

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

**Seventy-Seventh Session
February 26, 2013**

The Committee on Transportation was called to order by Chairman Richard Carrillo at 3:22 p.m. on Tuesday, February 26, 2013, 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 nelis.leg.state.nv.us/77th2013. 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 Richard Carrillo, Chairman
Assemblyman Joseph M. Hogan, Vice Chairman
Assemblyman Paul Anderson
Assemblyman David P. Bobzien
Assemblywoman Maggie Carlton
Assemblywoman Lucy Flores
Assemblyman John Hambrick
Assemblyman Crescent Hardy
Assemblyman James W. Healey
Assemblywoman Ellen B. Spiegel
Assemblyman Michael Sprinkle
Assemblywoman Heidi Swank
Assemblyman Jim Wheeler
Assemblywoman Melissa Woodbury

COMMITTEE MEMBERS ABSENT:

Assemblyman Steven Brooks (excused)

GUEST LEGISLATORS PRESENT:

None



STAFF MEMBERS PRESENT:

Vance Hughey, Committee Policy Analyst
Sean McCoy, Committee Policy Analyst
Scott McKenna, Committee Counsel
James Fonda, Committee Secretary
Olivia Lloyd, Committee Assistant

OTHERS PRESENT:

Brian O'Callaghan, Government Liaison, Office of Intergovernmental Services, Las Vegas Metropolitan Police Department
Richard P. Strader, Sergeant, Traffic Bureau/Fatal Detail, Las Vegas Metropolitan Police Department
Michael Buttars, Detective, FPCB Auto Theft Section, Las Vegas Metropolitan Police Department
Frank Paluch, Private Citizen, Carson City, Nevada
Teri Baltisberger, DMV Services Manager III, Business Programs, Management Services and Programs Division, Department of Motor Vehicles
Robert Compan, representing Farmers Group, Inc.

Chairman Carrillo:

[Protocol was explained.] Before I open the hearing on the one bill that we have today, we have a bill draft request (BDR) that requires Committee introduction. I will now entertain a motion to introduce Bill Draft Request 43-994, and I would like a motion.

BDR 43-994—Revises provisions governing the use of safety belts in cabs. (Later introduced as [Assembly Bill 177](#).)

ASSEMBLYMAN HOGAN MOVED TO INTRODUCE BDR 43-994.

ASSEMBLYWOMAN SPIEGEL SECONDED THE MOTION.

THE MOTION PASSED. (ASSEMBLYMAN BROOKS WAS ABSENT FOR THE VOTE.)

I will now open the hearing on [Assembly Bill 101](#), which revises provisions governing mopeds. Mr. Brian O'Callaghan with the Las Vegas Metropolitan Police Department will present the bill that came back from last session. I now turn it over to you, Mr. O'Callaghan.

Assembly Bill 101: Revises provisions governing mopeds. (BDR 43-230)

**Brian O'Callaghan, Government Liaison, Office of Intergovernmental Services,
Las Vegas Metropolitan Police Department:**

Thank you, Mr. Chairman, for having Assembly Bill 101 presented into your Committee. Also, down in the south we have Sergeant Richard P. Strader, Traffic Bureau/Fatal Detail, and Detective Michael Buttars, Auto Theft Section. This bill, as written, is a big bill, it is 16 pages. But, in essence, it is dealing with registration and insurance. I will review information on the bill as noted in our presentation ([Exhibit C](#)). I proposed an amendment because the original bill draft request (BDR) omitted requiring passengers and operators to wear safety helmets, so that amendment is to rectify that omission ([Exhibit D](#)).

Our Assembly Bill 101 presentation ([Exhibit C](#)) shows mopeds in the late '70s and early '80s. They look like a bicycle with large wheels and pedals, hence mopeds motorized with pedals.

In 1983, Senate Bill No. 248 of the 62nd Session removed the requirement for mopeds to have pedals, but they still essentially looked and operated like a bicycle. They still had the large frame, but also still had to keep under the threshold of 30 miles per hour.

In 2009, Assembly Bill No. 441 of the 75th Session was presented removing the requirement, "looks and handles essentially like a bicycle." That was brought forward by Assemblyman Ohrenschall due to the electric bicycle.

If you look at modern mopeds in my exhibit on page 4 at the bottom, newer mopeds have higher performance engines, smaller frames, and smaller wheels. Most of the higher performance mopeds that you see today do not meet the requirements that are currently in the *Nevada Revised Statutes* (NRS). They do exceed 30 miles per hour, and if they do not exceed 30 miles per hour—most of them do—but if they do not, they still have over two horsepower, the displacement of the watts of the final output on the electric moped. Those operating those types of mopeds are never ever caught because of those violations, unless it is by radar or through an accident. Through that accident they find that they are violating that law, and that is where the complaints come in.

Chairman Carrillo:

In regard to accident scenes, of course I know there are mathematical computations that take place that depend on how far the vehicle skidded before it ran into something, from which they can determine the speed. I have heard that is used with cars based on the weight. But, do they base it on the weight

of the individual on the scooter, or how does that calculate out to determine if they have been speeding or not, exceeding the 30 miles per hour?

Richard P. Strader, Sergeant, Traffic Bureau/Fatal Detail, Las Vegas Metropolitan Police Department:

Those mathematical computations are based on the number of wheels, the weight, and they equal out on every type of vehicle that we use. So, the weights are taken into account, the type of wheels, how many wheels are touching the ground, how many wheels are skidding, what the coefficient of friction is on the roadway, and how far they traveled after the impact, if they continued sliding past the impact. So, everything is the same, it just is scaled down to a smaller vehicle.

Chairman Carrillo:

I am sure you have to be almost a scientist to determine that, but if you have seen enough of them, you probably have that down to a science in itself. Please continue.

Brian O'Callaghan:

This is where those complaints come in, when they are stopped because they are going over the speed limit or there is an accident. The operators complain because they say they bought the moped and that it is under 50ccs and so it is legal. They are told, no, because they have exceeded the 30-mile-per-hour speed limit and it may be over the horsepower. They get cited for not having insurance or registration, so they get the full citations. But, if they have an accident and they hit another vehicle, who pays for that vehicle that has been damaged?

Chairman Carrillo:

Are we going to call them scooters or call them mopeds?

Brian O'Callaghan:

According to NRS, they are called mopeds by definition; however, that NRS definition also relates to scooters. So scooters are within the mopeds definition, and I use it universally. We can stick with the word mopeds, but they are a vehicle.

Chairman Carrillo:

At that point if they get in an accident, they are cited for no registration and no insurance even though it is not required by law? Did I understand you correctly?

Brian O'Callaghan:

That is correct, but this is what happens. If you come upon the accident, and it looks like a moped and it says 49cc but when you turn it over and look at it, it has over two horsepower they are in violation. It is above what the moped regulations say, which currently is above two horsepower.

Chairman Carrillo:

Okay, when you turn it over, is it like checking your vehicle identification number (VIN)? What are you referring to when you say turn it over?

Brian O'Callaghan:

Sergeant Strader could probably cover that, but it is information on the engine that tells you the displacement and the horsepower.

Chairman Carrillo:

Are you assuming that these people modified it after they bought it from the scooter dealer, or from somebody on craigslist, or wherever they bought it from? I am trying to understand the whole 49cc versus 70cc issue. And, at that point they are considered a motorcycle, which I can understand would be in violation of the law. But, I do not think most of the people who buy these scooters are buying them for the purpose of hopping them up to where they can have a motorcycle and then thinking, hey, I do not have to worry about registration or insurance, because I am still riding a scooter for all intents and purposes. So I am trying to understand the logic of why the citation would come into play, especially if the scooter is in three different parts because they got in an accident. How would that be considered a violation of the law? I do not know how well trained your officers are to determine this. Do they bring out their calipers and measure the piston or whatever is left of the scooter? I want to understand the nuts and bolts of that part of it.

Richard Strader:

When my detail arrives on these scenes, it is because it is either serious or life-threatening or someone has died because of the collision. So, when we conduct our investigation, there is a detailed vehicle inspection on all vehicles involved. If it exceeds the horsepower, even though the ccs are lower, it takes it out of the legal definition of a moped because the vehicle is going to go faster than 30 miles per hour. From personal experience being a motor cop here, most of what we are calling scooters or mopeds today all exceed those limitations. So, we look at those vehicles and we look at the engine. That will tell us what the horsepower is. When we do a more intensive investigation, we will research to find out exactly.

Chairman Carrillo:

How do they make that determination? I thought when they sell these scooters they are telling people that they can be ridden without the worries of having registration and insurance, because they are based on 49cc or less, or 1,500 watts, or under two horsepower. I know that this is in NRS, but are they misinforming the people who buy these things and telling them they are scooters, and that they do not have to register or insure them? Are they giving false information to the people who buy these scooters? Is that where that is coming from?

Richard Strader:

I could not tell you if they are giving false information. I think that they are misinformed, because what NRS states is that the vehicle has to meet all these requirements, each one of them, to be classified as a moped or a scooter. If it drops one of those and it has more horsepower, it is obviously going to be a more powerful engine. It is going to move faster, hence it is going to be moving into that motorcycle class.

As a patrol officer anywhere in Nevada, what happens is you will be going down a roadway and you will see a moped that is climbing a hill with a 1- or 2-percent grade at 35 to 40 miles per hour. That is a motorcycle. Now, they are riding around without a helmet, without insurance, without registration, and on a vehicle.

Chairman Carrillo:

If a hill is steep enough, anybody on a motorcycle or even a bicycle can pick up enough speed to be going too fast. Are they in violation of the law because of their speeding, because of going downhill? If you could clarify that.

Richard Strader:

The law says it has to be a 1-percent grade, up or down. So, if it exceeds that, it is not going to count. If that scooter is going 35 miles an hour down a grade that exceeds 1 percent, I will not make that stop. That, I believe, is in NRS.

Chairman Carrillo:

Do you know exactly what statute that is?

Brian O'Callaghan:

I do have that statute, it is NRS 484A.125 [([Exhibit C](#)), page 1].

Assemblywoman Carlton:

The confusion that I hear is what really is the current definition of a moped? It seems as though we have a vehicle that is in between two worlds. It is not the

typical electric- or gas-powered moped that we had in years gone by, even though the Vespa has been around since the 1940s, but it is not really a motorcycle either. Consumers are purchasing it thinking in the back of their minds, well I can get this for \$700, I do not have to license it, I do not have to get insurance, it will get me around town. They are not allowed on the highways, and, technically, they are not allowed on some of our bigger roads because those are actually considered state highways, but they are on those roads anyway because there is no way to get from point A to point B without getting on those roads.

Is the real issue what the definition of a moped is, because I do not think you want to reach down to the smaller ones. Or are there smaller ones where we are drawing the line in the ccs on this? Is it just that you want to register and license all mopeds no matter how fast they go? I want to understand what the goal is.

Brian O'Callaghan:

Right now there is a moped definition. Some states have that definition, like Utah. A moped is a moped, it has pedals on it. A scooter is what we look at, what we are calling a moped, but that is in part of our definition, and some states are the same way. But right now, it is a guessing game on speeds and what they are. If you look up a 150cc scooter or moped on the Internet, you cannot tell the difference between them and those 49cc mopeds. They are hard to tell. So, yes, to answer your question, when you are in traffic with automobiles, yes, that is a motorized vehicle, and yes, that is what we are looking at doing.

Assemblywoman Carlton:

So basically no matter how fast it goes, you want to license, register, and insure it? Whether it is the smaller version or the larger version, you want to lump them all together?

Brian O'Callaghan:

I will have to refer that back to Sergeant Strader, but right now we do not see any of the smaller ones. Even with what you call Go-Peds that you stand on that have engines, which are illegal anyway. But right now we do not really see those small ones.

Assemblywoman Carlton:

And I just want to make sure that we are talking about the same issue. Let us go to the bill. You have "electric bicycle" in here. Is that a separate definition? Are we changing the definition at all?

Brian O'Callaghan:

No, that is not changing, that was changed because it is a bicycle and it has a limited amount of speed—under 20 miles per hour, and it also has pedals. So that is the definition. It is even the federal definition of an electric bicycle.

Assemblywoman Carlton:

When we get into the registration, licensure, and insurance, I will have more questions, but I just wanted to make sure I understood what the bill was actually aiming at.

Assemblywoman Spiegel:

As I was reading the bill and also getting a little confused by some of the jargon, I went to <www.mopeds.com>, and they also had vehicles like minibikes and mini choppers, and something they call pit-bikes, which I had never heard of. Is it your intention that all of these types of vehicles also be included in this bill, or are we getting hung up on jargon and it is something that is separate?

Brian O'Callaghan:

Those are illegal already. If you go onto the Department of Motor Vehicles (DMV) website, it tells you they are illegal.

Assemblyman Sprinkle:

We are still getting hung up on the definition. Your presentation on page 1 refers to NRS 484B.017 for the electric bicycle and then NRS 484A.125 for a moped ([Exhibit C](#)). Is that the current definition of a moped?

Brian O'Callaghan:

That is correct.

Assemblyman Hardy:

Is there a limitation on what type of speed limit mopeds can run in? Is it 35 miles per hour or less, or can they run in a 45-mile-per-hour speed zone?

Brian O'Callaghan:

I am going to refer that to Sergeant Strader. There are some differences.

Richard Strader:

Are you asking if there are restrictions for those vehicles on specific roadways for the speed limit? Is that what the question is?

Assemblyman Hardy:

That is correct.

Richard Strader:

As of right now, I cannot think of anything off the top of my head that is a restriction. But that leads to another problem that we have with these specific vehicles on the roadway, because they become more of a hazard in these faster 45- to 50-miles-per-hour speed limit zones. No, there is not a specific speed limitation. If they can get on the road, I have seen them everywhere, except for the freeways of course because those are posted.

Assemblyman Hardy:

When these accidents occur, how many of those are cited as the problem or the fault of the moped? What percentage?

Richard Strader:

Brian, do you have those numbers? I do not.

Brian O'Callaghan:

In this statement, the numbers that I show you are correct moped collisions. But the number is skewed, and we do not have the percentage on that. As we discussed earlier, if it is over the horsepower, it may look like a moped and it might be 49cc, but if it is five or six horsepower, that is going to move it up to the motorcycle class. So we do not have the correct numbers of where those fall into the motorcycle accidents. So the numbers I have here are what they deemed to be moped accidents. I do not know if that answers your question, Assemblyman, but it is very difficult because we do not have those numbers.

Assemblyman Hardy:

What I am trying to get to is that currently these mopeds do not have to be insured and riders do not have to wear helmets. Who pays for the insurance bill from that incident when somebody is injured, if it is not the car driver's fault or the moped is alone? Who pays for that?

Brian O'Callaghan:

If you look at those numbers, you are going to see that 89 percent resulted in injuries. And I am going to have to speculate on some of this, but these are more than likely head injuries. So, you are right, when they do not have insurance they will go to University Medical Center of Southern Nevada (UMC) and the taxpayers end up paying that bill, especially with a long-term injury. In fact, we have had some delayed fatalities, where it has taken a long time, and then we end up paying for that. Is that the question you are asking?

Assemblyman Hardy:

That is exactly the question I am asking.

Chairman Carrillo:

I have a question about what you just said regarding "the taxpayers pay for it." I guess, I have always looked at my paycheck and I do not see anything that says, "Oh this is going to take care of the people that have gotten hurt on mopeds or scooters." I know that this is not the Assembly Committee on Ways and Means, but when someone mentions something is going to add costs to the taxpayer, well, so are social services for seniors and kindergarten, and all those other things, but we still have to deal with that. I am trying to understand. Give me some hard facts when you say something is going to affect taxpayers. Give me some numbers so that the rest of the Committee members and I can look.

Brian O'Callaghan:

When I say taxpayers, I mean people other than the injured person who does not have the insurance, and you are right, I do not know who is going to pick up that. I did say taxpayers, but that bill is picked up with the cost.

Chairman Carrillo:

I understand that; my concern is also that we as taxpayers have to pay for anybody who goes to University Medical Center of Southern Nevada, which is a county-run hospital. I guess I am just trying to figure out if we are comparing apples to apples or apples to oranges. Because, at the end of the day, we still have to take care of all those people, whether it is for a finger cut or a head split open, and it also depends on indigent care requirements. What are we paying? Give me some numbers. That is what I want to see because everybody is always talking about these numbers and how much it is costing the taxpayer, but I never see an instance of it, so that is what I want to see.

Brian O'Callaghan:

When I refer to costs and what could lessen them it is because they do not have the insurance for operating these on the roadways. And the people that are injured end up going to the hospital and they do not have the insurance to cover the costs. But I can get you some numbers concerning the cost of injuries from accidents. In fact, through the medical community, we have had those numbers previously, so I can get those for you.

Assemblywoman Flores:

This piggybacks onto what my colleague, Assemblywoman Carlton, was commenting on. I have some very real concerns about this bill. I think that if it was just for the purpose of trying to provide clarification for law enforcement, then we could do that. I think we can clarify what is a moped, what is not, the cc, the horsepower, and all that. But I do not think that is what you are trying to get at. I think, and you can certainly correct me if I am wrong, you are trying

to get all scooters, mopeds, and electric bicycles registered, having to carry insurance, and everything else this bill is requiring. I find that problematic because I am very concerned about the financial burden that this is going to have on many of my own constituents. What we are asking folks to do who are probably using mopeds as some sort of means for transportation because, and this pure speculation, they are of limited means and perhaps do not have alternatives to transportation. They use mopeds. I am very concerned about the financial burden on those folks. If it is about trying to regulate every single electric motorcycle, moped, or scooter, then let us be clear about that intent. If it is not, then perhaps there are ways to better define what a moped means given, it seems to me, that there is a lot confusion about that.

Brian O'Callaghan:

I want to clarify that electric bicycles are not included here. Currently what is in NRS includes the moped and scooters. You are correct that we are trying to make sure they are covered. Currently, the way the NRS is written they are all covered, not the electric bicycle, but the scooters and so forth.

Assemblyman Sprinkle:

I think you just answered but I just want to be absolutely clear. The intent of this bill is not about defining things. The definitions are already there, and that gets back to my previous question. You were just saying that certain mopeds in this day and age do not fit the exemption, and so what you are trying to do is get rid of that exemption all together, on all mopeds, because they do not fit all of the parameters that are currently defined. Is that correct?

Brian O'Callaghan:

That is correct. They do not fit the definition of either a moped or a scooter for those parameters of fitting 50cc and under, or two horsepower or less, or under 30 miles per hour. They exceed those.

Assemblyman Hardy:

Why are we letting these vehicles, mopeds that are supposed to be traveling under 30 miles per hour, travel in a 45- or 55-mile-per-hour speed limit on a two-lane highway, or anything else? Is somebody that is on a suspended license legal to ride on the road on a moped?

Brian O'Callaghan:

Currently you have to have a valid Class C driver's license to operate a moped or scooter at all. But you are going to find out, and we can refer to Sergeant Strader, a lot of them do not have a driver's license, and they are under a revoked or suspended license. Why? A lot of times they have a conviction for driving under the influence (DUI) and they cannot operate

a vehicle, so they get a moped or a scooter. I do not know the percentage. Sergeant Strader might have some more information just through his experience.

Richard Strader:

I do not have any specific numbers. I can tell you from personal experience as a motor cop that a good number of people who ride these do so because that is their only option, because that is their choice in driving due to breaking the law, having a DUI, and having a revoked or suspended license. I think the biggest concern for me in law enforcement, and also having a family down here in southern Nevada, is those riders that are on those mopeds that are uninsured for the most part, that do cause accidents. The financial liability is now thrown on me if my vehicle gets damaged and I have to fix my car when it was not even my fault. I think that is the direction we want to go, and by doing that we are requiring them to be registered and to have some type of liability insurance.

Assemblyman Wheeler:

I might be able to see what you are talking about in the three larger cities, but in the rural areas we see a lot of homemade mopeds. For instance, they weld the frame in the garage and throw a lawn mower motor in it. Kids will ride them all over, they run around their housing projects, to their buddy's house, et cetera. The way I read this, those too would have to be licensed, safety inspected, and everything else. Is that correct?

Brian O'Callaghan:

The ones that are cut up and put together with a lawn mower and such, those are illegal anyway. I do know that even Sheriff Lee in Lincoln County has some concerns when they have scooters or mopeds on the roadway. I do not know if that answered your question.

Assemblyman Wheeler:

I do not know if you did answer my question. A lot of these kids, and a lot of these people, move to the rural areas for this type of thing. So you see, I do not know whether it is lax enforcement or whether it is just because the moped travels under 30 miles per hour and is under 50cc. What I am saying is if a person builds a moped or buys a moped under 50cc, under two horsepower, that goes less than 30 miles per hour, under this new definition, you are saying that that would have to be licensed, insured, and they would have to wear a helmet. Correct?

Brian O'Callaghan:

That would be correct.

Assemblywoman Carlton:

It seems to me as though when the Chairman asked you earlier about already writing tickets, you can pretty much dissect what you have got in front of you, whether it is legal or not legal. So, you have the authority to write tickets on those now. Correct? And if you came across a driver who did not have a license, that is already against the law, so you have an opportunity to enforce through that. Since you have those opportunities to enforce those laws, this is just expanding those. If they are already breaking the rules, and you can write them tickets, why are we looking for more reasons to write tickets?

Brian O'Callaghan:

It is not because they are breaking the laws, it is because you do not know they are breaking the law. You do not know that until something happens. Going that speed limit they could have over the horsepower, but you do not know that until something happens, until you stop the vehicle. Also, they are traveling on the roadway with you. They do not have the insurance to cover themselves with the other motorists on the roadway. So, you are correct. We have that ability, but many times you do not know what it is until those occurrences—a traffic stop or an accident. We cannot just pull them over for traveling on the roadway.

Assemblywoman Carlton:

My other questions are going to be to the insurance portion of this, when we get to that, because I want to understand. Currently, I think, if you buy one you can cover it under your homeowners insurance if you decide you want to insure it, as far as loss or damage. I am not sure what you can purchase as far as liability, but I believe it has to be the state minimums. So you can choose to insure one, it is just not mandatory, if I understand that correctly. So if you cannot answer that, that is fine, I can always wait until one of the insurance guys comes.

Brian O'Callaghan:

I would defer to them. I did speak with a couple of them; they do insure the mopeds and scooters.

Assemblywoman Carlton:

I thought you could because I know some people do insure them.

Brian O'Callaghan:

Since we covered the accidents, some of the insurance and the registration, our other big problem is the theft of these mopeds and scooters. They have increased, but it is not just the theft, these are reportable thefts. What is more important are the unreported ones. That has to do with not having the proper paperwork, not knowing their VIN. They cannot go to the police station and do a report without the proper paperwork. We will not take a report, because you need to have the paperwork to say it is yours, to prove ownership. Even if we stop a vehicle and you know it is stolen through the investigation when you are speaking to the operators, but you do not have enough to continue, we have to release those back to the person who has stolen the vehicle. If you look at it, most of our recovered and towed mopeds are rarely returned to the owners. If you look at the handout ([Exhibit C](#)) those are tow lots. On page 7 are two different tow lots. On page 8 that is one tow lot. Those photos were taken during the winter, but they rotate through, they resell them. In summertime the lots are really full. Those are basically either unreported thefts or from the tows. Some might argue they cannot really afford to get them out, but I think that Detective Buttars can cover a lot of that because they are getting a lot of complaints. People want their mopeds out, but they cannot prove ownership. They do not have the proper paperwork.

Chairman Carrillo:

In reference to proper paperwork or proper ownership, let us say that my house gets broken into and my 70-inch widescreen TV is stolen. What would be considered proper paperwork if Metro recovered it? How would I prove that is my TV, and how I would I prove this is my moped? Is the moped considered stolen property at that point? It is not really considered a vehicle because it is property. Correct?

Brian O'Callaghan:

It is a grand larceny auto. It is a stolen vehicle, not property.

Currently being unregistered is one of the big issues. Those owners do not get those mopeds back, and they get resold. In fact, we have had officers pick up a moped that had been in the tow lot but had been resold, and then they pick it up again with another operator. In the past several years, our auto theft detail has been averaging a minimum of five chop shops per year. If you think about it, that is a lot just for a moped, but in those chop shops, what is becoming prevalent is VIN switching. If you look at page 9 ([Exhibit C](#)), that is a stripped moped. That was supposedly a stolen moped, but because it was completely stripped, they were not sure what it was until they flipped it over and they saw that there was a VIN switch. Even the original VIN you see at the bottom of page 9 was still unreported, but they went through a lot of work to make that

VIN switch, which is illegal already. That is more prevalent. If you look at total thefts for the last couple of years, 5 to 10 percent are mopeds. That is a lot. In 2012 alone, of reported thefts—the ones for which they had the paperwork to make a report—570 of 6,836 grand larceny auto events were mopeds. For the period January 1, 2013, to February 2, 2013, we have had 622 grand larceny auto events and 46 were mopeds. We are up 7.4 percent. We are on course to match or exceed last year's numbers. Our auto theft detail tells us that out of five stops, three are stolen. Also, if you look at the numbers for Honda Accords, Chevy pickups and vehicles, and Ford pickups and vehicles, mopeds are the number two stolen vehicle. That concludes my testimony.

Assemblywoman Spiegel:

If I understand what you were saying correctly, if somebody buys a moped or scooter and registers it for warranty protection with the manufacturer because they are buying it new, then the serial number or VIN is recorded with the manufacturer. If that vehicle is stolen, could they not file a police report and get it back with the third party evidence of the VIN?

Michael Butters, Detective, FPCB/Auto Theft Section, Las Vegas Metropolitan Police Department:

The reason for registration in that case would be the proof of real ownership and the VIN of that vehicle, so the person would have that information. Mopeds, even in the 49cc range, do come with 17-character National Highway Traffic Safety Administration VIN serial coding. What happens is that the first purchaser would have purchased it from an actual licensed dealership and would have the manufacturer's statement of origin (MSO). Anybody who purchases subsequently, for example from a hobby shop, may not always have that MSO—the proof of the VIN and the origin of the vehicle—and that is where we are running into a lot of our problems. A lot of mopeds are actually sold through hobby shops and not dealerships. They are given a type of certificate and that can show proof of ownership. However, it might delay the theft report because the owner may have to leave our substation, go back home, search through their paperwork and find the certificate, if it is not lost. Whereas if it were registered, that will be a documented record showing not only the vehicle itself but the owner. What we are finding in auto theft is that the purpose of unreported thefts, which are on the rise along with reported thefts, is that because there is no proof of ownership through a legitimate source, when these vehicles are shipped here there is no shipping record. Many people will do stolen VIN searches through the National Insurance Crime Bureau (NICB). They cannot do those searches on these mopeds, and the NICB does not receive shipping information or records from dealerships or manufacturers of mopeds. Thus there is no identity for a moped, where it originated from and who was the first buyer, whereas all other vehicles would have that information. Registration

in Nevada would become a first legitimate source where these people can register a vehicle and give it a true identity associated with the VIN for the first and all subsequent owners.

Assemblywoman Spiegel:

Then if somebody purchased one of these and added it with an addendum to their homeowner's insurance policy and provided the documentation they had if they did not buy it from the original manufacturer, would that not suffice?

Michael Buttars:

That would, but our reason for wanting to assist the public in recovering their property and having these vehicles registered is that it becomes easier on the person, through their insurance policy and the records that they would keep, to find that piece of paperwork. Anybody else who knows the plate or VIN of a vehicle can obtain, through DMV or police records, the ownership and identity of the vehicle. And those are some of the points we would like to bring to your attention in regard to stolen vehicles. A person without the proper paperwork does not have the opportunity to list their moped or scooter as a stolen vehicle with a potential hot hit on a VIN. They have to find all of the paperwork, which could be weeks or months later, and when they do find it, yes, we will take a report, but it just delays the reporting process.

Assemblyman Paul Anderson:

As I understand this, as we remove the exemption, it does not matter what the ccs are at that point. At any point it would be exempted from the requirement of insurance and registration. So the cost to the consumer, and I will second Ms. Fiore's statement, would then include having to register that, get the insurance, and they would be required to wear a helmet with face coverings or some sort of goggles, and protection as well. Right? I think that was in the statement. With all of this there seems to be a couple of things we are trying to cover here. We are trying to cover theft, we are trying to cover lack of insurance, and then the safety component of the head injuries or the other injuries they might incur. Is that what we are trying to cover, all three or four of those issues with this DMV registration?

Brian O'Callaghan:

The registration will cover a lot of the theft issues because you can find the owners. That would be just like our four-wheelers, which are registered and they are not allowed on the roadway. That would cover a lot of the theft issues, and they would be returned back to the owners and, yes, to insurance and protective headgear.

Assemblyman Paul Anderson:

We could solve the registration issue with a \$5 medallion you might get at the DMV, right? There are ways to register these vehicles without having to go through the entire cost of registering these through the DMV. These folks are not driving these things because they left their Corvette in the garage and felt like driving their scooter down the road, but I am making a big assumption there. So there is still that concern of this added cost that we are incurring on these folks when things are not so great.

If it is just the theft issue, we could do that with a really inexpensive way to register the VIN somewhere. I recognize the insurance issue on my end. If I have an accident with a scooter and it happens to be the scooter operator's fault, then am I covered with uninsured motorists, assuming I am paying for that each month. There is that mitigation issue.

It just seems like a big burden we are putting on these folks. Maybe you could talk about the timeline of how we implement this, how these folks would learn about this. Is this a year out or two years out? What sort of timeline would we give them to ramp up to be in compliance if this were to go through?

Brian O'Callaghan:

First, we moved up to one year and there were two reasons for that. One was because of DMV programming issues. And also it gives people over a year when we can do some public announcements through our city and our county through their websites and even through ours. That is the second reason, we wanted time for people to be notified of that change.

There is a cost. It is \$33 for that registration, and it is \$12 for your initial license plate. As for \$5 or \$6, I do not think so, because the registration and the license plate cost is the \$33 plus the \$12. Again, it is for that insurance, because they are sharing a motor vehicle roadway, and that is one of the big issues.

Assemblyman Healey:

I would like to go back a little and ask about the burden of proof when investigating stolen property. When a household item like a TV or jewelry gets stolen, is the burden of proof going to be different than the burden of proof for a moped or scooter?

Brian O'Callaghan:

When you say burden of proof, you are going to list what you are missing. If you do not have it logged, for instance if you do not have the serial number for your TV, it is going to be hard to recover. That is going to be part of your burden of proof, showing that you have that. It is the same thing with the moped, which is a motor vehicle. You still have the burden of showing that it is your property.

Assemblyman Healey:

Okay, so you have got to show some form of receipt that has a description of the vehicle or something of that nature.

Brian O'Callaghan:

When it comes to property in your house, if you can identify it and draw a picture of it, like a specific medallion or a family heirloom, even if you do not have the paperwork for it, if you can identify it or it is marked, that will help you out too. When it comes into a pawnshop and it goes through the detective and they do recover it, that is basically some of the proof that you can have.

[Vice Chairman Hogan assumed the Chair.]

Vice Chairman Hogan:

Are there any further questions? [There were none.] We are going to call for any further testimony in favor of the proposal. [There was none.] Is there any further testimony in opposition?

Frank Paluch, Private Citizen, Carson City, Nevada:

I want to talk about A.B. 101 from the view of the consumer. There seems to be many types of consumers, but I am going to talk about three types. I am retired and because of financial difficulties during this era, my family has reduced its number of operating vehicles to one. The second group is my son, who will be 16 in just a few months. The third is my brother, who I hate to admit is not a good driver and he cannot afford to pay the insurance on a car. As a consumer, I need a solution. Now, the bill has some good points to it. As Mr. O'Callaghan will admit, the police are good at taking reports but lousy at returning property, unless something is registered. I very much like this bill on that point.

Another point that this bill is good on is there is confusion about what is a moped and what is a motorcycle. I just bought one, went over to the DMV and the gal at the inspection station says, well, the paperwork says it is a moped. People lie. I took a look at that bike and it is more than two horsepower. But because DMV says it is a moped, it is a moped. This bill

would force DMV to do its homework and instruct its people how to inspect the paperwork and the bike. The third reason I like it is that it will force people to ride with helmets.

Now the main reason why I oppose the bill is on several smaller points. One, has anybody ever bought insurance for a moped? I do not even know where I can get it. I do not think anybody on this Committee knows where you can buy it. We need to wait on this bill until we talk to insurance and find out how we are going to solve that problem. [Provided written testimony in opposition ([Exhibit E](#)).]

[Chairman Carrillo reassumed the Chair.]

Chairman Carrillo:

We just happen to have one of our insurance specialists from the state of Nevada who would be more than happy to answer any questions that you propose to him. I asked the insurance industry to be represented here today, so if you have a question, ask it.

Frank Paluch:

That is good because he will be next, right? He can take notes. Point two is you have a \$33 fee. The lady who said the bikes cost about \$700 is about right, because on Highway 50 going toward Dayton just before you get out of town, they have a billboard in front of a guy's business that says he is selling them for \$699. When you take a \$33 fee and add it every year to the price of that moped, it is a considerable proportion of the price of the moped. You charge the same \$33 for a \$16,000 Harley or a \$90,000 Cadillac Escalade. Since the people who I mentioned are not rich, is it possible to have the cost maybe \$10? Just enough to cover the cost of the paperwork.

Point three against the bill, is that nobody knows yet what is and is not legal without inspecting each and every bike. Is it possible for us to ask the manufacturers to provide the data on the paperwork, to say how much horsepower it is and how many ccs, so when the person buys the bike, it is right there in front of him? When he presents it to the DMV worker, the DMV worker does not have to look through a book, they can look right there at that paperwork. That is not in this bill.

Also, it says that electric bicycles are exempt.

Chairman Carrillo:

In the interest of time there are some questions that need to be asked about the bill. If you could please start to wrap up your testimony, that would be very helpful, and then if the Committee members have any questions for you, they could address those as well.

Frank Paluch:

Language in the bill says electric bicycles are not required to be registered. I believe that the sheriff's deputy was wrong, there is one other class of driver's license that allows a person to ride a moped and that would be Class M. Am I correct?

Brian O'Callaghan:

That is not required on this, and that is one of the more important reasons why they should be requiring the helmet. We are not looking at getting it as a motorcycle license. So you still maintain a Class C driver's license.

Frank Paluch:

What I said was you can have either Class C or Class M. Some people do not have a Class C.

Brian O'Callaghan:

If you have a Class M that is fine too. That covers motorcycle. But we are not looking for a Class M motorcycle license for these. That is an additional reason to have that helmet, because they do not have to go through the training like a motorcyclist. And it is legal.

Assemblyman Hambrick:

In your testimony, Mr. Paluch, you said you liked the bill and did not like the bill. Normally when you testify you say if you are in favor of or against the bill.

Frank Paluch:

I am against the bill as written because it needs some corrections.

Chairman Carrillo:

Any Committee members have any questions? Is there any more opposition before I continue on? Seeing none, I will move on to neutral.

Teri Baltisberger, DMV Services Manager III, Business Programs, Management Services and Programs Division, Department of Motor Vehicles:

The department is neutral on this bill. We did submit a fiscal note, showing some revenue and a small expense for forms and decal costs. Upon further

review, we do believe that we can complete the programming by July 1, 2014, to implement this bill. I would be happy to answer any questions.

Chairman Carrillo:

I have a question in regard to the registration. I know it is \$33, and to give you an example, I have a 2000 Harley-Davidson. The registration is \$33, and obviously the Harley is worth more than the moped. I am sure that is where the Government Services Tax (GST) comes in. I pay \$35, the supplemental Government Services Tax is \$9, motorcycle safety is \$6, and that is proposed on this bill. So you are looking at roughly a \$65 to \$70 range for anybody to have to pay. When you say registration is \$33, then you have to pay the Governor, so you have the tax on top of that. From your experience, and I will not hold you to a line item on the cost, but am I correct in my statement about the \$65 to \$70 range based on the taxes that you are going to pay on that particular vehicle?

Teri Baltisberger:

We looked at vehicles online and the prices for mopeds. Because of the price of the moped, you are looking at probably the minimum GST instead of a multiple, like what you were proposing. The minimum GST is \$16, so it would be a \$33 registration plus the \$16 minimum GST.

Assemblywoman Carlton:

Was the fiscal note submitted?

Teri Baltisberger:

Yes, it was.

Assemblywoman Carlton:

Looking at fiscal year 2014-2015, the fiscal note is showing \$1,700 in decals, \$66,000 in registration fees, and \$2,000 GST, so the total effect of the fiscal note over the biennium would be over \$200,000, which would be to the plus side of DMV if I am reading this correctly.

Teri Baltisberger:

To the state, yes.

Assemblywoman Carlton:

The cost of implementation, was that built into this somewhere along the way? Because there is a cost of implementation with everything, the cost of doing business.

Teri Baltisberger:

Yes, we estimated there would be about \$1,700 in costs just for postage and the forms for fiscal year 2015.

Assemblywoman Carlton:

Okay, so that is under the decal section under the expense section?

Teri Baltisberger:

Yes, so a total expense of a little over \$4,000, but we would end up with over \$200,000 on the plus side to the state, over the biennium, which would really be just one year because we are implementing it in the second half of the biennium.

Robert Compan, representing Farmers Group, Inc.:

We are neutral on the bill. I am here as a source of knowledge. I heard a lot of insurance questions, and the first one I wanted to answer was someone's question if mopeds and similar vehicles are covered under homeowners insurance. For liability, they are not. Liability and most homeowner's policies specifically exclude motorized and nonmotorized vehicles. They do cover them somewhat for a limited portion on theft of the vehicle. Regarding liability insurance on the auto side if we were to mandate insurance on these, we would be happy to sell an insurance policy to just about anybody who is willing to pay for it. Lisa Foster with Allstate asked me to note that they would probably be cheaper than Farmers. We own a specialty insurance company called Foremost Insurance on the East Coast and they do insure mopeds and motorcycles.

There are rating factors that go into just about everything. We would have to work with the Division of Insurance and file rating factors. Of course, everything has stringent requirements in regard to underwriting where you look at how many ccs a bike has, what the driver's experience is on it, and if they have had any moving violations, such as a DUI. Things of that nature are obviously Certificates of Financial Responsibility (SR-22) filings. We would take into account whether or not they are able to be licensed in order to have insurance on the vehicle, and whether or not we would accept that risk. There is a market for it. I cannot give you a figure, but I can give you a ballpark figure. It would probably be about \$200 every six months to buy basic insurance. Minimum limits for liability in the state of Nevada are \$15,000 for bodily injury, \$30,000 combined limited bodily injury, and \$10,000 maximum property damages. Something no one really addressed is what happens if the moped damages other people's property and there is a financial responsibility. As there is now when driving without insurance, the driver would be responsible on his own personal dime to cover that.

Chairman Carrillo:

In the state of Nevada are we required to have uninsured motorist insurance?

Robert Compan:

No, sir.

Chairman Carrillo:

At one time we had to, correct?

Robert Compan:

I cannot speak to uninsured/underinsured motorist coverage. To my knowledge, I do not think there was a requirement to carry uninsured/underinsured motorist in the state.

Chairman Carrillo:

That way if an incident did happen between a moped and, for instance, a cab, of course if the moped rider does not have any insurance, the uninsured motorist would kick in. This is just by theory from years of making sure that I kept my insurance, and I kept the insurance that the insurance company recommended that I have the minimum on.

Robert Compan:

I agree with you, Chairman, but it is not a requirement, so if they were to hit somebody who did not have insurance and they did not have the uninsured motorist coverage, then they would not have any recourse at all, except through civil liability.

Chairman Carrillo:

Let us say an individual had a really bad driving record, so their insurance skyrocketed. You did say it would cost them roughly \$200 every six months. But let us say the guy had a couple of DUIs and he did not quite get his driver's license taken away from him. If that individual is going to be paying for insurance on a moped versus on a 1999 Ford Mustang, is the rate going to increase for the moped as well because he does have a bad driving record?

Robert Compan:

Absolutely. Driver experience is taken into play if they are carrying an SR-22 and possibly having a DUI and driving to work. The insurance will probably cost more than the moped does.

Chairman Carrillo:

So, would you say that would be a financial burden for that individual?

Robert Compan:

We would make a profit.

Chairman Carrillo:

Obviously, the fact that they are driving the moped is not because they want to have their hair flowing through the wind. They drive them because it is probably the only thing they can afford, would you not say?

Robert Compan:

Yes.

Brian O'Callaghan:

I want to say on that SR-22 driver's license that if you have that driver's license and you want to maintain it, you have to have that SR-22. So, even if you do not have a vehicle and you want to maintain that license, you still have to pay.

Robert Compan:

That is correct.

Assemblywoman Carlton:

I just want to make sure that I heard you correctly. When I talked to my insurance agent, I got the same answer. His rates are probably similar to yours. He said that it would be based on the minimums of 15/30 and that even though I am not required to have insurance on a scooter or moped right now, you will sell it to me if I really want it. If I want to buy insurance from you but I do not have to register this moped, and if I would like to purchase insurance to be the good citizen that I am, you will still sell it to me, would you not?

Robert Compan:

We probably would not right now, because we do not have that product, but there are insurance companies that do have that product. I am sure that if we had to gear up for it, either way, we would find a way to do coverage.

Assemblywoman Carlton:

If there was a demand, you would sell it, whether they had to be registered or not?

Robert Compan:

If you walked into a Farmers Insurance agent's office, and one of our member companies did not sell that insurance, they are allowed to place insurance outside. There are other high-risk, specialty-products insurance companies that would underwrite that. I cannot for sure tell you if Foremost would or not.

Assemblywoman Carlton:

I just wanted to make sure that people understood that I do believe there is a way for folks to get insurance on their scooter or moped. My Segway is covered under homeowners, but it is on the road, using the roadway, the same way as everything else is, but it has been classified as a pedestrian.

Robert Compan:

And I agree. We would insure it, not as a general liability type of auto or motorcycle, or scooter-type policy. It would be just like we were insuring an all-terrain vehicle (ATV) or insuring your Segway. You would have general liability insurance limits on it. Most likely it would be an insurance product that would be attached to your homeowners insurance for the liability, as a binder, a rider on that policy. But I cannot say positively.

Assemblywoman Carlton:

That is fine. We appreciate that, thank you very much.

Chairman Carrillo:

Any other questions? I see none. Do we have anyone for neutral, and anybody down south? I see no one. We will close the hearing on A.B. 101.

Now we will move on to public comment. Down south? [There was none].
The meeting is adjourned [at 4:45 p.m.].

RESPECTFULLY SUBMITTED:

James Fonda
Committee Secretary

APPROVED BY:

Assemblyman Richard Carrillo, Chairman

DATE: _____

EXHIBITS

Committee Name: Committee on Transportation

Date: February 26, 2013

Time of Meeting: 3:22 p.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
A.B. 101	C	Brian O'Callaghan, Las Vegas Metropolitan Police Department	Metro Handout
A.B. 101	D	Brian O'Callaghan	Amendment
A.B. 101	E	Frank Paluch, Private Citizen	Letter