

**MINUTES OF THE
SENATE COMMITTEE ON TRANSPORTATION AND HOMELAND SECURITY**

**Seventy-fourth Session
March 20, 2007**

The Senate Committee on Transportation and Homeland Security was called to order by Chair Dennis Nolan at 3:35 p.m. on Tuesday, March 20, 2007, in Room 2149 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Dennis Nolan, Chair
Senator Joseph J. Heck, Vice Chair
Senator Maggie Carlton
Senator John J. Lee
Senator Joyce Woodhouse

COMMITTEE MEMBERS ABSENT:

Senator Maurice E. Washington (Excused)
Senator Mark E. Amodei (Excused)

STAFF MEMBERS PRESENT:

Lynette M. Johnson, Committee Secretary
Dan Lindholm, Intern to Senator Nolan
Nicholas Marquart, Intern to Senator Nolan
Matt Szudajski, Committee Policy Analyst
Sharon Wilkinson, Committee Counsel
Carolyn Allfree, Committee Secretary

OTHERS PRESENT:

Clay Thomas, Deputy Director, Department of Motor Vehicles
Virginia (Ginny) Lewis, Director, Department of Motor Vehicles

CHAIR NOLAN:

We will open the hearing on Senate Bill (S.B.) 175.

SENATE BILL 175: Revises provisions governing the contents and use of license plates for motor vehicles. (BDR 43-645)

CLAY THOMAS (Deputy Director, Department of Motor Vehicles):

Senate Bill 175 is a Department of Motor Vehicles (DMV) bill that would give this agency the authority to determine the number and letter sequence of our standard license plates and eliminate an inequity pertaining to late registration penalties charged for nonoperation of a vehicle. I would like to address each item separately.

The *Nevada Revised Statutes* (NRS) prohibits the use of the letters "I" and "Q" as designators on standard-issue license plates and also dictates the order in which the grouping of the numbers and letters will be placed on a plate. The current format is three numbers followed by three letters. The reverse format is not an option; we have already used and depleted that format.

We anticipate that we will exhaust the current format within the next two or three years. This bill, by allowing the inclusion of the letters "I" and "Q" into the design, will provide for an additional 3.6 million unique plates to be placed into production. This would also extend the life of the current plate format by approximately seven years.

It is important for the Committee to know that, although the "I" and "Q" are prohibited from use on the standard plates within the NRS, these letters are acceptable and are being used on personalized plates.

CHAIR NOLAN:

Why were "I" and "Q" eliminated in the first place?

MR. THOMAS:

I do not have the answer, but I assume perhaps the "Q" could be confused with a "O" and the "I" confused with a "1." We have taken steps to eliminate such confusion by making each character unique enough to be identified from a stand-off distance.

SENATOR HECK:

Besides putting the "I" and "Q" into play, it appears the bill allows you to use any other combination of letters and numbers. Is that correct?

MR. THOMAS:

Yes, that is correct. Our current production is three numbers followed by three alpha characters. Once that series is complete, we will not be in a position to do the three and three again, so we will have to move an alpha character into one of the numeric locations.

The second item in the bill addresses the use of the affidavit of nonoperation. Currently, an owner of a Nevada registered vehicle whose registration has expired may complete an affidavit which waives any late penalties, if the vehicle has not been driven since the date of the expiration. For example, an individual may take a European trip and park his vehicle in his garage. If the registration expires while he is away and he has not driven the vehicle, he may register it without any penalty. However, the owner of a vehicle which has been issued a temporary placard that expires is not entitled to complete an affidavit or have the late fees waived.

Another example is an individual who buys a motor home in January, parks it until warmer weather and allows the placard to expire. The way the law is currently written, he would be charged late fees, even though the vehicle was not driven. The current law does not include the temporary placards. We would like to correct that inequity.

SENATOR HECK:

Do you ever investigate the affidavits? How do you prove the person has not had the vehicle on the road?

MR. THOMAS:

We do not investigate. They sign the affidavit. One question asked at the counter is, "How did you get here today?" If the individual drove the vehicle, late penalties would apply; if he has come in with a Temporary Movement Permit, or has come in some other way, we will honor it.

SENATOR LEE:

How does it work if someone has an inoperative vehicle within a fleet?

MR. THOMAS:

This is an affidavit of nonoperation. When an individual comes to the window and the registration of his vehicle has expired, if he is claiming that he has not

driven it, we will allow him to complete the affidavit and waive the late penalties.

SENATOR CARLTON:
What is the penalty?

MR. THOMAS:
The penalty is outlined in the NRS. It starts with \$6 in the first 15 days and continues to increase. The increasing penalty becomes hefty over time.

SENATOR CARLTON:
I do not understand. Is there anything that prohibits people from registering their cars early?

MR. THOMAS:
No, there is not.

SENATOR CARLTON:
If I were to take a European trip, I could register it ahead of time. I am having a hard time understanding why we are allowing people to do this.

MR. THOMAS:
Being diligent, you are aware when your registration comes due. Unfortunately, there are people who do not remember until it is too late. Additionally, some people buy a unique vehicle they are not going to use for a while. When they come in to register it, we are required by statute to charge them the late fee if it was on a temporary placard.

CHAIR NOLAN:
Is there currently an appeal process in place with the DMV for people who had a lapse in insurance? If they have a bona fide reason for the lapse, will the fine be waived?

MR. THOMAS:
Yes, extenuating circumstances are taken into consideration.

SENATOR CARLTON:
Give me an example of an extenuating circumstance.

MR. THOMAS:

One of the common things we see is difficulty in reporting between an insurance carrier and the DMV. Sometimes there is a lapse in communication or a lapse with the insurance carrier in submitting the information to the DMV. Where the individual has complied and paid his premium, we try to resolve the problem.

CHAIR NOLAN:

There is a narrow window in which the insurance carrier must provide the information to the DMV.

SENATOR HECK MOVED TO DO PASS S.B. 175.

SENATOR CARLTON SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS WASHINGTON AND AMODEI WERE ABSENT FOR THE VOTE.)

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CHAIR NOLAN:

We will close the hearing on S.B. 175, and open the hearing on S.B. 315.

SENATE BILL 315: Imposes certain conditions before a special license plate may be created and issued if it is intended to generate financial support for an organization which is not a governmental entity. (BDR 43-859)

CHAIR NOLAN:

Under current law, any organization may submit an application to request issuance of a special license plate. This bill establishes criteria for the types of nongovernmental organizations that may submit a license plate application. The criteria are enumerated in the bill.

We have an interim committee that works on special license plates. Issues and requests regarding special license plates are funneled into the committee. Special license plate issues are emotionally charged because, in many cases, the plates are sought after as fund-raising experiences for benevolent, charitable causes. Many interested parties are so determined to get their concept of a

special license plate that they are willing to end run the committee because, by statute, they can and they bring it to the Legislature.

One bill, known as the Durango license plate bill, was controversial. It was promulgated by a group of foreign nationals and immigrants, both legal and illegal, from Durango, Mexico. The initial purpose of the bill was to help them during hardship situations, such as paying for funeral expenses and transportation of remains back to Durango. The funds would also establish scholarships for good students in their community in Nevada. We on the interim committee determined there have to be safeguards and standardization regarding who may apply for special license plates.

The criteria established are enumerated in the bill: the organization must be a nonprofit, charitable organization that provides services to the community; those services must relate to the community's public health, education or general welfare; the organization must be registered and have filed documents with the Secretary of State, if required to do so by other laws of this State; the name and purpose of the organization must not promote, advertise or endorse any specific product, brand name or service that is offered for sale; and the organization must be nondiscriminatory, nondenominational and not encourage or discourage any religious belief or activity.

Additionally, we created some requirements for auditing and instructed the Legislative Counsel Bureau to perform audits of all those organizations which had special license plates to ensure that the monies being generated were going to the appropriate causes. Positive reports came back in all cases.

Senator Carlton sits on the committee with me and helped work on this.

SENATOR CARLTON:

The only concern I have is, when we were talking about the nonprofit, charitable organizations, we did not want to go so far as to require them to be under 501(c)(3) of the *Internal Revenue Code* or anything else, because there are too many designations. We wanted them to provide the designation to the Secretary of State and have them register.

CHAIR NOLAN:

That was part of the initial discussion. However, the Secretary of State indicated they should register as a 501(c)(3) organization.

SENATOR CARLTON:

I want to be careful that we do not exclude someone because they do not qualify for that particular designation.

CHAIR NOLAN:

We can ask legal staff to provide us with the filing requirements for the different kinds of nonprofit organizations.

SENATOR CARLTON:

Under paragraph (c) of subsection 1, section 1, I will want to check on the word "service." The only special license plate I was ever involved with was for the Citizenship Project, which provides a service in helping undocumented workers become documented.

CHAIR NOLAN:

It would be a service offered for profit.

SENATOR CARLTON:

People pay on a sliding scale, if they can, for processing the paperwork. The paperwork is confusing. I want to make sure that someone who is trying to help someone is not excluded unintentionally. We need to word it carefully.

CHAIR NOLAN:

I have the same concern. We will have Ms. Wilkinson look at it.

SENATOR LEE:

I worked on the Mt. Charleston license plate. The money assisted the Mt. Charleston Recreation Area in building trails and such. Would the wording in subsection 1 regarding a governmental entity have precluded that?

CHAIR NOLAN:

Did Mt. Charleston establish a nonprofit organization for the purpose of the license plate?

SENATOR LEE:

No, they did not.

CHAIR NOLAN:

These are the kinds of things we want to review to prevent unintended consequences from the bill. Each organization has to bring before us how the money is to be spent. That was included in the audit. We should review the audit so Committee members can see where the money goes. It may be that the money being generated is not going to the Mt. Charleston town board, but to other causes.

VIRGINIA (GINNY) LEWIS (Director, Nevada Department of Transportation):

Arizona had a set of guidelines for special license plates. When they ended up in litigation, the courts looked favorably upon the DMV because they did have established criteria. Just the contrary occurred elsewhere in a state that had no guidelines. If you can work through some of the issues and get the bill to where you are all comfortable, it will be the best thing for Nevada. If we have guidelines, we will be pretty solid because this has been established in law.

CHAIR NOLAN:

With regard to Senator Lee's question, do you know whether any governmental entity directly receives the benefit of the revenue generated by the plates currently in production?

MS. LEWIS:

We had the library plate, which was dropped because they did not maintain the quota. That is local government.

CHAIR NOLAN:

This is a policy question we can ask ourselves.

SENATOR HECK:

I have a concern with the word "nondenominational" in paragraph (d), subsection 1, section 1. There are certain fraternal organizations, such as the Knights of Columbus, that would meet all the other requirements, but may be precluded from obtaining a plate because they are considered denominational.

MS. LEWIS:

I was just reminded of the Las Vegas Commemorative Plate.

CHAIR NOLAN:

With the number of plates that are associated with either quasi-governmental or governmental entities, we should probably strike the language with regard to a governmental entity. We want to make sure we are not supplanting governments in any way, shape or form with revenue. The purpose of these plates is to generate revenue for benevolent causes that otherwise have no revenue stream. We need to make sure our language is focused on that.

SENATOR HECK:

I misread the bill. I thought a governmental entity could make an application and if you were not a governmental entity, you had to meet these criteria.

CHAIR NOLAN:

The way I read it is that a person or organization can make application as long as it is intended to generate support for an organization which is not a governmental entity.

SENATOR HECK:

I was reading it the other way around.

CHAIR NOLAN:

I am quite sure my understanding is correct. There are suborganizations, volunteer fire departments, search and rescue and others. I believe the intent is that the organization cannot be a governmental entity itself looking to offset revenue. We do have the City of Las Vegas Commemorative Plate, but the revenue generated goes to its historical preservation efforts. Maybe that is where we should focus. We will delete the language prohibiting governmental entities and focus on where the revenue is directed.

SENATOR CARLTON:

Governmental agencies should not be allowed to supplant their budgets with license plate revenue. I would have real concerns that governmental entities, the City of North Las Vegas, the City of Henderson, the City of Reno, and so on, would all come under the Commission on Special License Plates. The purpose behind the special license plate has always been to help the nonprofits make money. I would be apprehensive about allowing the constable's office or a sheriff's office that wants this really cool plate to use it as part of their budget.

CHAIR NOLAN:

If we were to adopt the language as it was written when it was enacted, I assume those other plates would be grandfathered in, if that is the Committee's wish. There is the Las Vegas Commemorative Plate.

SENATOR CARLTON:

The revenue is going to a charitable organization now. Originally, it was the 100th birthday commemorative plate and was used to pay for the birthday party. The plate was going to end, but they extended it and now it is going to cultural endeavors, and it is going through a cultural division. I think it is fine.

CHAIR NOLAN:

It is still going to a governmental entity. We could permit it to continue the way it is with a quasi-governmental entity. We need to wordsmith this to make sure it is not supplanting a budget. The money must go to a nonprofit, charitable organization, a number of which exist within governmental entities, and relate to public health, education and welfare.

SENATOR CARLTON:

I want to put something on the record regarding the Durango plate. I know I will be getting a lot of telephone calls. There is nothing in this bill that prohibits the Durango plate from resubmitting and complying with the policies and procedures that have been enumerated here. We welcome them to resubmit, but they need to get their house in order before they do. I want to put this on the record.

CHAIR NOLAN:

My intent in highlighting the Durango plate was to shed some light on the problem and why the bill was created in the first place.

Ms. Wilkinson, the first concern dealt with whether the language, as written, would prohibit a government entity from applying for a special license plate. As we read subsection 1, section 1, a governmental entity would not be able to apply.

SHARON WILKINSON (Committee Counsel, Legal Division, Legislative Counsel Bureau):

The governmental entity would not have to jump through these hoops, but nonprofit organizations would.

CHAIR NOLAN:

That is what Senator Heck was saying. I disagree with him.

SENATOR LEE:

If docents of a state park wanted to do something, they would not be precluded from doing this. Is that correct?

MS. WILKINSON:

You would want to define governmental entity to clarify who would be included and who would not.

CHAIR NOLAN:

I agree with comments made by Senator Carlton earlier. When it comes to governmental entities, we do not want to allow anything to enhance revenue they are already supposed to be generating. With regard to organizations that fall under a governmental heading, a volunteer fire department for example, most are registered so they can enjoy the benefits of 501(c)(3) status. Essentially, they are still sub-entities of government. How would we be able to say, on the one hand, we do not want government supplanting its budget, but on the other hand, volunteer or charitable organizations that fall under a government heading may apply?

MS. WILKINSON:

You could tightly define governmental entity to not include those particular organizations, or you could except those out.

SENATOR HECK:

Are you going to grandfather all the previously issued plates that are for some type of quasi-governmental agency?

CHAIR NOLAN:

We not only grandfathered those in, but we will find a way to tightly define governmental entity.

SENATOR CARLTON:

How does this sound: if a particular governmental entity establishes a 501(c)(3) through a support foundation, the foundation will be allowed to apply for the plate and give the money to that particular entity. Does that take us where we want to go without taking too big a detour?

CHAIR NOLAN:

We can ask Ms. Wilkinson to explore that option. We will share with the Committee the audit that was done recently on those license plates.

SENATOR LEE:

The Lake Tahoe license plate and others have been wonderful in providing important revenue. I want to make sure they are grandfathered in.

CHAIR NOLAN:

There were a couple of other concerns with the bill. Regarding the word "nondenominational," Senator Heck is correct. There are a number of benevolent organizations that are considered denominational, not just religious organizations. I have no problem eliminating it. Ms. Wilkinson, do we have the statutory definition of "denominational"?

Senator Carlton had a concern with the words "service that is offered for sale" in paragraph (c) of subsection 1, section 1. We want to make sure that an organization which receives some type of compensation, where they do provide a service, is not inadvertently excluded. We want to avoid unintended consequences.

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We will close the hearing on S.B. 315. There being no further business, the meeting of the Senate Committee on Transportation and Homeland Security is adjourned at 4:22 p.m.

RESPECTFULLY SUBMITTED:

Carolyn Allfree,
Committee Secretary

APPROVED BY:

Senator Dennis Nolan, Chair

DATE: _____