

**MINUTES OF THE  
SENATE COMMITTEE ON ENERGY, INFRASTRUCTURE AND  
TRANSPORTATION**

**Seventy-fifth Session  
May 15, 2009**

The Senate Committee on Energy, Infrastructure and Transportation was called to order by Chair Michael A. Schneider at 9:14 a.m. on Friday, May 15, 2009, in Room 2135 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to the Grant Sawyer State Office Building, Room 4412, 555 East Washington Avenue, Las Vegas, 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 Michael A. Schneider, Chair  
Senator Maggie Carlton, Vice Chair  
Senator John J. Lee  
Senator Shirley A. Breeden  
Senator Barbara K. Cegavske

**COMMITTEE MEMBERS ABSENT:**

Senator Randolph Townsend (Excused)  
Senator Dennis Nolan (Excused)

**GUEST LEGISLATORS PRESENT:**

Senator Steven A. Horsford, Clark County Senatorial District No. 4  
Assemblywoman Ellen B. Spiegel, Assembly District No. 21

**STAFF MEMBERS PRESENT:**

Matt Nichols, Committee Counsel  
Scott Young, Committee Policy Analyst  
Laura Adler, Committee Secretary

**OTHERS PRESENT:**

Jacob Snow, General Manager, Regional Transportation Commission of Southern Nevada  
Sandra Stanko, Director, Transit Services, Regional Transportation Commission of Southern Nevada  
John Sande IV, Nevada Franchised Auto Dealers Association

CHAIR SCHNEIDER:

We have a video from television Channel 2 News in Reno highlighting the International Science and Engineering Fair currently going on in Reno through Saturday, May 16. It features 1,500 high school children from freshman through senior year from 50 countries with their inventions and experiments, all competing for their share of \$3 million in prize money. Many of these ideas could become solutions to our environmental concerns. I have provided a news clip from the Internet pertaining to the science fair ([Exhibit C](#), original is on file in the Research Library).

We will now take testimony on Assembly Bill (A.B.) 296.

[ASSEMBLY BILL 296 \(1st Reprint\)](#): Revises provisions governing certain nonprofit carriers of elderly persons or persons with disabilities. (BDR 58-1116)

JACOB SNOW (General Manager, Regional Transportation Commission of Southern Nevada):

You have seen our large double-decker buses, compressed natural gas buses and hybrid-fueled buses on the streets in Las Vegas that are the gold and blue buses. The technical jargon term for that service is "fixed-route." Most people in the world do not know what that means, except for us. The big buses are our general Regional Transportation Commission (RTC) of Southern Nevada buses. Under the Americans with Disabilities Act (ADA) we have paratransit service. Those are smaller buses specifically designed for customers who are so severely physically or cognitively disabled that they are prevented from accessing our regular RTC bus services. In order to accommodate the needs of those individuals, we have the specialized paratransit service with our smaller buses. We will go door-to-door to pick up ADA people and drop them off at their destinations.

SANDRA STANKO (Director, Transit Services, Regional Transportation Commission of Southern Nevada):

The key is people need to apply for paratransit service. Based on disability, if they cannot use our fixed-route system, then they are eligible for paratransit. The paratransit service is something ADA people are certified for every three years. They come to our facility where we have an independent group that conducts a functional assessment. It is not something that can be prescribed by a doctor giving the person a note for paratransit. The key is that they cannot use our fixed-route service.

Last year, we provided one million trips on paratransit. It is a door-to-door, advance registration service, so people need to call ahead and plan for their trip. They can call up to three days ahead or the day before. At this time, we do not provide a same-day service, so people do need to plan ahead for their rides. Under the ADA, we can provide what is referred to as conditional or unconditional paratransit. At this time, we have not restricted riders. They can call and schedule a trip seven days a week to take them to any destination in the area. If we were to implement conditional eligibility based on their condition, they could take some trips on paratransit and some on fixed-route, and we would authorize only their trips needing paratransit. That is something we have not moved forward on at this time, but conditional and unconditional eligibility is something many cities have elected to do.

As mentioned, everywhere we have fixed-route service, we are required to have paratransit. If there is an area where we do not have fixed-route, unfortunately, we do not have paratransit. The law requires us to provide paratransit within three-quarter miles of the fixed-route service. The RTC elected to extend this to one and one-half miles. We have gone beyond the ADA requirements to meet the needs of the community, but we are limited in that it is tied to our fixed-route service.

The fee for paratransit is \$2.50 for a one-way ride. We do offer a monthly rate for \$60. If people can use our fixed-route service, which is 100-percent accessible, meaning that on most vehicles there are two or three wheelchair positions, they can actually ride fixed-route for free. We have mobility training and encourage people to use our fixed-route service for some of those discretionary trips where they could use fixed-route versus paratransit. This is mainly because the cost to operate paratransit is about \$44 a trip, unlike fixed-route which is \$1.77.

In addition to paratransit, we also have some senior transportation. At this time, RTC has 12 "Silver Star" routes that are loops with a set schedule usually operating 2 to 3 days a week. The program is designed to pick up at senior housing locations and take the seniors to destinations like Wal-Mart or grocery stores. That service is usually 50 cents. Some routes are funded by the Division of Aging Services and served by a suggested donation.

For larger communities, we have flexible demand response. Some communities consist of a large senior complex where they can call to schedule a ride and a driver will pick them up and take them to their destination. Again, it requires them to reserve that trip.

SENATOR CARLTON:

I had contacted you last year about a number of people we were working with on the Ryan White CARE Act project, and needing rides to doctor appointments. I want to publically thank you and your staff on an excellent job in helping those people. You got back to us quickly in realizing they could not put off their treatments.

CHAIR SCHNEIDER:

Your information was informative. I do not know how you provide the one-way service at \$2.50; obviously it is subsidized. One million trips a year provided with RTC is amazing.

Committee, A.B. 296 came to us late and has raised questions. I would suggest we process this bill and do an interim study. This Committee will stay together and look at this issue because of the number of people in the handicapped community. We have to look at this because RTC does not do much same-day service. It appears from last week's testimony that the same-day service is causing concern. Senator Carlton, I know this issue is dear to you, and I would like to press you into service during the interim because your term does not run out until the next election cycle.

SENATOR CARLTON:

We worked hard during the last three days to address the transportation network issue that came before this Committee. At this late time, we could not get an amendment that would be right. The last thing we would want to do is put something out that was not appropriate to address the concerns. No matter what my position, I am still going to work on this issue, because I want to

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address transportation networks, nonprofit status and how we can help. I have gotten a commitment from those in this business and we will continue to work on it in June, so it will get done.

CHAIR SCHNEIDER:

Committee, we have A.B. 296 as it stands. We have a commitment from this Chair that we will work on this issue over the interim to find a good resolution to this problem existing all over the State, especially in Las Vegas where growth and traffic contribute to the need. We need to change the enactment date in A.B. 296 to January 1, 2010, to allow transit providers to get their certificate.

SENATOR CARLTON MOVED TO AMEND AND DO PASS AS AMENDED  
A.B. 296 WITH THE ENACTMENT DATE CHANGED TO JANUARY 1,  
2010.

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR SCHNEIDER:

We will now open the hearing on A.B. 291.

ASSEMBLY BILL 291: Revises provisions relating to motor vehicle registration.  
(BDR 43-919)

The bill was amended in Senator Park's bill, yesterday, by the Assembly. What is the Committee's pleasure? Do you want to wait for it to come back next week?

SENATOR LEE:

The way I understand it, Assemblywoman Spiegel's bill may not have Senator Townsend's amendment in it (Exhibit D). Is that correct?

CHAIR SCHNEIDER:

Yes.

SENATOR LEE:

I would rather hear her bill when it comes back, as I was not enamored with Senator Townsend's amendment to it.

CHAIR SCHNEIDER:

We will close A.B. 291 and open the hearing on A.B. 290.

**ASSEMBLY BILL 290 (1st Reprint)**: Makes various changes relating to the sale of used vehicles. (BDR 43-917)

SENATOR LEE:

Do we have a work session on that bill? I had offered an amendment to it.

CHAIR SCHNEIDER:

We do not have anything on it. It is my opinion that most of the bad cars are purchased from dirt car lots like Fred at GMF Motors, and those types of people at high-interest shops. I realize for some people that is the only place they can buy a car.

SENATOR CARLTON:

I have no problem with the bill. It is a good bill. I do see that small area of people needing this protection. I do not know how many times we hear the same thing that if you do this, it will add more to the cost. If it adds a little more to the cost and they get something they can drive for 500 miles or the amount of time listed, it gives the consumer a degree of confidence that having that little extra cost allows them not to get stuck with a bad car.

We all know we do not pass these laws for the good guys. We pass them for the guys on the dirt lots and others. If I remember Assemblywoman Spiegel's testimony, it was a small group of cars, because there are warranties for new and older cars. This addresses that niche in the middle. It is consumer protection. I remember when they said seatbelts and special bumpers would raise the cost of cars. Global positioning systems and OnStar have raised the cost of cars, but has not slowed people down from buying cars in the last 20 years. What did slow people down from buying cars is the credit crunch. I do not see this as a stumbling block. I see it as good consumer protection for those stuck in the middle that cannot afford a new car, but need good reliable transportation. I support the bill and want to see it go forward for a full hearing and debate by the Senate.

SENATOR CEGAVSKE:

I remember specifically asking the Department of Motor Vehicles (DMV) for information, maybe it came when I was not here, for the reports to name who exactly it is, because they said it is public record about whom all these complaints and problems are with. I agree that some of those car lots on Boulder Highway and other areas are the only places where some people can get a car.

Again, where does personal responsibility come in when you sign a contract? You know what you sign and it is up to you to understand it. You can take that contract to somebody to help you before you sign it. Maybe that is where we need to advocate for people to make sure they know what they are signing. Most people do know, and then look for ways to get out of things they have gotten themselves into. When we hit everybody and affect everybody for the few that are doing the dastardly deed, that concerns me. I would like to get that information to say these are the people we are talking about, and have that area hit and not encompass everybody.

SENATOR CARLTON:

If I remember, it was something that was going to be compiled for the future, but was not ready yet.

SENATOR LEE:

I had not realized there is a fiscal note on A.B. 290 of \$271,000. Was this removed off the bill or would this have to be referred to the Senate Committee on Finance?

ASSEMBLYWOMAN ELLEN B. SPIEGEL (Assembly District No. 21):

In answer to Senator Lee's question, the trade dealer testified that the fiscal note was to come off, and has not come off yet.

In answer to Senator Cegavske's question, I thought everyone was copied on the information that came in from the DMV. I do not have it with me, but can get it to you this afternoon. What they said is they only have records on complaints related to vehicles with over 75,000 miles because that is what is in law today, and they only had a handful of them.

SENATOR CARLTON:

This area is not included in that complaint process. If these people are selling good cars, then they have nothing to worry about. The only people being put in a box are those who are abusing this system. I am sure the good guys are not abusing the system. The good guys are doing the 21-point checks, taking the vehicle for the road test and doing all the things they are supposed to do because they are the reputable people. We are not putting reputable people in a box, we are telling the guys who are not that we are watching them and this could come back to bite them if they are not reputable dealers. I do not see this bill as hurting the good guys, because they are doing the right thing now.

SENATOR LEE:

This bill makes a lot of sense and there was that middle-ground area. I suggested there is an option where somebody could pay an additional \$100 for the inspection, giving them some form of guarantee as to what they were buying. As a parent buying a car for my child, I would spend another \$150 to have that car inspected. That way the seller is telling me what is wrong with it, I know what is wrong with it, and I am accepting the responsibility of fixing it myself or having the seller fix it before I buy the car. Did you not understand that I was trying to make an amendment out of that?

ASSEMBLYWOMAN SPIEGEL:

I did not understand that you were trying to make an amendment out of that. That was one of the possibilities raised previously by one of the car dealers I met during the course of working on this bill. When I spoke with the people at Washoe Legal Services and those who were representing the consumers who have been hit hard by this—the people that actually buy the used cars—I was told the difference between \$100 or \$150 could make a big impact on whether or not the buyer could afford a car. For that reason, I was asked by the car dealers I met with not to accept that amendment.

SENATOR LEE:

I can support A.B. 290 with my amendment. My amendment is only because it is an optional thing. It does not force anybody to do it. Somebody should have the right to ask for and receive that if they want to pay additional money for the inspection. If they do not want to pay, then they can take the car as is. There is that gray area where you give people an option to do it or not do it, then if the car breaks down, we can say you did not take the option, we did not know it was broken and would not have sold it to you if it was bad, but if you had



taken the option for \$100, then you would have known that and not purchased that particular vehicle. You could have gone to the next vehicle at the same price, even though it was not the color you wanted. In disclosure, I thought it was a good option to allow people to come to terms of what "as is" meant. I understand what you were saying about "as is," too.

ASSEMBLYWOMAN SPIEGEL:

My understanding is consumers, right now, have the right to request a vehicle they are considering purchasing to be taken to their own mechanic. The Better Business Bureau and various consumer education facilities do advocate that, as well as *Consumer Reports*. The position of those who came to me with this bill was that the people this is looking at protecting, for whatever reason, do not understand their rights as a consumer or cannot afford to both purchase a car and pay for this extra option. This bill is designed to give them 15 days or 500 miles worth of knowing that the vehicle they purchased will run.

SENATOR LEE:

Would I then be extending that option to take the vehicle to my own mechanic? I never bought a used car off a lot, so I do not know this stuff. My point is, I could say to the dealer that they told me the car was okay, and it is not okay.

SENATOR CARLTON:

There is no recourse.

SENATOR LEE:

If you pay for that inspection, you would at least have some level of comfort that would expose something to you, and knowing they would take it back if it was bad.

SENATOR CARLTON:

A coworker of my husband bought a car off a used car lot, a family van needed to move their children around. They bought that warranty, thinking they were doing the right thing to protect that used vehicle. Within the fine print of that warranty the drive train coverage was taken out, and guess what broke on the van? Those warranties are good to a certain point, but if you are not a sophisticated buyer and do not look all through that point five type to figure out what is really in there, a lot of people will go with what the salesperson says that it covers from bumper to bumper. However, they do not tell you it is bumper to bumper except for this. They bought that warranty for \$399 and still

ended up having to fight with the car dealership over it. Luckily, we had a good guy who said he would give them a cheap rate on the cost of fixing that van, because he understood what that father was going through with moving his children around. Those warranties are nice, but they are not all uniform and there are some glitches in them. The warranty did not equal security in this real-life example.

SENATOR LEE:

I did not think those warranties were in that window of time. Did I misunderstand that?

SENATOR CARLTON:

His was the 75,000-miles-and-over warranty that exists in law now. It still could have been circumvented. There are still problems with warranties. Even with this, there may be ways to circumvent it; I hope not. It addresses that small window of those who do not have the option. If we took that 75,000-miles warranty legislation and moved it down, then we would encompass these people. We would not have to worry about the days or the miles.

JOHN SANDE IV (Nevada Franchised Auto Dealers Association):

First of all, the 75,000-miles warranty only applies if the dealer is cited three times where they have not done the safety check on the vehicle. To my knowledge, there have not been any dealerships in the State that have been subject to three citations.

Right now, you have an implied warranty of merchantability for 15 days or 500 miles. We proposed as an amendment that every used car dealer would have to offer that to the purchaser and could charge whatever they wanted. The dealer could not charge anything, because he wants you to buy this car for \$5,000, or the dealer could charge \$100 or whatever, it would be up to the dealer. But, they would have to specifically offer that to every purchaser of a used vehicle regardless of how many miles, unless it was already subject to a warranty, which some are. That made a lot of sense to us. The dealers signed off that they would do that. If the purchaser rejected that warranty, then they would specifically know they are buying the vehicle as is and there would be no problem. I do not see any downside to that. If the dealer set it too high, they would not make the car sale, so that seemed to make a lot of sense.

Senator Carlton made a reference to the fact there might be language in some warranty that a person would not understand. We were going to put in statute exactly what is in the bill right now. Instead of being an implied warranty, it would be a specific warranty of merchantability exactly as set forth in A.B. 290. The only difference in the language would be that it would be offered, and if there is a fee, the purchaser can say they do or do not want it.

SENATOR CARLTON:

Mr. Sande, I understand what you are proposing. My concern is that without a cap on the amount, the dealer could charge \$500, and the salesperson could say they drove the car and it is fine, and if you do not have the \$500, you may not want to pay for the warranty. Now we are back to square one because that person is shopping for a \$2,000 used car and does not have the \$500. If you are buying a used car for \$2,000, \$500 is 25 percent of the cost of the car. People could buy a \$2,500 car instead and pay \$100. So, with no cap on the charge a dealer could impose on the warranty, we do not know what they are going to charge.

MR. SANDE:

Car dealers want to sell vehicles. If they want to sell vehicles, a lot of them would waive it and say they have inspected the vehicle and do not think there is a problem. As Senator Townsend pointed out, you never know with a used vehicle, especially when there is higher mileage on them. The vehicle could have been thoroughly inspected, they drive it off the lot and two hours later it falls apart. What you will see is that dealers would not charge anything or a small amount, because they want to make the deal, so you would not see a big increase. Again, if you specifically want a warranty out there and force dealers to offer it, then you should say if they want to charge something for it, that is their decision. Whether the buyer purchases at this dealership or goes to one across the street and gets the same deal with no additional cost, that is the type of business it is.

CHAIR SCHNEIDER:

I have to disclose that my father was an automobile dealer. I know a lot about putting those deals together. He often got down to the last few dollars on a car deal, and then say he would split the difference and throw in a box of cigars. That is how it goes. Mr. Sande is correct that the number on a car is flexible, and the good guys will cover it. I have a hard time putting in a number for a warranty in statute, that is wrong. That opens up for a lot of abuse. If we

process the bill at all, we process it with Mr. Sande's proposed amendment to make it flexible.

SENATOR LEE:

I feel the same way only because I want to protect people before they even take a car off the lot. The "as is," is the problem. Assemblywoman Spiegel brought up a good issue in that you get some insurance before you take the car off the lot. Otherwise, you have to come back and fight with them. It becomes the "as is" war. I would like to see the dealer taking responsibility for what is wrong with that vehicle by exposing up front that the buyer takes it "as is."

SENATOR LEE MOVED TO AMEND AND DO PASS AS AMENDED  
A.B. 290 WITH THE ADDITIONAL OPPORTUNITY TO HAVE THE DEALER  
PUT A WARRANTY TOGETHER EXPOSING THE "AS IS" CONDITION OF  
THAT VEHICLE.

SENATOR CARLTON:

Would that be Mr. Sande's amendment or yours? Are we talking about two different amendments?

SENATOR LEE:

I am talking about the same thing.

MR. SANDE:

I would like to point out one other thing. If you put this burden, and I do not know how big a burden it would be under the existing bill, on a car dealer, but if it is a burden, they are going to charge more anyway. What this would do is have a specific amount where the person buying the car could say they think the car is fine and they are not going to pay this extra amount. Or they will say they want that protection.

My proposal, which is accepted by the car dealers, would be to say that you must have warranty of merchantability for a minimum of 15 days or 500 miles; the dealer might offer more. They must offer at least that, and they could price it at whatever they want. If the purchaser did not want the warranty, they could buy the vehicle as is. That would be the proposed amendment.

SENATOR LEE:

That is interesting, because I do see your point about the cap. It would take two shop hours to afford to do this.

MR. SANDE:

The problem I see is if you put a cap and the dealer was worried about the cost, they could increase the price of the car, so it does not make any difference. They want to sell the car. If they cannot sell the car to a customer, they sell it at auction. Quite frankly, this is not going to have much impact on the value of the car. In most cases, they probably have a fairly good idea. It is the thought that it is mandatory and the dealer has no ability to say, "This is a real old car, and I think there may be problems with it. If you want protection for this period of time, I am going to charge you \$50." But, to put a cap on it does not make sense, because they will increase the price of the car.

SENATOR LEE:

I agree. We will be back next Session if it is not right. But, we do need to put something in there to allow these "as is" people a chance to know what "as is" means to them when they take the car off the lot.

SENATOR CARLTON:

Rather than picking a dollar amount, would it work to have a guideline of a percentage to say that this service would not exceed 2 percent of the value of the car? If it is a \$2,000 car, it will be one thing, but if it is a \$6,000 car, it is another thing. It gives flexibility in that you know if this car costs this much, this service should not cost any more than this amount. Would a percentage be more appropriate, or are you opposed to any type of ceiling at all?

MR. SANDE:

I do not have enough information to know what it is. First of all, there is only one state that has addressed this issue, and that is New Mexico. According to what I have heard, it has not done much there. I suggest we amend as I proposed, then look at it two years from now to see how it has been working. I see it as not having much of an impact. A car dealer may break it out, because they want to sell the car. Also, if they overprice the car by putting too high a value on the warranty, the deal might not go through.

CHAIR SCHNEIDER:

Senator Lee, would you be acceptable to Mr. Sande's proposed amendment? Then we will come back in two years for an update from the dealers, if there are any left.

SENATOR LEE:

This is a good bill. One more level of concern I had was verifying what "as is" meant to that person when they drove off the lot. Assemblywoman Spiegel, you are hearing the debate. This is going to win or lose the bill right now. What is your take?

ASSEMBLYWOMAN SPIEGEL:

I have done some analysis looking at the pricing and, indeed, as Senator Carlton suggested, I was looking at a percentage of the price of the vehicle, the asking or negotiated price. I was looking at one-half of 1 percent, because if someone is buying, let us say, a \$10,000 vehicle, it is a modest amount. It is something where the dealer would look at splitting this with the customer. If the dealer wants to sell the vehicle, then they need to reassure the consumer by saying that this is a vehicle that will run for two weeks, plus one day. This is a modest bit of security. I have looked at private entities that sell warranties, and if you go to a third party to purchase an extended warranty on a used car, it can range from \$800 to \$1,500, depending on the terms and age and mileage of the vehicle. Warranties are not inexpensive, but charging a potentially large amount for a 15-day coverage period is something, as expressed to me, that would provide an additional revenue stream for the car dealers without, theoretically, providing much value to consumers. You would not think there would be many claims, because a car should run for 15 days.

SENATOR LEE:

My point is, I want to see that we have this next level. We can come back next Session. If you find out there have been abuses, we can work on this together.

CHAIR SCHNEIDER:

I am going to have Mr. Young put something on the record about "as is."

SCOTT YOUNG (Committee Policy Analyst):

In response to Senator Lee's question about what "as is" means; one possible provision that the Committee could consider is explaining or defining in statute that "as is" does not relieve the

dealer from the obligation to disclose known defects or defects that are reasonably known to the dealer. So that in other words, a dealer could not sell you a car "as is" without telling you of defects that the dealer knew of or that the dealer could reasonably have discovered.

CHAIR SCHNEIDER:

We have a motion. Senator Lee, I would suggest we work with Mr. Nichols, Mr. Sande and you to develop an amendment to A.B. 290, because we have to go to caucus now. Work on that amendment, and we will come back this afternoon.

SENATOR LEE:

I withdraw my motion for now.

CHAIR SCHNEIDER:

I would like to recess, have a good amendment done, and also take up the rest of the bills.

SENATOR CEGAVSKE:

I want to thank Assemblywoman Spiegel. I understand and support the concept of what you want to do. It was the mechanism in which you were getting there that had me concerned. What we are trying to put together is something great.

CHAIR SCHNEIDER:

We will now recess at the call of the Chair at 10:08 a.m.

We will now reconvene the Committee at 6:56 p.m. Senator Horsford has proposed amendment 5060 to A.B. 25 ([Exhibit E](#)).

[ASSEMBLY BILL 25 \(1st Reprint\)](#): Revises provisions governing examinations of applicants for a Nevada driver's license. (BDR 43-343)

MATT NICHOLS (Committee Counsel):

Thank you, Mr. Chair. The amendment includes the amendments adopted by the Committee. I believe that was on Wednesday, and adds a new section 1.5, which requires that the money that the Department of Motor Vehicles collects from the examinations required by [*Nevada Revised Statute* (NRS)] 483.330, and the

administrative fee for the surrender of a driver's license, which is part of Assemblyman Atkinson's amendment to the bill, must be deposited in the State Highway Fund and maintained in a separate account and expended in the manner described in section 1.5 of this bill.

If you will look at subsection 2 [page 4], 'The Department shall determine the amount of money needed to establish and maintain an Express Office of the Department of Motor Vehicles in North Las Vegas,' have to include in that 'the cost of leasing, furnishing and equipping a facility and the operating cost for four months of operation.' Then, any balance remaining 'in the account, is equal to the amount determined pursuant to subsection 2,' the Department has to establish and open the office and use any subsequent money deposited in the account to fund the ongoing operation of the office. This would create an Express Office of DMV in North Las Vegas.

CHAIR SCHNEIDER:

Is there a fiscal note on this bill?

MR. NICHOLS:

I don't know. I don't believe there is. The money would come from the examination fees from [NRS] 483.330, and the surrender of the driver's license fee that was amended into A.B. 25 by the Committee. That was the amendment proposed by someone and [Assemblyman] Atkinson.

SENATOR CEGAVSKE:

I am curious whether DMV is able to establish and maintain an Express Office in North Las Vegas. Did anybody ask or has that been discussed?

SENATOR LEE:

We have 500,000 to 600,000 people in North Las Vegas paying for things. It would be nice to have that office for those people. I am going to support A.B. 25 and make a motion after Senator Cegavske gets her question answered.

CHAIR SCHNEIDER:

The money comes off these fees, as Mr. Nichols said.



SENATOR CEGAVSKE:

I am fine with that. I was wondering if DMV had been noticed.

MR. NICHOLS:

[Mr.] Chairman, I cannot speak to whether DMV has been made aware of the amendment, but the bill ..., I'm sorry, the amendment provides that DMV does not have to open the office until there is an amount of money in the account created for the purpose of opening the office. That is sufficient to open the office.

SENATOR CARLTON:

We have closed a number of DMV satellite offices around the State; maybe four or five of them now. I think they were closed not because they were not productive, but because there was not enough money to run them. They were trying to pare back their budget. We are closing offices in some parts of the State, yet we are designating funds to open an office in another part of the State when we may be able to boot up the existing office or that preexisting office out there. I would have concerns about this. I know we have the branch off of Donovan Way that was put in for North Las Vegas. I would have concerns that we are closing them in other parts of the State, yet figuring out a way to open a new one; it does not seem to make much sense.

CHAIR SCHNEIDER:

Senator Horsford has come up with a unique way to finance it.

SENATOR LEE:

I could be wrong, but they put that new freeway in, and I think they are going to use that office for big trucks now instead of what they were doing for full service. I believe that to be true. So, the express side of it would not be there for the residents as much as it would be for the big truckers.

SENATOR CEGAVSKE:

Senator Carlton brings up a good issue. Was one of the offices that was closed in North Las Vegas?

SENATOR CARLTON:

I think most of them were in the rural areas, I remember reading about when the outlying closure was. But one of them may have been in North Las Vegas.

SENATOR CEGAVSKE:

I thought for sure we had an office there, when I sat on the Assembly Committee on Transportation. I am trying to remember if we had one there or not. I do not mind having an office there, but we need to be prudent and ask what the history is. Did they have one and it was closed down? Would this be functional there?

SENATOR STEVEN A. HORSFORD (Clark County Senatorial District No. 4):

The amendment to A.B. 25, as proposed, adds two things: the funds identified by establishment of these new examination fees would be used first for the establishment of the Express Office in North Las Vegas. The DMV indicated, based on the closure of the two offices in northern Nevada, the necessity of opening a new office in southern Nevada to deal with wait times. The provisions would allow the portion of this new funding source to be used for the establishment of that new Express Office. The second provision is based on the remaining amount of funds after the establishment of the office to fund, at the request of the Nevada Department of Transportation (NDOT), money toward the mitigation of 'F' street, which the chair of the Senate Committee on Government Affairs will tell you, we just heard and passed out of that committee. The City of Las Vegas is providing \$22.5 million towards the mitigation to open that street, and NDOT will be making up the balance based on the agreement reached by those parties. Because this is a new funding source, to the extent the dollars are available as they come in, they would be used for these two purposes and then go to the Highway Fund.

SENATOR CARLTON:

You had mentioned the offices closed in rural Nevada, and they were closed due to budget concerns. I do not believe it was because of utilization. Is that a correct assumption?

SENATOR HORSFORD:

Actually, the two offices in Reno and Sparks were closed, in part, based on budget, but also on utilization. The wait time in those facilities was about 15 minutes. The wait time in southern Nevada is over an hour. With the availability of new funding, Edgar Roberts' request is to establish an Express Office in southern Nevada. Because this is a new funding source, the request is to use the first portion of money to open that office. The second portion would be to prioritize the 'F' Street project on the Highway Funding list.

The funds would be used broadly as the department deems necessary after that occurs.

SENATOR CARLTON:

When they closed the two offices, do you remember about how much money was saved?

SENATOR HORSFORD:

The subcommittee was chaired by Senator Woodhouse and Assemblywoman McClain. I am not a member of that subcommittee. We did close their budget. Again, it had a lot to do with the budget cuts, but also utilization based on the representation by DMV.

SENATOR CARLTON:

Those were my concerns that we are closing offices in some areas of the State, yet finding money to open an office instead of transferring the money that was already in that budget. It seems a little like a shell game with offices and money. We want to figure out what is going on.

SENATOR HORSFORD:

Your point is well taken. There was the transfer of some positions, meaning full-time equivalent (FTE), to southern Nevada based on what was approved in the subcommittee. The funding that actually established the Express Office is what a portion of these dollars would be used for.

SENATOR CARLTON:

When you say mitigation in dealing with 'F' Street, exactly what do you envision; opening it back up again?

SENATOR HORSFORD:

Yes. The City of Las Vegas and NDOT reached an agreement to move forward with the opening of 'F' Street and the underpass below the Interstate-15 widening. By way of information for those members who are not on the Senate Committee on Government Affairs, this is an issue that came to our attention whereby the street was closed without adequate notice, causing an uproar. In order to mitigate that, the City of Las Vegas agreed to put up \$22.5 million towards the cost, and NDOT has agreed to use a portion of the Highway Funds as well as identify federal funds through the federal Intermodal

Surface Transportation Efficiency Act and other stimulus dollars to contribute towards the project to reopen 'F' Street.

Going back to the DMV piece, I would like to note that this is the operating cost for just four months of operation based on the transfer of those FTEs that were in the budget. This was primarily the cost to establish the Express Office and get it up and going, and then the FTEs are allocated in the budget based on what was approved, and the DMV would make that allocation if this amendment to A.B. 25 were to be approved.

SENATOR CEGAVSKE:

Again, we are getting something of magnitude to make a decision. I thought we were just looking at opening a DMV office. How much money do you estimate the mitigation to be?

SENATOR HORSFORD:

The cost estimate to reopen 'F' Street is \$40 million to \$70 million from the estimates provided by NDOT. The City of Las Vegas has committed, and the bill was approved in the Senate Committee on Government Affairs today for \$22.5 million. The NDOT would provide the balance through federal funding or dollars available from the Highway Fund.

SENATOR CEGAVSKE:

I apologize. I know of the 'F' Street situation, but not a lot about it other than what has been in the newspaper and in e-mails. I know it is in your area and you are passionate about it. I commend you for taking care of your district, but I am thinking about the whole State and the situation we are in now. To me, the money is a big issue. I know we are looking at different funding, taking money from different entities, and I do not know exactly what could happen. Will this bill now go to the Finance Committee?

SENATOR HORSFORD:

No.

SENATOR CEGAVSKE:

My first concern was whether DMV knew about this, have you talked to them and can they facilitate an office there? Is there a location already set? Did not we have one before in North Las Vegas?

SENATOR HORSFORD:

There was one on Carey Avenue; it was closed, and they opened an office in Senator Lee's district at North Decatur Boulevard and Highway 215. Edgar Roberts testified in the Senate Committee on Finance, and I heard he was advocating for the opening of two offices in southern Nevada; one in North Las Vegas. It is on the record that he testified to that effect. The funds are not there other than the FTE portion. Because this is a new source based on the establishment of examination fees, that is why we are proposing being able to do this now, when we were not able to do it a month ago. The DMV would like to open an office in North Las Vegas based on testimony provided to the Senate Committee on Finance.

SENATOR LEE MOVED TO AMEND AND DO PASS AS AMENDED  
A.B. 25 WITH PROPOSED AMENDMENT 5060.

SENATOR BREEDEN SECONDED THE MOTION.

SENATOR CARLTON:

I realize that with members missing that four votes are needed for this bill to go to the Senate Floor, so I will support it. However, once it gets to the Senate Floor I am planning on not supporting it, but I will make sure it gets there in respect to Senator Horsford.

SENATOR CEGAVSKE:

I would like to go on record as not voting on A.B. 25 and reexamining it to get more information. I know the rest of you have sat on committees where you have been able to hear this bill. I will hold my vote for when it comes to the Senate Floor, so I can do more homework and ask more questions of Senator Horsford.

THE MOTION CARRIED. (SENATOR CEGAVSKE ABSTAINED FROM THE  
VOTE.)

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CHAIR SCHNEIDER:

We will now take up A.B. 387.

[ASSEMBLY BILL 387 \(1st Reprint\)](#): Makes various changes to provisions concerning energy resources. (BDR 58-223)

CHAIR SCHNEIDER:

There was a bill in the Senate Committee on Commerce and Labor that did not move forward today and that was Senate Bill (S.B.) 327, the truck stop electrification and plug-in electric vehicle bill. I would like to amend S.B. 327 into A.B. 387 and send it on to Assemblyman Conklin for discussion. I do not mean to hold his bill up, but the electrification project is a worthwhile project. I would like to explain it to him, because we have favorable figures on what it would cost.

[SENATE BILL 327 \(1st Reprint\)](#): Provides incentives for certain electrification projects. (BDR S-377)

SENATOR CARLTON:

Would that be a replacement for the bill? That would be fine with me.

CHAIR SCHNEIDER:

It is in addition to the mock-up we discussed.

SENATOR CARLTON:

I would vote for it if it was a replacement, but seeing that, I will be quiet.

CHAIR SCHNEIDER:

I would be looking for a motion to amend A.B. 387, the mock-up, with S.B. 327.

SENATOR LEE MOVED TO AMEND AND DO PASS AS AMENDED  
A.B. 387 WITH S.B. 327.

SENATOR BREEDEN SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR CARLTON VOTED NO.)

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CHAIR SCHNEIDER:

There being no further business, the Senate Committee on Energy, Infrastructure and Transportation is adjourned at 7:17 p.m.

RESPECTFULLY SUBMITTED:

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Laura Adler,  
Committee Secretary

APPROVED BY:

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Senator Michael A. Schneider, Chair

DATE: \_\_\_\_\_