

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

**Seventy-fifth Session  
May 16, 2009**

The Senate Committee on Energy, Infrastructure and Transportation was called to order by Chair Michael A. Schneider at 9:26 a.m. on Saturday, May 16, 2009, in Room 2135 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 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:**

Assemblyman Kelvin Atkinson, Assembly District No. 17

**STAFF MEMBERS PRESENT:**

Matt Nichols, Committee Counsel  
Scott Young, Committee Policy Analyst  
Lynn Hendricks, Committee Secretary

**OTHERS PRESENT:**

Troy Dillard, Administrator, Division of Compliance Enforcement, Department of Motor Vehicles  
Edgar J. Roberts, Director, Department of Motor Vehicles

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CHAIR SCHNEIDER:

Committee, we need to revise the amendment we made yesterday to Assembly Bill (A.B.) 387.

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

CHAIR SCHNEIDER:

Our original amendment was to insert provisions of Senate Bill (S.B.) 327 into this bill. I talked to Assemblyman Conklin, and I have his word that he will work with me on S.B. 327. We will amend that into S.B. 242, which is coming out of the Senate Committee on Finance on Monday.

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

[SENATE BILL 242 \(1st Reprint\)](#): Enacts provisions relating to energy efficiency, renewable energy and building construction. (BDR 58-378)

CHAIR SCHNEIDER:

Since A.B. 387 is still in our possession, we do not need to rescind the original motion; instead, if everyone is in agreement, we will simply change the amendment. We worked hard on S.B. 327, and it is quite timely now with the actions President Obama is taking. I will take Assemblyman Conklin at his word and send him his bill back clean, since I promised him we would get it to the Governor on or before Thursday.

I will now open the hearing on A.B. 482.

[ASSEMBLY BILL 482 \(1st Reprint\)](#): Makes various changes relating to the repair of motor vehicles. (BDR 43-1124)

ASSEMBLYMAN KELVIN ATKINSON (Assembly District No. 17):

This bill is essentially identical to A.B. No. 393 of the 74th Session, which was sponsored by Assemblywoman Barbara E. Buckley. The subject of both bills is car repair. Currently, our regulatory system for car repair does not work well. Some customer complaints are handled by the Department of Motor Vehicles (DMV), and some are handled by the Consumer Affairs Division, Department of Business and Industry. How does a customer know whom to contact and which

service to use? If a garage resolves a customer's complaint with one agency, why should it be subject to a second investigation by the other agency? Chapter 487 of the *Nevada Revised Statutes* (NRS) requires the DMV to register and regulate car dealerships, body shops and garages. Chapter 598 of the NRS requires the Consumer Affairs Division to monitor complaints and investigate deceptive trade practices.

The idea behind the original bill was to take all consumer complaints related to car repairs and put them under the DMV. The same agency would register and regulate car dealerships, body shops and garages. The Governor opposed removing all authority over car repairs from the Consumer Affairs Division, so the bill was revised to streamline the process, placing regulation and enforcement with the DMV, while allowing Consumer Affairs to continue to investigate claims of deceptive trade practices by garages. Even with this accommodation and after remaining neutral on the bill when it was heard in the Assembly, the Consumer Affairs Division spoke in opposition to it when it was heard in the Senate. Assemblywoman Buckley thought she was right then, and she thinks she is right now. We need to change the system of overlapping jurisdictions and give authority over these complaints to a single agency: the one that is functioning well, handles similar issues for new car dealerships and has demonstrated its knowledge in doing so.

There is nothing worse than going to an auto mechanic and being taken to the cleaners. This repeatedly happens in Nevada. Last Session, the Committee was shown a clip from an investigative report from television Channel 8 documenting a customer's experience at an auto repair shop in Las Vegas. The shop's behavior of charging for and promising to perform repairs that were never made was caught on tape. The shop was sued by the Office of the Attorney General (AG). There are three types of auto shops: those that consistently do good work, those that make occasional mistakes and those that simply rip customers off.

Assembly Bill 482 makes the DMV the single point of consumer complaints. When they receive a complaint, they will enter it into the database and determine what action should be taken, depending on whether it is a failure to comply with regulatory disclosure or a pattern of deceptive trade practices. Either way, they can discipline a bad garage by imposing a fine and enforcing it through their garage registration authority. This bill gives the DMV the authority to impose a fine up to \$10,000 for each violation of law. In addition, they can

issue a cease-and-desist order without a financial penalty. Suspension and revocation of garage registration can also be applied if businesses are not performing to a level that provides consumer protection.

In hearings on this issue in the last Session, owners of garages and body shops expressed concern because they wanted one agency to deal with these issues. They should not be subjected to multiple investigations.

TROY DILLARD (Administrator, Division of Compliance Enforcement, Department of Motor Vehicles):

We support this bill. For the Committee's information, there is a companion piece of legislation on this topic that has not yet become a bill. It is Bill Draft Request (BDR) 18-1201.

**BILL DRAFT REQUEST 18-1201**: Eliminates the Consumer Affairs Division of the Department of Business and Industry and transfers certain duties and powers of the Division. (Later introduced as [Assembly Bill 561](#).)

MR. DILLARD:

This BDR deals with the elimination of the Consumer Affairs Division, and A.B. 482 concerns one element of the Division's role that is proposed to be moved to the DMV. We believe both A.B. 482 and the BDR are in support of the concept of moving this function under one roof. That was the intent last Session. The BDR includes a budget amendment that has been approved in budget closings for both the Consumer Affairs Division and the DMV. It takes an existing position from the Division and moves it to the DMV to continue to facilitate that responsibility under our department. This bill does not contain that provision.

One thing we would like to suggest is to make the effective date of A.B. 482 July 1, 2009, so the individual in the position being moved continues employment in the job. As the bill is currently written, there is no effective date, which means it would be effective October 1, 2009.

CHAIR SCHNEIDER:

Where is the BDR right now?

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MR. DILLARD:

I do not know the status. I believe the budget committees have dealt with it as far as budget closings go.

CHAIR SCHNEIDER:

This Committee needs to review the concept of A.B. 482 and then hold it until we see what happens with the BDR.

ASSEMBLYMAN ATKINSON:

We request A.B. 482 be considered in any case. If the Consumer Affairs Division remains, consumers will still have two different places doing the same thing. We would ask that A.B. 482 still be processed and these functions moved to the DMV, which is doing them anyway.

SENATOR CARLTON:

Section 16 states: "The Director may request an undercover investigation of a person who is allegedly engaging in a deceptive trade practice." Does "the Director" refer to the director of the DMV?

MR. DILLARD:

Yes. The cooperation issue is between the DMV and the Bureau of Consumer Protection with the office of the AG. Currently, there is a revolving fund of \$7,500 for undercover investigations to set up cars to be sent in for repairs and so on. The bill would just move this revolving fund to the DMV for this purpose.

SENATOR CARLTON:

Will the people doing the investigations be the same people who are doing them now?

MR. DILLARD:

Yes.

SENATOR CEGAVSKE:

When I look through the first part of the bill, I see a fiscal note of \$181,130. Does that note still stay in there with the amendment?

MR. DILLARD:

The amendment adjusted the amount of the fiscal note, eliminating about \$19,000 each year. The original fiscal note included the cost of an investigator.

In the budget amendment, it transfers an existing position from the Consumer Affairs Division to the DMV.

SENATOR CEGAVSKE:  
Is that what this cost is?

MR. DILLARD:  
The fiscal note is the cost of establishing a new position at the DMV for this purpose. With the transfer of the position, we are taking some of the existing equipment from the Consumer Affairs Division and transferring that and the person to the DMV. Also, the person in the existing position at Consumer Affairs is a compliance audit investigator, which is two grades more than the investigators at the compliance enforcement division that performed this function. That means there is a salary carryover for a two-year period as well.

SENATOR CEGAVSKE:  
So you are transferring a position and upgrading it two grades.

MR. DILLARD:  
We are transferring a position that is currently two grades higher. That salary would be retained for two years because of the transfer.

SENATOR CEGAVSKE:  
If you are eliminating some positions, would you not be able to use that money?

MR. DILLARD:  
We are not eliminating any investigative positions in our shop.

SENATOR CEGAVSKE:  
But there are other positions that are going to be eliminated with the closure of the Division. Is that correct?

MR. DILLARD:  
There may be elimination of positions in Consumer Affairs, but not at DMV. We are just absorbing one person from their existing staff.

SENATOR CEGAVSKE:  
What is the funding source for this position?

MR. DILLARD:

Funding for the existing position comes from the General Fund, and it will be coming from the Highway Fund.

CHAIR SCHNEIDER:

I will close the hearing on A.B. 482. We will not take action on this bill today. I will talk to Senator Horsford about the BDR, and we will take up A.B. 482 again next week.

SENATOR CEGAVSKE:

I have a few questions for the DMV on a different matter. Last night we heard A.B. 25, and there were amendments put on it for a DMV office in North Las Vegas. I know there was one on Kerry Street, and now we have one at Interstate 215 and Decatur Boulevard. What is the process for opening a new DMV Express Office in North Las Vegas? Are you aware of these amendments?

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

EDGAR J. ROBERTS (Director, Department of Motor Vehicles):

Yes, we were aware of the amendment to open a new Express Office in North Las Vegas. It was actually in the budget in 2007. We had picked out a location and were ready to go, but the money was not there due to declining revenues, so we did not open it. This would be continuing with that same thought.

SENATOR CEGAVSKE:

One office on Kerry Street in southern Nevada and two offices in northern Nevada were closed, but I do not remember why.

MR. ROBERTS:

The Kerry Street office was closed due to termination of the lease. The two Express Offices in northern Nevada were eliminated in our budget to get us under the 22-percent cap.

SENATOR CEGAVSKE:

Will it be a hardship on the community to lose those two offices in the north?

MR. ROBERTS:

The two Express offices had continually declining numbers. One was in Old Town Mall in Reno, and the other one was in Sparks. They were also relatively close to the main office in Reno, which is on Galletti Way. The staff in those offices went to vacant spots in the Galletti office to handle the transactions that had been going to the two smaller offices.

SENATOR CARLTON:

I believe an office was closed in west Las Vegas as well to keep you under that cap. Is that correct?

MR. ROBERTS:

The third office that was closed was in Gardnerville. I believe that one was chosen to close because of its low wait times and its proximity to the main office in Carson City. The employees from the Gardnerville office are being transferred to vacant positions in the Carson City office.

SENATOR CARLTON:

Was there an office in west Las Vegas?

MR. ROBERTS:

No offices in Las Vegas were closed.

SENATOR BREEDEN:

Is the office that is proposed to be opened in North Las Vegas needed?

MR. ROBERTS:

Yes. It is a need we realized in the last Legislative Session, but due to declining revenue, we could not open it then. There is still a need there.



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CHAIR SCHNEIDER:

Is there any further business to come before the Committee? Hearing none,  
I will adjourn the meeting at 9:47 a.m.

RESPECTFULLY SUBMITTED:

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Lynn Hendricks,  
Committee Secretary

APPROVED BY:

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Senator Michael A. Schneider, Chair

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