaborate was because there might be different functions occurring in more than one jurisdiction. For example, a parade permit is issued by the city, and NDOT issues a permit, not realizing a permit had been issued for that same route at the same time.

As I look at the bill there seems to be a continued ability, especially with the amendment, for them to collaborate. Is that correct?

Steve Holloway:

Yes, it is. With the amendment all the counties have that opportunity to collaborate. We worked it out with NDOT and some of the entities prior to this.

Judy Stokey, Director, Government Affairs, Nevada Power and Sierra Pacific Power:

We are in support of the bill. We have worked with members who have been putting this together.

Paul Enos, Chief Executive Officer, Nevada Motor Transport Association:

We are in full support of S.B. 450 (R1). This bill helps streamline the process and insures that commerce continues in a safe manner. Ms. Frehner stated that there are some bootleg outfits that will move these over-dimensional loads illegally because of the difficulty with the permitting process.

Last summer I received a phone call from someone who was from Phoenix, Arizona; he had been stuck in Clark County for three days at a cost of \$4,000 to their company, while they waited to get an over-dimensional permit. There are definitely some issues out there.

Berlyn Miller, representing Nevada Contractors Association:

We do not enjoy being back here again on this issue and taking up your time, but it is absolutely necessary. Mr. Holloway indicated that approximately ten years ago this problem started. I was dealing with this problem at least 13 years ago with Clark County. I would like to compliment the Cities of Las Vegas, North Las Vegas, Henderson; and, also NDOT, for their cooperation the last two years. It has worked with all those entities; we have the problem with the one entity. With the history I have with that operation, and the problems, if I had any hope that we could resolve this issue with the County, I would not be here today. I am convinced we cannot and this is the only way we can handle the situation.

Richard Yeoman, Chief, Administrative Services Division, Department of Transportation:

[Read from prepared text ([Exhibit G](#)).]

Assemblyman Goicoechea:

I had a Highway Patrol trooper in Utah explain it to me. I was traveling with an over-sized load and he said, "You hit it, you bought it." That is how it works.

[Chairman Atkinson turned the gavel over to Vice Chair Manendo and left.]

Cheri Edelman, Assistant City Engineer, City of Las Vegas:

Our primary concern with this bill is giving NDOT control of issuing permits in local jurisdictions. The Department of Transportation issues these permits from their office in Carson City. We do not believe they have the daily knowledge necessary to know what is going on in the Las Vegas valley area, primarily with our large and frequently changing construction projects and our special events, such as parades and the Grand Prix Champion Car Race which we had recently. In addition, they do not know those streets that have not been constructed to the full build-out, may not have the structural strength or the number of lanes to accommodate either the width or the weight of these over-sized vehicles, or the congestion that will be caused if there are insufficient lanes to accommodate the traffic during rush hour. If these roadways are damaged or the streets become too congested, we have no knowledge and therefore no ability to fix the problem in a timely manner for the traveling public, or to get restitution for the damages from the trucking companies. We have concerns for public safety if the roadway, streetlights, or traffic signal poles are damaged during the route and we have no knowledge when that damage occurred.

Since the 73rd Legislative Session, the local agencies have worked in good faith and we have done a lot to work with the Associated General Contractors (AGC) and the truck haul industry including creating a single permit through multiple

jurisdictions rather than several permits for the same route. Also, at the City of Las Vegas we worked with the industry on truck haul routes and have adapted those routes by ordinance. Together, we developed size guidelines so vehicles that are under a certain width, height, or length no longer had to pull permits, thereby minimizing the number of permits required by the haul companies. In most cases, we would turn our permits around either the same day or within 24 hours of the permit request.

During the 73rd Legislative Session, NDOT testified in opposition to this bill or a similar bill that granted them authority over the local jurisdictions, stating that they did not have the knowledge, staff, or resources to take this on. We still do not believe that anything has changed. As a matter of fact, Mr. Yeoman said that it will be another 18 months before they get the software to be able to take out and put data in any kind of useful form.

We respectfully request that NDOT not be granted the authority to permit these over-sized vehicles within our local jurisdictions. This bill is punitive to all agencies when it has been stated by two different people that there is only one agency that has been not cooperative. We believe that, with the committee that is being proposed in the first part of this bill, the agencies could work out their differences and vote on a majority basis on those rare parts of contention, such as the hours of operation. That could solve the problem without taking away our local jurisdiction. If NDOT was going to propose an amendment, we would also propose an amendment that only the jurisdiction, which has problems with the agency, would have their authority given to NDOT, as opposed to all the local agencies that have worked in good faith.

Vice Chair Manendo:

Do you have language to submit to this Committee?

Cheri Edelman:

I do not at this time; I was not sure if they were going to say it was one agency that was problematic, and I did not want to bring it up myself. Since it came up in the testimony, that would be language I would support.

Vice Chair Manendo:

If you have language you would like to submit, I recommend you do so as soon as possible.

Assemblyman Hogan:

Is Clark County the only jurisdiction involved that restricts movements to either early morning or late night?

Cheri Edelman:

I should not be the one answering that question because I do not know how Clark County operates as opposed to the City of Las Vegas.

Vice Chair Manendo:

Would you like to take a stab at it?

Cheri Edelman:

I can take a stab at it. They are correct in that Clark County does have their hours of operations between 1 a.m. and 5 a.m. The City has worked with NDOT especially on those routes that go both through NDOT's jurisdiction as well as the City of Las Vegas, and NDOT has a mandatory night travel time. We have cooperated with them in all cases to have our haul routes go at night in conjunction with NDOT.

Steve Holloway:

We can answer that question, if you would like us to.

Assemblyman Hogan:

Just to clarify, I had the impression it was one jurisdiction that had night time only. Apparently, that was not correct. Could you summarize the timing aspect of the problem?

Paul DeLong:

The County has it from 1:00 a.m. to 6:00 a.m., City of Henderson has curfews in the morning and in the afternoon, and the City of Las Vegas has certain roads in the morning and the afternoon with a curfew.

Jeff Fontaine, Executive Director, Nevada Association of Counties:

The Nevada Association of Counties (NACO) opposes S.B. 450 (R1) as written. We oppose it because it removes the authority for counties under a population of 400,000 to control movement of overweight and over-dimensional vehicles on county roads. While I have not polled all of the counties in the State, the counties have not issued a lot of these permits in the past; maybe a handful over the last several years. Even though the authority is there, I can tell you it has not been heavily exercised. We are not opposed to the specific provision that would set up the committee, the policy and procedures, and the recommendations in Clark County. We also recognize there is certainly a need to have a seamless process to move overweight, oversized vehicles across county lines, even across the various jurisdictions within a particular county, without having to go to each entity and get a permit.

This bill would authorize NDOT to issue a permit for travel across all highways in the State, regardless of who owns them. We have proposed what we believe to be a friendly amendment ([Exhibit H](#)), which would satisfy concerns about having to get multiple permits from the multiple jurisdictions, including travel on local streets. It would preserve the ability of our counties and the cities, to provide input on these permits that are issued by NDOT.

The amendment to Section 9 is still agreeable to everybody. Subsequent to our distribution of this amendment, we heard comments about the proposed amendment to Section 5. We want to make it clear we do not intend to have the counties or local entities hold up a permit, but under specific circumstances and at the request of a county or city, they can provide input to NDOT. We think we have come up with compromise language for the amendment of Section 5.

In the proposed amendment in Section 5, read through line 4, and after the word "must", we would delete the remainder of what has been proposed and insert "must develop regulations in the issuance of permits." Then add "nothing in this section prohibits a county or city from notifying the Department of Transportation regarding specific circumstances under which the highway facility, traffic safety, and flow of traffic would be impacted if a permit for an oversized or overweight vehicle or equipment to drive, occupy, or proceed upon that highway is issued." We will have this drafted and submitted to you tomorrow.

Assemblyman Goicoechea:

I am not sure your amendment makes it clearer. The county must request and they clearly would not know that Mr. DeLong had made an application for a permit; therefore, the notification process would be very difficult. In Elko County, how would they know there was going to be a permit issued that might impact them unless they had a standing request that NDOT notify them of any permit issued for Elko County? That will be extremely cumbersome because no one in Elko County is going to look through them all. As you are talking about amendment language, I am trying to grasp how we could do this with NDOT feeling comfortable in issuing a permit in a particular jurisdiction, and still give that jurisdiction the opportunity to have some input. Clearly they cannot input on every permit NDOT issues.

Jeff Fontaine:

There is a fine line between requiring something in statute that is too onerous and really complicates the system versus making sure that the appropriate safeguards through notification and coordination are in place. The new proposed amendment puts the onus on the local entity to notify NDOT in those

specific examples where there is going to be a parade, special event, resurfaced road, or a road under construction. In those particular cases, the county or city could call NDOT to notify them of an upcoming event so they do not issue a permit. Coordination would be the adoption of regulations that would lay out the operating parameters similar to what is being proposed in Clark County that would help identify the routes that could be used under normal circumstances, and under what conditions those routes could be used for oversized and overweight vehicles.

Assemblyman Goicoechea:

We are going to put the emphasis back on the local government, which I am fine with. They would be able to have restrictions on their road and let NDOT know.

Jeff Fontaine:

You are correct. Under Section 3, regarding how they would do it in Clark County, this committee that is comprised of representatives of various jurisdictions would make recommendations on the regulations adopted by NDOT regarding route, hours of the day, and days of the week to address all of those issues. In addition to that, you cannot write regulations to cover every specific instance, case, or unusual thing that would come up. It would also be the provision that would allow a local entity to call NDOT if there was some unique thing that was going on or would cause a concern of an overweight or oversized vehicle.

Assemblyman Goicoechea:

This committee would only deal with those counties which have a population over 400,000.

Assemblyman Carpenter:

If this is the amendment you are proposing, it looks like what we are talking about here is upside down. You are saying that NDOT "must upon request, provide the affected county or city an opportunity to comment on the pending application for a permit." If I get a permit and NDOT has to tell the city or county that I came in to get the permit, I do not think it is going to work. I think the city or the county needs to tell NDOT whether or not to issue that permit. You need to change the language so that the city and counties tell NDOT before permits are issued.

Jeff Fontaine:

You are correct in terms of what we are trying to accomplish here. Our intent was incumbent upon the local government to notify NDOT in advance of their particular event or circumstance when they would not want to see these types

of vehicles travel upon their roads. It is not incumbent upon NDOT to do that. We did delete that particular piece in the proposed amendment. We will get it in writing.

Vice Chair Manendo:

That is why we wanted to hear it. You may want to share those comments with the proponents. Since time is running out, could you get it to us by Tuesday?

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

We are not opposed to what the Las Vegas people are trying to do and the challenges they have had. The reason we signed with a giant question mark on what we were going to do with this bill is because of the reference to Section 5, subsection 3, which Jeff was talking about. We worked with him in the hallway just before the meeting to come up with the language, which is part of the reason it is not formalized. We were concerned with the original amendment that Mr. Carpenter referred to for that same reason; on a case by case basis the local government could inadvertently stall a permit. Through the development of regulations with general policies and procedures, there is the ability for the local government to come to NDOT and say there are special circumstances that would work for us. We are in support of the amendment as it has been described.

Vice Chair Manendo:

We will close the hearing on S.B. 450 (R1) and open Senate Bill 263 (1st Reprint).

Senate Bill 263 (1st Reprint): Makes various changes to provisions governing the registration of motor vehicles. (BDR 43-340)

Charlie Silvestri, representing Auto Tag Agency:

[Read from prepared text ([Exhibit I](#)).] I am here on behalf of a motor vehicle registration client who is well established in the State of Florida. He has been in business for several years.

This bill passed out of the Senate with 17 yes votes and 4 no votes. I would like to thank Senator Mike Schneider and those who signed on to the bill and Ginny Lewis from the Department of Motor Vehicles (DMV) and her executive staff for their assistance and cooperation. All of their suggestions have been included in this bill.

The existing law, as you heard on Tuesday with Senate Bill 40, states that all motor vehicles must be registered by DMV or a registered dealer. New car dealers may also register new cars. Financial institutions may also register motor vehicles.

Section 2 and 3 of Senate Bill 263 (1st Reprint) permit a private registration service, like the client I represent, to issue certificates of registration and title preparation.

Section 3 outlines what a service agency may do: accept an application to register or renew the registration of a new or used motor vehicle, and collect the related fees and taxes; and accept an application to transfer the registration of a motor vehicle pursuant to NRS 482.399. This section also permits the private agency to collect a fee when performing a registration service. This registration service is strictly voluntary on the part of the automobile owner as an alternative to register without going to DMV physically.

Sections 5 through 17 provide the requirements for a registration service to obtain a license to do business in Nevada.

My client, if this bill passes, will supply all the equipment necessary to operate a registration service, without any cost to the State or to the DMV. We will also locate our office or offices in southern Nevada strategically in cooperation with the DMV.

We do not see ourselves as a competitor with the DMV, but as one providing assistance with the implementation of a pilot program, which was amended in the bill, and we approved and agreed to it. The registration service will follow all DMV requirements, including employee training, bonding, and licensing requirements.

This bill was proposed long before we heard of the Real ID Act and its potential. According to the newspaper articles, if the Real ID program comes to fruition, the DMV may need to hire hundreds of employees at a cost of several millions of dollars. If we can open just one office and employ approximately 15 people, that would be people the DMV could divert from their existing staff to perform other duties and responsibilities as they may relate to the DMV. It could result in a savings of thousands of dollars to the DMV.

Sections 29 and 30 permit a registration service to apply for DMV approval to submit our documents electronically.

Currently, there are three options for citizens to register their motor vehicles: kiosk, online, or financial institutions and car dealerships.

Senate Bill 263 (1st Reprint) also requires procedures for fingerprinting of registration service employees, bonding requirements, et cetera.

The Department wants to reduce the walk-in traffic by 100,000, and this bill will help. I had an experience with the DMV right before this Session in having a vehicle registered. It took two hours in mid-afternoon, midweek. A service agency, such as the one I am describing, is able to do that in 20 minutes for a fee of between \$15 and \$20.

I would like to respond to some of the misstatements, as I see them, provided to you in a letter from Oran McMichael from the American Federation of State, County, and Municipal Employees (AFSCME). The rationale for extending this service to a private vendor is to implement the Real ID requirements. That is not true. The bill, according to them, is written specifically to contract with one company, Auto Tag Management Services. Nowhere in the bill will you see the name of a company. For a bill to include and specify a single vendor would be illegal and highly unethical.

Vice Chair Manendo:

Because it is a pilot program, how is the process going to work? Are we going to submit different businesses to be able to have that "bite at the apple?"

Charlie Silvestri:

I am not sure how it would work. It would be up to the DMV. If the bill is passed and the pilot program is put into effect, we hope to be a competitor along with everyone else who wishes to participate.

Vice Chair Manendo:

The bill states there is an effect on the State, and you referenced money. What is the cost to the State?

Charlie Silvestri:

There will be no cost on the State to establish an office or offices, if my client is able to participate in the program. We will bear all costs.

Assemblyman Goicoechea:

You said a \$15 to \$20 fee, I assume that is something they are using in Florida. The bill shows a fiscal note for the DMV to reprogram so you would have the ability to electronically file. Are you prepared to pick up that cost too as part of the cost of opening up the business?

Charlie Silvestri:

The fiscal note that was originally placed on the bill has been removed. My client is prepared, because of our expertise and experience, to assist DMV and the pilot program. That assistance will include some financial assistance.

Assemblyman Goicoechea:

You stated that you will bear all costs. So, whatever it took to bring the program into place Is that correct?

Charlie Silvestri:

When I said we would bear all costs, we will bear all costs to setting up an office: employment, equipment, rental of the building, et cetera.

Assemblyman Goicoechea:

The fiscal note, as it was implied, shows some computer upgrades that would be necessary on the DMV's part. We will probably need to hear from the DMV on how much bonding would be required for your company.

Charlie Silvestri:

Whatever the bonding or insurance requirements are, we will meet them. We will bear all expenses in the fingerprinting of employees. If it is within reason, we will bear the cost.

Vice Chair Manendo:

I do not see where the \$53,000 has been removed from the bill. We will ask the DMV.

Assemblyman Cobb:

How many employees does your client have in the state of Florida?

Charlie Silvestri:

We are going to pass out some pamphlets ([Exhibit J](#)) about my company, but I can answer the question. We have six or seven offices in three counties in Florida. We employ approximately 120 employees. This is a relatively common thing in Florida for motor vehicle registration services and agencies to act as a "branch office" of the DMV.

Assemblyman Cobb:

Your client is not the only business doing this type of work. Do you have an estimate of how many people in the entire industry that you are involved in are working in those private businesses in the state of Florida?

Charlie Silvestri:

There are 26 of these types of agencies throughout the State. We have 6 offices and employ 120 people; I cannot tell you exactly how many people are employed in this kind of service.

Assemblyman Hogan:

Do have an approximate number or proportion of jobs involved in reporting and recording these new documents? Is the state still involved in doing that function? Do they do the remaining half, a third or a quarter? Is there an approximation you could give us?

Charlie Silvestri:

Our employees would be private. They would not be state employees. We would pay prevailing wages, provide health insurance, dental insurance, a 401K plan, et cetera.

We do not anticipate displacing any DMV employee. For example, last year there were 1.7 million vehicles registered in Nevada. At least 1.1 million utilized another means, either electronically or through the mail, to register their vehicles. That has not created any mass reduction in force or layoff of DMV employees. Six hundred thousand citizens came to a DMV to register their vehicle. We do not see ourselves as taking jobs away from anyone. In the event that would happen, my client has agreed to employ a person or persons.

We agreed to the pilot program because the DMV thought they might be inundated with several agencies coming in to do business in Nevada. With a two-year pilot program, we can work with the DMV and they can see and report back to the Legislature with the pros and cons of the program.

Clay Thomas, Deputy Director, Department of Motor Vehicles:

[Read from prepared text ([Exhibit K](#)).]

Vice Chair Manendo:

Can you address the fiscal note part?

Clay Thomas:

Yes I can. The fiscal note was submitted and the approximate cost was \$55,000; \$53,000 pertained to programming costs.

Currently, a dealership can do a registration renewal. They are very restrictive in what they do and that is only first time registrations. The same goes for emissions stations. Having spoken with Mr. Silvestri prior to this Legislative Session, it was his representative's intent to expand the capabilities

of his business, which would include the issuing of special plates, personalized plates, handicapped plates and placards, handling veteran exemptions, military exemptions, conducting title processes, and correcting existing documentation, if necessary. That goes far beyond what is currently in place with the one dealership we have issuing registrations and the emissions stations. That is why the fiscal note came forward; because that is for in-house programming costs we need to establish profiles on, not only for any business entity that may come in, whichever one it may be, but also for each individual to access the DMV application.

Vice Chair Manendo:

Was this cleared through the Senate Committee on Finance?

Clay Thomas:

This was not. As far as I know, it was never referred to the Senate Committee on Finance. Testimony was given in the Senate Committee on Transportation and Homeland Security, and now I sit here before you today.

Charlie Silvestri:

May I ask for a clarification on the pilot program the DMV has with the automobile dealership in Las Vegas?

Vice Chair Manendo:

Yes.

Charlie Silvestri:

On Tuesday, when Senate Bill 40 was presented there was a pilot program in place with Shack Findley. I assumed there was already data in that program that would reduce the \$55,000 price tag the DMV has placed on this pilot program. Can we get some clarification to the extent of the existing pilot program?

Vice Chair Manendo:

Hopefully, we can find out.

Assemblyman Goicoechea:

Is there any concern as far as access to DMV files that might not be appropriate?

Clay Thomas:

There is always a concern as to who would have access to our files and what information would be available. Where this differs is with a dealership. That is not their primary function to do registration renewals; they are in the business

to sell vehicles. Shack Findley has taken on a secondary responsibility to do the registrations. This business would make it a primary business. Therefore, the fingerprinting, bonding, and licensing of this business are no different from any dealership we currently have, whether they are involved in the registration program or not. The language there mirrored existing statute. Obviously, this takes us a step forward by going into the registration services and expanding the functions well beyond what a standard dealership does.

Assemblyman Goicoechea:

Under Shack Findley, are you requiring that those people who have access to the car dealers' registration be bonded, fingerprinted, and researched, especially if we get into used cars?

Clay Thomas:

All dealerships are required to be bonded and licensed with the DMV right now. Their primary function is to sell vehicles, and the NRS requires a bond, license and fingerprinting to be done.

This business is only going to mirror those functions that already exist in statute for our dealerships.

Assemblyman Goicoechea:

I can see the benefits of this program if we can lighten the load at the DMV. If a person is willing to spend \$15 or \$20 more to avoid the one or two hour wait, I can see where it is a benefit. I am concerned about getting a firewall in the system to make sure they cannot get too far, and I am sure we could. The \$55,000 fiscal note needs to be addressed. Once we got to that level, would they be able to open up multiple offices with no more expense on the part of the DMV?

Clay Thomas:

Yes, the \$55,000 is the start-up. It is the necessary programming cost of \$53,000, and \$1,500 for the other miscellaneous items. Once the programming is set and we have that established, costs beyond that would be minimal for profiles.

Assemblyman Goicoechea:

You could open three branch offices for the same dollars.

Clay Thomas:

Yes, we could.

Vice Chair Manendo:

Are you going to submit bids? How are we going to get the word out to see what kind of competition is out there?

Clay Thomas:

If this bill passes, we will do a Request For Proposal (RFP) or a modified RFP.

Vice Chair Manendo:

Then what happens?

Clay Thomas:

The RFP would outline what we are expecting from the businesses. They would submit qualifications, there would be an evaluation process, and the business would be identified as meeting the items outlined in the RFP in order for us to go forward.

Vice Chair Manendo:

Are there any other businesses interested or is it just the one business?

Clay Thomas:

Mr. Silvestri is the only one who has approached us. However, as his testimony stated earlier, with the number of businesses that exist in other states, it will probably open the door for others wanting an opportunity in Nevada.

Assemblyman Cobb:

Because the state of Nevada is one of the fastest growing states in the nation for the past 20 years, I imagine you have to hire new employees and build new branch offices on an annual basis. Is that correct?

Clay Thomas:

It is the intent and the philosophy of the DMV to find alternative technologies and advancements through computers or electronics for individuals who do not have to be in a DMV office, instead of building more facilities. We have stabilized our staffing. In the 73rd Legislative Session, we asked for 100 percent staffing. Since then we have continued to look for alternative sources to handle the population growth.

Assemblyman Cobb:

Is it your testimony that you are not going to be adding new employees in the future?

Clay Thomas:

I would never give that testimony.

Assemblyman Cobb:

I agree with your intentions to find alternative ways to help people and allow them to register online or at kiosks, et cetera, but in all likelihood you will have to continue to hire more employees and open new branches in the future, given our population growth. Is that correct?

Clay Thomas:

Yes, that is correct. As the population continues to grow when the alternatives no longer are advantageous, we will have to look at expanding facilities and hiring more staff.

Assemblyman Cobb:

When you talk about alternatives, you have an alternative with Mr. Silvestri testifying his client has 120 employees and there are 26 agencies performing these services to supplement the DMV. As he testified, not a single DMV employee was fired. Do you think it is a good idea to use alternatives such as what Mr. Silvestri is suggesting? It does not cost you a dime, except for the \$55,000 start-up cost, so you are not going to have to pay hundreds of thousands of dollars in the future or even more when you are talking about building branch offices.

Clay Thomas:

As I testified earlier, we are not adverse to the concept. Our concern is the fiscal note that requires programming changes, which we submitted and was bypassed by the Senate Committee on Finance. In addition, Mr. Silvestri's testimony is a concern for the DMV; if he were to hire away experienced DMV employees, it would have an impact on us to service individuals who have to come to our office.

Assemblyman Cobb:

As opposed to shifting budget priorities or changing a few things in your budget to find the \$55,000, there is the possibility that you would have to spend millions of dollars in the future. Would you fall on the side of having to spend those millions of dollars, given that choice?

Vice Chair Manendo:

There is going to be a cost to the State. The DMV has budgeting and whether we agree or disagree, it will still have to find the money even if it is a small expenditure now, with the opportunity of reaping benefits later on. There is still a process we have gone through.

I need to mention that we have lost our quorum. We are continuing as a subcommittee.

Charlie Silvestri:

It is not our intent to hire away from the DMV. If they are DMV employees who are reduced in force, we will hire them. We are not out to raid the DMV's employees.

Oran McMichael, Area Field Services Director, Nevada, American Federation of State, County, and Municipal Employees, Local 4041:

We emailed all the Members of the Transportation Committee outlining our reasons for opposition. I also had it passed out today ([Exhibit L](#)). I have submitted a letter ([Exhibit M](#)) from Danny Thompson, Executive Secretary Treasurer, Nevada American Federation of Labor and Congress of Industrial Organizations (AFL-CIO) who would like this read into the record. [Read letter.]

In the initial testimony, the letter we submitted mirrors the testimony that was given in the Senate Committee on Transportation and Homeland Security. One of the concepts for creating this situation was the use of the Real ID Act. That is not a misstatement. Testimony was given that this would probably help alleviate congestion that the Real ID Act would create. The DMV's testimony in the Senate did not uphold that concept. We believe that this is a rationale and a veiled attempt to privatize the service that has not been shown to be dysfunctional.

Auto Tag Management Services of Florida was named in the Senate testimony after several rounds of questions from Senators as to what particular company the bill was directed toward. Finally, Mr. Silvestri admitted to the name of the company.

The bill was later amended to be a pilot program because, by using such tactics, it limited it to a particular company.

This is a "foot in the door" and will lead to the downsizing of the DMV. There has not been testimony in the Senate, nor heard any today that the DMV is not going to be impacted. It was suggested that in Florida, the DMV employees were not laid off. There was neither testimony nor fact that it did not occur.

Employers use contracting as a covert way to downsize, cut wages and benefits, or dismantle civil service or union protections. The problem with this approach is that good wages and benefits translate into low turnover and stable workforces, while civil service and union protections mean fair and productive workplaces. Studies consistently show that seeing workers as assets to be

developed, not costs to be cut, confers significant long-run advantages and that basic fairness and job security encourage employee innovation.

As we testified before you on Senate Bill 40, we are about to process a saying "give us an opportunity." If you ask us, we can assist you in coming up with innovative and creative ways to increase the efficiency of the service.

This extension is being presented as a "silver bullet" for some perceived deep seated problems or a way that the DMV can wash their hands of tough challenges. We admit there is going to be a tough challenge ahead should the onerous provisions in the Real ID Act remain in place. We are very familiar with the fact that Nevada has submitted a resolution, along with approximately 38 other states to repeal the provisions within the Real ID Act. Funding and staffing challenges remain, however, regardless of who runs the program.

The hidden costs in this bill are not just the \$55,000 software cost. We heard today that an RFP would have to be released; there will be additional bureaucracies to monitor the RFP. According to the National Government Finance Officers Association, you have to review and evaluate RFPs. Somebody has to write it, negotiate the contract, process the orders and amendments to the contract, and monitor and evaluate the vendor's performance. In addition, someone would have to deal with disputes and processing payments to the vendor. Those costs can add an additional 25 percent to the cost of the contract. But we are not talking about those additional costs, which have neither been calculated nor presented to you.

The DMV has testified that they are trying to move toward electronic registration. We are not opposed to that. In fact, we endorse that concept. The State has not had a tremendous record, as noted in Danny Thompson's letter, with respect to using private vendors to deliver state services. This is not a process to save the state and taxpayers' money but to open an avenue of profit. We are not opposed to private-public partnerships, but it has been our experience that when the profit line bottoms out for these companies there is a tendency to bail on the service.

While some firms have expertise not readily available to the public sector, government should be wary of turning over their confidential records and information infrastructure to these types of firms. Jurisdictions may become vulnerable when they lose the ability to deliver services, and companies may capitalize on this when renewing contracts.

If you look at the bill on page 20, going back to the question of whether or not this is a single vendor or if it going to be opened up to others, in Section 34.5, it says the DMV "may" establish a pilot program; it does not say it "shall" establish a pilot program.

If you go to page 21, line 23 again, in reference to Section 34.5, that is the only section that will sunset in two years. We need to be very cautious of the intent of this bill and legislation.

The members of AFSCME embrace the goal of providing cost-effective, high quality public services. When public sector managers and their public employees work together toward this goal, service recipients, workers, and taxpayers benefit as numerous models of public sector innovation indicate. Public employees should not be treated as assets to develop, but again, they should be encouraged and brought in as part of the process. We urge you to oppose S.B. 263 (R1).

Vice Chair Manendo:

We all need to be concerned about these people who have lives, careers, and families to support, and what would potentially happen to them.

Oran McMichael:

We are not quite certain what is going to happen. There has been no indication from the DMV or from Mr. Silvestri on behalf of that company as to what would happen to these employees. These employees have as much as 20 to 30 years of service with DMV. They have vested interests and retirements. The real question becomes the prevailing wage. The prevailing wage of clerical is \$7 to \$10 an hour. Does that include benefits—retirement and pension—that these employees currently enjoy?

Assemblyman Cobb:

There was testimony from Mr. Silvestri that there were no layoffs or loss of jobs from DMV as a result of this program being instituted in Florida. Are you saying that you believe people were fired?

Oran McMichael:

In Mr. Silvestri's testimony he said he believed there were no layoffs. There is no factual statement from the DMV in Florida as to the impact when these agencies were brought on board.

Assemblyman Cobb:

You are here to say that you believe there were people fired?

Oran McMichael:

I am here to testify that we would not want to see a layoff situation brought into place should this bill be enacted. I am not certain that layoffs occurred in the state of Florida. Our national and historical experience has been that whenever states take this direction, it does mean layoffs. Currently, as an example, in the Early Childhood Intervention Services there is a proposal to contract out as much as 40 percent this year and 100 percent in 2008-2009. Last week the department held a videoconference with all the employees and announced that should the bill pass as enacted, there will be major layoffs. At this time the bill is sitting dormant.

I am not saying should this bill be passed as enacted that this will occur. We are saying that it is a danger we want to be aware of.

Assemblyman Cobb:

I do not know that the fastest growing state for the last 20 years in moving forward is going to lose State workers any time soon, but to clarify the testimony from Mr. Silvestri, he believes or is certain that there were no people fired. Your testimony is you do not have any knowledge on the subject but you are worried about it.

Oran McMichael:

That is our concern.

Danny Coyle, representing American Federation of State, County, and Municipal Employees, Local 4041:

I concur with Mr. McMichael's comments. In his rejoinder to Mr. McMichael's letter, Mr. Silvestri say the bill was not restrictive to Auto Tag Management but to any registration service that may want to take advantage of the bill. He then went on to say that his client would pay for all set up costs at no cost to the State. Is he presuming to speak for any other registration service that may want to come into the program? Are they willing to absorb the costs that his client Auto Tag is? I do not know. Just because his client is willing to do that, can you give any assurance that any other company is willing to do the same thing? This seems kind of ironic that he should criticize Mr. McMichael's statement. To me this is a one-company bill of this pilot program.

Vice Chair Manendo:

Mr. Birkmann, did you want to speak?

William Birkmann, representing Nevada Alliance for Retired Americans:

I just wanted to express my opposition.

Vice Chair Manendo:

Duly noted. We will close the hearing on S.B. 263 (R1).
adjourned. [4:01p.m.]

RESPECTFULLY SUBMITTED:

Christine Henricksen
Committee Secretary

APPROVED BY:

Assemblyman Kelvin Atkinson, Chair

DATE: _____

EXHIBITS

Committee Name: Committee on Transportation

Date: May 3, 2007

Time of Meeting: 1:30 p.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
S.B. 43 (R1)	C	Nicholas Anthony, City of Reno	Statistics
S.B. 43 (R1)	D	Dan Lindholm, Private Citizen	Prepared text
S.B. 450 (R1)	E	Julia Frehner, NU Equipment	Prepared text
S.B. 450 (R1)	F	Paul DeLong, Paul DeLong Heavy Haul	Prepared text
S.B. 450 (R1)	G	Richard Yeoman, Department of Transportation	Prepared text
S.B. 450 (R1)	H	Jeff Fontaine, Nevada Association of Counties	Amendment
S.B. 263 (R1)	I	Charlie Silvestri, Auto Tag Agency	Prepared notes
S.B. 263 (R1)	J	Charlie Silvestri, Auto Tag Agency	Pamphlets
S.B. 263 (R1)	K	Clay Thomas, Department of Motor Vehicles	Prepared text
S.B. 263 (R1)	L	Oran McMichael, American Federation of State, County, and Municipal Employees	Letter of opposition
S.B. 263 (R1)	M	Oran McMichael, American Federation of State, County, and Municipal Employees	Letter from Danny Thompson, Ex. Secretary Treasurer, NV AFL-CIO