

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

**Seventy-Eighth Session
February 24, 2015**

The Committee on Transportation was called to order by Chair Jim Wheeler at 3:22 p.m. on Tuesday, February 24, 2015, in Room 3143 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4406 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/App/NELIS/REL/78th2015. In addition, copies of the audio or video of the meeting may be purchased, for personal use only, through the Legislative Counsel Bureau's Publications Office (email: publications@lcb.state.nv.us; telephone: 775-684-6835).

COMMITTEE MEMBERS PRESENT:

Assemblyman Jim Wheeler, Chair
Assemblywoman Jill Dickman, Vice Chair
Assemblyman Nelson Araujo
Assemblyman Richard Carrillo
Assemblywoman Victoria A. Dooling
Assemblywoman Michele Fiore
Assemblyman Edgar Flores
Assemblyman Brent A. Jones
Assemblywoman Marilyn K. Kirkpatrick
Assemblyman P.K. O'Neill
Assemblyman Stephen H. Silberkraus
Assemblywoman Ellen B. Spiegel
Assemblyman Michael C. Sprinkle
Assemblywoman Melissa Woodbury

COMMITTEE MEMBERS ABSENT:

None



GUEST LEGISLATORS PRESENT:

None

STAFF MEMBERS PRESENT:

Michelle L. Van Geel, Committee Policy Analyst
Melissa N. Mundy, Committee Counsel
Joan Waldock, Committee Secretary
Trinity Thom, Committee Assistant

OTHERS PRESENT:

Amy McKinney, Administrator, Administrative Services
Division, Department of Motor Vehicles
Peter Krueger, representing Capitol Partners, LLC, and Nevada Emission
Testers Council
Lou Gardella, President, Nevada Emission Testers Council, and Owner,
Jiffy Smog, Las Vegas, Nevada
Kyle Quain, Owner, Q's Quick Smog, LLC, Reno, Nevada
Mike Prince, Director, Lube Services, Terrible Herbst, Las Vegas, Nevada
Terri Weiss, Owner, Smog Hut Inc., Las Vegas, Nevada
Robert Tekniepe, Supervisor, Air Quality Planning Division, Department of
Air Quality Management, Clark County
Al Leskys, Senior Air Quality Specialist, Air Quality Planning Division,
Department of Air Quality Management, Clark County
Jeff Sallan, Owner, Emission Concepts, LLC, Reno, Nevada
Darren K. Proulx, Owner, Green Tree Car Wash & Smog, Sparks, Nevada
Wayne Holzworth, Owner, Northtowne Smog, Reno, Nevada
Rafael Arroyo-Montalvo, Owner, Smog Plus, LLC, Las Vegas, Nevada
Charlene Albee, Director, Air Quality Management Division,
Washoe County Health District
Andrew Zaninovich, representing Nevada Conservation League
Ivie Hatt, Program Officer, Emissions Control Program, Compliance
Enforcement, Department of Motor Vehicles
Rich Dunn, Private Citizen, Carson City, Nevada

Chair Wheeler:

[Roll was called and protocol and procedures were explained.] We will change
the agenda and go to the work session first. We will have our work session on
Assembly Bill 101.

Assembly Bill 101: Revises provisions governing motor carriers. (BDR 58-69)

Michelle L. Van Geel, Committee Policy Analyst:

Everybody should have a manila folder at their desk that contains the work session document ([Exhibit C](#)). It is also on the Nevada Electronic Legislative Information System ((NELIS) and there were extra copies at the back of the room.

Assembly Bill 101 was heard in Committee on February 17, 2015. It exempts from the definition of "charter bus transportation" buses used to transport workers to and from certain work sites, including, without limitation, construction sites, mines, and renewable energy facilities. Behind the main work session page is an amendment that was proposed by Assemblyman Ellison, the sponsor of the bill. It would make the provisions of the bill apply only to counties with a population of less than 100,000.

Chair Wheeler:

I will accept a motion to amend and do pass.

ASSEMBLYMAN O'NEILL MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 101.

ASSEMBLYWOMAN KIRKPATRICK SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

Chair Wheeler:

Assemblywoman Kirkpatrick will make the floor statement.

We will move on to Assembly Bill 131.

Assembly Bill 131: Revises provisions governing the Department of Motor Vehicles and registration under the Selective Service System. (BDR 43-624)

Michelle L. Van Geel, Committee Policy Analyst:

For the Committee members, there is a blue sheet of paper dividing the work session documents. Assembly Bill 131 is right behind that ([Exhibit D](#)). Assembly Bill 131 was heard in Committee on February 19, 2015. It revises the procedures by which certain males are registered by the Department of Motor Vehicles with the Selective Service System as required by federal law. The provisions of A.B. 131 provide that solely submitting an application to the Department of Motor Vehicles (DMV) for one of these licenses or permits

authorizes the Department to register the male citizen or immigrant with the Selective Service System. The application for these licenses or permits must inform the applicant that submission of the application indicates that the applicant either has already registered with the Selective Service System or that he is authorizing the DMV to forward the necessary information to the Selective Service System for such registration.

There are two amendments for this bill. Both were proposed by the Department of Motor Vehicles. The first one changes the effective date of the bill from July 1, 2015, to as soon as practicable and upon determining that sufficient resources are available. That will remove the fiscal note. Staff from the DMV testified that adopting that first amendment changing the effective date will remove the fiscal note from this bill. Staff from DMV also explained that this project will be complete with currently planned, high-priority programming projects within the next two years.

The second amendment on A.B. 131 is also from the DMV ([Exhibit D](#)). It provides the applicant with an option to indicate on the application that he is exempt from the requirement to register with the Selective Service System pursuant to federal law.

I want to clarify on the final proposed amendment from the DMV on line 4 in green at the bottom where it indicates "lawful non-immigrants on visas" ([Exhibit E](#)). Typically, we do not in the statutes provide examples such as those listed. Legal staff recommends that we make a reference to "as provided in federal law" and their definition and exemptions for lawful non-immigrants on visas. Our disclaimer is that the way these amendments come from the agencies or others may not be the exact way it comes out of Legal, but as long as the intent is on record, Legal will know how to draft that amendment.

Chair Wheeler:

I open the floor to questions on the amendments. Seeing none, I will entertain a motion to amend and do pass.

ASSEMBLYMAN O'NEILL MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 131.

ASSEMBLYMAN JONES MOVED TO SECOND THE MOTION.

Chair Wheeler:

I will open the floor to discussion of the bill as a whole, with amendments.

Assemblywoman Kirkpatrick:

We are going to adopt both amendments? On the second amendment, if that is the case, under section 1, subsection 2(c), did I miss something on why we have that in there specifically, Ms. Van Geel? Those are the exemptions?

Michelle L. Van Geel:

Yes, that was one of the questions that came up at the meeting. People had raised some concern about what would happen if you do not have to register. That is why the amendment was offered by DMV.

Chair Wheeler:

Both of these amendments, Assemblywoman Kirkpatrick, were friendly amendments to the author. Is there any further discussion on the bill as a whole? Seeing none, we will vote.

THE MOTION PASSED. (ASSEMBLYWOMAN DICKMAN VOTED NO.)

Chair Wheeler:

Assemblyman O'Neill will make the floor statement.

We are going to move on in the agenda to presenting bills. Since the two bills being proposed are Committee bills, I will present them.

[Assemblywoman Dickman assumed the Chair.]

Vice Chair Dickman:

I will now open the hearing on Assembly Bill 145. Please proceed.

Assembly Bill 145: Revises provisions governing the registration of vehicles.
(BDR 43-54)

Assemblyman Jim Wheeler, Assembly District No. 39:

During the interim, I was contacted by four or five constituents who wanted to find out why, when a family member had died or become very seriously ill they could not get a refund on that person's vehicle registration. What they received was in the form of a credit. Since they did not have another vehicle, they did not need a credit. They were looking for a refund, so I put this bill forward. It is a very simple bill. In section 10 it says that if someone is seriously ill, "The Department shall issue a refund pursuant to subsection 8." The surviving spouse or guardian can get a refund even if they do not live in state. What happened with one family is the children lived in California and the parent had just paid their Department of Motor Vehicles (DMV) fees on a motorhome,

which were considerable. They wanted to recover some of this as a part of the estate.

Vice Chair Dickman:

Do we have questions from the Committee?

Assemblyman Jones:

How often does this occur? Do you have any statistics on that so we know how big this problem is?

Assemblyman Wheeler:

I actually do not have any statistics on it. If you look at the fiscal note, it is obviously a fairly large problem since the fiscal note is in the \$460,000 range. It is substantial. It happens quite a bit.

Assemblywoman Spiegel:

Is there going to be a question on how "seriously ill" is defined? Somebody could have the flu and be seriously ill, or somebody could be in a coma, and there is probably something in the middle. What is your intent?

Assemblyman Wheeler:

The intent is "unable to drive again." Their car is no longer of any use to them.

Assemblyman Sprinkle:

There is wording that says, "Evidence satisfactory to the Department." Do you know what the definition of that is?

Assemblyman Wheeler:

Either a death certificate or a document from a doctor would suffice. In my opinion, the survivor must be the next-in-line survivor and that evidence must be available as well.

Assemblywoman Kirkpatrick:

To have legislative intent clear on the record, what is the expected time frame for getting the refund? I think we have to have a time frame. Some refunds are deferred to the next fiscal year, which is not helpful to the people trying to get them.

Assemblyman Wheeler:

To be honest with you, this is the first time I even thought about it. I am glad you brought that up.

Amy McKinney, Administrator, Administrative Services Division, Department of Motor Vehicles:

The question refers to the time line for a refund. Assembly Bill 145 states that application must be made within 60 days of the event. It takes us, on average, between 10 and 14 working days for that refund to get to the customer.

Vice Chair Dickman:

Are there any further questions from the Committee?

Assemblyman O'Neill:

Where is the 60 days in the bill?

Assemblyman Wheeler:

That is found in subsection 10, paragraph (b).

Assemblyman Carrillo:

Does it still have to exceed \$100 to eligible for a refund?

Assemblyman Wheeler:

That was the original intent. We thought, after discussion with DMV, that for anything under \$100 the actual cost of doing it is going to outweigh the cost of getting it back; however, we are open to amendments.

Vice Chair Dickman:

Are there any further questions? [There were none.] Is there anyone who would like to testify in favor of A.B. 145? [There was no one.] Is there anyone who would like to testify in opposition to this bill? [There was no one.] Is there anyone neutral? [There was no one.]

I now close the hearing on A.B. 145 and open the hearing on Assembly Bill 146.

**Assembly Bill 146: Revises provisions governing motor vehicle licensing.
(BDR 40-15)**

Assemblyman Wheeler:

This bill was brought up by some constituents of another legislator—a friend of mine. For Washoe Valley and Clark County, we see that smog checks must be conducted for registration on an annual basis. In the past, I was chief executive officer of Powerdyne Automotive Products, Inc. I was also a considered expert in California Air Resources Board exemptions. Other companies, even competitors, would come to me to get exemptions for their after-market parts. I learned the smog process inside out, right side up, and upside down, especially

for exemptions, not just for registration. I was the natural one to bring this bill forward.

The bill is pretty basic. What it says is that instead of having smog checks every year for those in Clark and Washoe Counties, they would be allowed to have their smog checks every other year. This bill has been brought before this Committee for 10 or 12 years. The reason behind it is that with the new technology we have in vehicles today, I think each one of you has had a "check engine" light come on at one time or another. Something as simple as a gas cap being loose will trigger a check engine light because that is spewing hydrocarbons into the air. That was the whole idea behind the computer systems on vehicles. If your nitrogen oxide (NOx) is a little too high or your oxygen is a little off, you are going to get a check engine light. One of the drawbacks to this bill is a lot of people drive around and could not care less about their check engine light, but most people will immediately take it in and find out what is wrong. In newer vehicles, since 1985 when the oxygen sensor was first put into most vehicles, we are able to find out exactly what hydrocarbons, carbon monoxide (CO), et cetera were being emitted by using the computer system. It seemed superfluous to these constituents to do the smog check every year, and that incurring the cost of doing the smog check every year would be burdensome to the average consumer. Instead, they would like to see it be every two years. That is the reason I submitted this bill.

Doing this would cause the state to lose a little bit of the funding for the fees associated with it. So, in the bill the fee has been doubled. That way if you go to every two years, the state would not lose any of its funding. It went from \$6.00 to \$12.00.

Assemblyman Sprinkle:

Do you have the number as far as how many agencies, companies, people, individuals provide smog checks in the state of Nevada? Are there any projections on how many of these people might be adversely affected by this?

Assemblyman Wheeler:

Every single one of them will be adversely affected by it. I do not have that number, but obviously their income is going to be cut in half.

Assemblywoman Kirkpatrick:

I know this is a policy committee, but we are now moving something out for two years and we are asking people to pay double the fees now when it was less. At some point there is going to be a domino effect to where we are not always going to have that revenue source. What was the thought behind raising the fees to cover, because there is really no savings? It appears to me

that we are just trying to get the money up front so that we can change the process for the long term.

Assemblyman Wheeler:

The idea was to change the process without creating too big a fiscal burden on the state. We, of course, could amend that out.

Assemblywoman Kirkpatrick:

But a big fiscal burden on the owner.

Assemblyman Carrillo:

Is there any federal funding Nevada would lose due to this change?

Assemblyman Wheeler:

Not that I know of, but I am sure that some of the testimony that is going to follow mine will be able to give you those numbers if they are available.

Assemblyman Carrillo:

I ask because a lot of the time the air quality is a big issue, especially in southern Nevada. You see cars spewing out a lot of exhaust but it is not so much what you see as what you do not see. I have a fair number of constituents who have always complained about the lack of clean air, of course, and it seems they think that smogging does not do enough. I am not trying to take away from this bill, my concern is the time frame, about spreading it out over two years. More of it is just trying to get one position on it. If we look at changing the time frame that is just a big concern. When I come up here, it is not just for me, it is for the constituents, the concerns they have brought up, and the emails that I get because this is something that is important to them. I want to make sure we are making the right decision. Maybe it is a northern Nevada issue, maybe northern Nevada only needs to be checked every two years, but in Clark County—counties with a population of 700,000 or more—keep it at every year. Counties with less than 700,000 population would do the two-year check. Of course, I am not so much pressing on the federal issue as on the health issue.

Assemblyman Wheeler:

Northern Nevada has these problems as well. We see some high carbon dioxide (CO₂) levels in the Reno area not often, but occasionally. The rest of the state, other than Clark and Washoe Counties, are not subject to smog checks at all as far as I know. In my area, we are not. As far as the air quality in Las Vegas, I understand that there can be a problem down there. I think it is probably older vehicles that you are talking about, as far as major polluters go, and the newer vehicles that are controlled by computer electronics will get fixed a little quicker

and easier. I do not see a big change, to be honest with you, in the smog level down there because it is from different things.

Assemblyman Jones:

As a business owner with a fleet of 15-20 cars, I have to get this done every year. I have to have an employee go do it. It takes half a day for which they are being paid and the car is out of service. As a business owner, I would appreciate having to do it only every two years.

Assemblyman Wheeler:

I agree with you on that. At one time, I had a fairly large fleet. It was quite burdensome in California to get them out because of the employee time, et cetera. You have to weigh one thing against the other.

Assemblyman Araujo:

Does the State Environmental Commission have any data on how many vehicles do not pass smog on an annual basis? I think that would be very telling as to whether there is a need for it to be annual or whether it would be okay for it to be biennial.

Assemblyman Wheeler:

I believe the people following me will be able to get you that information.

Assemblyman Silberkraus:

Regarding the doubling of the fee, it is doubling the fee the state receives, not the fee the consumer will pay at the service center. So you would actually be saving the average Nevadan roughly half their annual expenditure.

Assemblyman Wheeler:

Yes, the short answer is you would be saving half the fee that goes to the service center. It is only the fee that goes to the state that would double.

Assemblywoman Spiegel:

I think the way the bill was written is really optimistic, in assuming vehicles are going to pass the emissions testing. In my district, folks have needed to hold onto their cars for longer periods of time. Once a car starts failing the emissions testing and needing to be repaired, I am concerned about owners waiting another two years for a retest versus having a provision that if a car fails, it then has to be retested on an annual basis, or annual testing for cars over a certain age. Has there been any thought or consideration given to those vehicles?

Assemblyman Wheeler:

The computerization of vehicles has been going on since 1985. I can give you a personal example, anecdotal information. I live in a very large assembly district, about the size of Vermont. My truck is 11 years old and has 166,000 miles on it. I make sure I change the oil on it, and repair it if something happens. It will still pass smog today. I think that is a tribute to the design and manufacture of new vehicles. The tolerances are much closer, the assembly process is much better, and the computer electronics in the car are what has brought it up to this new level. The idea behind this bill, and what I think my colleague was saying when he asked me to do this bill, is it is superfluous to test as often as we do.

Vice Chair Dickman:

Are there any more questions from the Committee? [There were none.] We will now take public testimony in favor of Assembly Bill 146. [There was none.] We will now take testimony opposed to the bill. We will have to limit the length of testimony to three minutes. We have many who want to speak.

Peter Krueger, representing Capitol Partners, LLC, and Nevada Emission Testers Council:

The Nevada Emission Testers Council is a statewide trade association of the small businesses that actually do these tests. Next to me is Lou Gardella, and I would like it if after Mr. Gardella's testimony, we could go to Las Vegas for Mike Prince with Terrible Herbst, to speak in third position. This is a bill that we have dealt with over the years. All of the concerns and costs for the consumer are true; however, you will hear from the air quality people from both Clark and Washoe Counties that this is a federal mandate. If we do not use the emission test as a control measure, there will have to be other control measures to replace it to attain the same level of federal approval under our state implementation plan. We have business people here who do this every day. I am sure following them will be the air quality people. We are here opposing the bill, as we have for the previous ten or twelve years. I think in the next five to six years, we will be looking at remote sensing for this kind of thing, but at this point, this is the best system we have.

Lou Gardella, President, Nevada Emission Testers Council, and Owner, Jiffy Smog, Las Vegas, Nevada:

I am president of the Nevada Emission Testers Council. I am also the owner of Jiffy Smog in Las Vegas. I have been in this business for 25 years. While the failure rate of the newer vehicles is much lower, the ones that do fail are gross polluters. In our business, 10 percent of the cars create 90 percent of the pollution. In a newer car when an oxygen (O2) sensor goes out, the whole system goes haywire. It is not marginal; it is a gross polluter. We see check

engine lights every day. My company does approximately 150,000 vehicles a year. The majority of people do not get whatever it is fixed when the check engine light come on; they get it fixed when they come in for a smog test.

I passed this document ([Exhibit F](#)) out to all the Committee members. This bill would devastate our industry. It does not provide for eliminating the cap that the Department of Motor Vehicles (DMV) has on our fees. There is no way an emission station can stay in business and do half as many vehicles at the same price. Economics does not sustain that. It doubles the state fee, but does not remove the price limitation on testers from the DMV. In my estimation, half of the 400 stations would go out of business, bankrupting many of them. I personally have 21 locations that I lease. My leases are not going to expire on July 1, 2015. I am committed to them.

There are approximately 1000 inspectors employed in the state of Nevada. You can probably figure about 500 of them are going to lose their jobs and be on unemployment. If you do not remove the price cap for the emissions test, you are probably going to lose about 300 of the 400 stations. We are subject to a fixed price we cannot exceed. With this bill, you are going to end up with testing similar to what California has, where the price range is \$35-\$85. This bill makes unapproved, wrong, radical, overnight changes that are not phased in. If we change this program, not phasing it in will have a devastating effect on my industry. Many other station owners and I have a lot of money invested in this program. We have been doing this since 1984. We based the investment on an annual program, not a biennial one. I understand that people do not like to get it done. Our industry has done a great job, making it quick and easy, and it can be done for less than \$20. I do not know how we could better achieve this federal mandate.

Obviously, they are taking care of the state, as they are doubling the fee from \$6 to \$12 because Pollution Control Account funds support many positions in Clark and Washoe Counties and pollution control programs. In reality, the consumer is not going to save any money. We are not going to be able to test a car for the same price we are doing it now if our volume is cut in half. We have bills to pay, people to pay. My stations do not operate on a 50 percent profit margin. I do not know of anyone in this state who does. To say it is going to be the same price just cannot be. It would be less convenient for the consumer, because the net effect of this bill will be that you will not see stand-alone emission stations. Smog checks will be in repair shops as an add-on business. If you want a smog check, you will be going to a repair shop.

Vice Chair Dickman:

Mr. Gardella, could you wrap it up, please?

Lou Gardella:

There are a lot more financial effects to the state of Nevada. All these businesses that are going to close will not be paying modified business tax; bond tax; the Governor's proposed Business License Fee; and city, state, and federal taxes. There will be a loss of revenue to the state that the \$6 to \$12 fee increase will not make up, because you are not testing model years three and four. Those vehicles will never be tested; that is lost revenue to the state.

We would ask you to consider air quality, the small businesses, what the Environmental Protection Agency (EPA) mandates the state do, and the revenue to the state and ask you to vote no on Assembly Bill 146.

Assemblyman Flores:

Will anything in the bill as it is proposed now be conflicting with federal law in any way?

Lou Gardella:

Yes, it will be conflicting in the fact that we submitted what was called a state implementation plan (SIP) that says, We will do this and this to meet the emission credits. The state of Nevada submitted a plan for an annual program, and submitted the SIP, which is a long process. The EPA has approved that SIP, based on an annual program. If you pass this bill, we will be in violation of our SIP. I do not know if they have done it yet, but they have always threatened to withhold highway funds if you do not do what they say to do. This is a federally mandated program.

Assemblywoman Spiegel:

I have gone to Jiffy Smog and, occasionally, to one of your competitors. I love the convenience of having the emissions report go directly to the DMV. I think your investment in technology has been great. I do not know that everybody has that. If this bill were to go through, do you see it having an impact on the ability to connect to DMV; would it force people to go to DMV with their smog certificates the way we used to years ago?

Lou Gardella:

Where this business is heading, there will be technology where your car throws a code that says it is polluting the air; it will transmit that to OnStar, or something; and then you will get a letter from DMV that says your car is polluting, bring it in. This business is not there now, but it will be in the future.

Assemblywoman Spiegel:

Do you see that businesses such as yours would not be able to make investments in technology? Would it also lead to increased consumer need to physically go into DMV?

Lou Gardella:

There will not be stand-alone emissions testing. If this bill passes, you will be going to a repair shop to get your smog check. If you have ever been to a repair shop, you know you will have to leave your vehicle; it is not going to be pull up, get it done, and drive away. The only way they can be in this business is to have it as an add-on business; the stand-alone stations will not be there.

Assemblyman Sprinkle:

With the current law, if you purchase a new vehicle you start doing smog checks the very next year when you go to re-register. Is that correct?

Lou Gardella:

We currently exempt the first two years, so the third registration requires the emissions test. This bill exempts the first four years. Even doubling the fee is not going to get you that money. By my estimate, I think it would cost the state of Nevada probably \$500,000 to exempt model years three and four. Plus, a lot of cars are tested, fail, and then get retested. When you go to a biennial, you are going to lose a lot of those retests. My guess is that there will be a fiscal note of about \$500,000.

Assemblyman Sprinkle:

That is not where I was going with that. It is certainly something I will be asking in the Assembly Committee on Ways and Means when this bill gets there. I was just trying to get to what the actual law is right now, versus what we are proposing.

Lou Gardella:

Probably 80,000 vehicles.

Kyle Quain, Owner, Q's Quik Smog LLC, Reno, Nevada:

I do have skin in the game. My wife and I own Q's Quik Smog LLC. We have been in business over eight years. I started when I was 23, the American dream, obviously. We are in this business because we believe in the program. I have three children. Assemblyman Jones, maybe you have children, maybe you do not. I do not know what is more important, getting your car smogged every other year or your children's future. The reason we are in this business is because we believe in it.

The system works well and the system in place is fine. It is 2015. We should not be going to every other year because EPA levels are still rising. It does not really make sense. To change this to a biennial program will only harm our air, our state, and our children's future.

I have three locations that are mom-and-pop test-only stations, no repair stations. Our customers love our service. I have a \$20 smog check. They come in, I have two lanes, and they are in and out in five minutes. I have another location that is a drive-through station. Some ladies do not even have to get out of their car. The best part of their day was getting their smog test, because they think it is so dreadful they have to go to this repair shop, give this guy with grease all over his hands the keys, sit there for half an hour, and then go about the rest of their day. That is where this is going to go if you choose to pass this bill. Guys like me will be out of business. My three locations, my six employees will all be gone. The only people left will be the repair shops and the dealers. For everybody who thinks it is tough to get a smog check now, it is going to be extremely tough to get a smog then because there will be half the employees, half the stations, and still the same number of vehicles, so that is twice the lines. It just does not make sense.

The other part of this is what will happen to my company and my employees. I have six full-time employees. They feed their six families with those paychecks. I feed my family with my paycheck. Without what I do for a living, I will be out of a job. The last time I checked, this economy is not so great we can just go and give up jobs. It is 2015; we should not be going to an every other year smog check; instead, we should be adding Carson City to the areas needing smog testing. For my children, for your children, for everybody's children, I would like to say the reason it has not passed in the last 12 years is that the current system works. I do not do \$40 smogs, I do \$20 smogs. If this does pass, everybody is going to go up twice as much. Is the customer really going to save money? I do not think so. Half of us will go away and the other half will band together and charge twice as much. Who is going to lose there? The environment will lose. Every two years the people who are going to get their smog are going to think, "Oh, shoot. I have that check engine light on. I have to go fix my car real quick so that it will pass and then I am free for two years." Whereas right now, people know if their check engine light is on, it is not going to pass smog. As a result, they go get it fixed, and they still have to go get it fixed because next year they have to get it smogged again. Who is really winning, and who is really losing here?

As Lou Gardella pointed out, A.B. 146 is going to double the state fee from \$6 to \$12. Do you not think smog companies are going to double their fees as well, or is that just wishful thinking?

Vice Chair Dickman:

I am sorry. I have to tell you that your three minutes are up.

Assemblywoman Dooling:

Mr. Quain, how many smog checks do you do in a day? Are you open six days a week?

Kyle Quain:

We are open Monday through Saturday. On a great day we will do close to 100. I am only in northern Nevada. On a bad day we will do close to 50.

Mike Prince, Director, Lube Services, Terrible Herbst, Las Vegas, Nevada:

I have been in the automotive industry for over 35 years. Terrible Herbst has been in the smog business for well over 20 years. We see roughly 1100-1200 cars a day, between oil changes and smogs. My concern is the annual smog inspection is really one of the only opportunities, in some cases, when the hood of a car even opens or a car is at a facility where it can be looked at. I do not know that we do enough. I have always been in favor of and lobbied for a vehicle safety inspection where we can make sure the brakes on the car are good, the tires are good, and those sorts of things. I do not believe that we do enough. We are in the business of service and maintenance, to ensure that vehicles are running at peak performance. This annual inspection is just an opportunity to get the vehicle in and make sure that it is running at that peak performance.

I would disagree with Assemblyman Wheeler in that I do not believe most people go to have their car checked when the check engine light comes on. I believe they do become concerned about it when the smog test is due. In general, if that light is on, most people just ignore it. We see it every day. At least 10 percent of the cars we get daily have the check engine light on. As far as older vehicles go, Assemblyman Wheeler has an 11-year-old truck and we know that the average vehicle age out there now is 11.2 years. I have a 2003 Chevy truck with nearly 180,000 miles on it. I have never failed smog, but I have had the check engine light on. When it did, I got it fixed. That is what needs to be done. We cannot run the risk of the vehicle out there polluting for another two years. Whether it is newer On-Board Diagnostics (OBD)-2 type that is computerized, or an older, pre-1996 carbureted model, if they are going to have to wait another year, there is certainly more potential for pollutants. I believe we need to do more and not less in regard to automotive safety, inspection, and maintenance. There is a good reason why this bill has not passed in the last six sessions.

Terri Weiss, Owner, Smog Hut, Las Vegas, Nevada:

My husband, Steve, and I own Smog Huts. We have three locations here in Clark County. I did submit a letter ([Exhibit G](#)) and I hope you were able to read through what I brought up, so I will not take the time to reiterate things that you have already read. There are a couple of points I would like to bring up. One I did mention in the letter is about warranties. Many new cars have a three year or 36,000-mile warranty on them. If you do not have to have an inspection done for the first four years, you do risk having that light come on, not getting it fixed, having it out of warranty, and having it cost an awful lot of money to have it repaired when it could have been done after the first two years. I think that is an important point. You have the three-year warranty on a vehicle, so it should be checked for inspection prior to expiration of the warranty.

I would also like to talk a little bit more about the money that station owners would lose. I do not need to restate that this is our livelihood and that there are over a thousand inspectors just in Clark County alone that would have their jobs jeopardized. You should also know the cost of equipment that we have put into our stations. A regular emissions analyzer for gas vehicles costs over \$20,000. A diesel dynamometer costs \$40,000. Last year we purchased an all-wheel drive diesel dynamometer for \$160,000. We have leases on the buildings and on these machines as well. To put in an effective date of July 1, 2015, is preposterous. It would bankrupt us. That is four months away. Does the Department of Motor Vehicles even have a plan for how they would move forward with something like this? You cannot all of a sudden start biennial testing and say, "From July 1, you guys do not have to come in for a couple of years." As an assemblywoman said, it is a very optimistic bill. I appreciate the fact that it would be nice to have your car done every two years instead of every year so you would be saving those 10 minutes; however, I know that the cost will have to increase, so no one will be saving any money in the long run. There also is a loss of revenue on retests and failed tests. When a vehicle fails, it has to be retested. In the years they are exempt, you will be losing revenue as well on those things. There are just so many things that have not been brought up and have been glossed over in this bill. You need to take the time to look into it a little bit further.

As far as the section about classic vehicles—I did mention the catalytic converters. That is in section 6. The way the tests are done now, the inspections on classic vehicles, many of them have removed the catalytic converters, and there is no way to know that because the current inspection does not require looking for them. You will have a lot of these cars on the road that all of a sudden are going to be designated as classic vehicles. We have

already seen license plates with "classic vehicle" on all kinds of things that I would not consider classic vehicles.

Assemblyman Jones:

I want to thank you and your husband for putting the detailed exhibit together. I appreciate that.

Terri Weiss:

We only had two days to do that. I am sure we could have done more research. I also have some failed certificates here for a 2002 vehicle, showing why it failed, how much it is emitting, and how much it would continue to emit for the next two years if this were not fixed to pass the inspection.

Robert Tekniepe, Supervisor, Air Quality Planning Division, Department of Air Quality Management, Clark County:

I am Dr. Robert Tekniepe, and beside me is Al Leskys, Esq. who is also in the Clark County Department of Air Quality Management, where he is a senior air quality specialist. We are going to be providing you with a brief summary of the emissions, regulatory, and fiscal impacts of A.B. 146 on Clark County. I have submitted testimony on A.B. 146 ([Exhibit H](#)). You probably have that in front of you. I will not read everything since there is now a three-minute limit on testimony. What I would like to point out is that Clark County Air Quality protects the public health and welfare by designing, adopting, and implementing rules, programs, and policies to expeditiously meet the health- and welfare-based National Ambient Air Quality Standards of the criteria pollutants. What we do is we establish plans that protect the health of individuals in Clark County. What we know, based on numerous studies, is that emissions from on-road motor vehicles contribute approximately 30 percent to the precursor pollutants of ozone. That is quite significant here in southern Nevada. Reducing mobile source emissions is an important component of improving and maintaining air quality in the Las Vegas Valley. Assembly Bill 146 would increase emissions from on-road motor vehicles, jeopardize Clark County's efforts to maintain the current federal standards for ozone and carbon monoxide, and adversely affect efforts to attain more stringent ozone standards the EPA is expected to announce later in the year.

We have two state implementation plans (SIP) that contain the Vehicle Inspection/Maintenance (I/M) program as it is currently configured as control measures. One is the carbon monoxide SIP, although carbon monoxide has not been a problem for many years. The other is our ozone SIP maintenance plan. Currently we are in attainment because we have submitted a state implementation plan for the 1997 EPA standards of 80 parts per billion. That was submitted in June 2013. Currently, the standard for ozone, based on

the 2008 standard, is 75 parts per billion. The EPA is currently looking at reducing that standard to between 65 and 70. One might wonder how that will impact Las Vegas. Our design value in Las Vegas is 78. That means that officially we are not in attainment of the 2008 standard, and obviously will not be in attainment for any new lower proposed EPA standards later this year. The passage of A.B. 146 is going to make it quite problematic and challenging for Clark County in the sense of supplying additional emissions reduction programs—most of the fruit has already been picked off the tree. What kind of reduction programs might we be looking at? It is going to have a major impact on the economic engine of Las Vegas. It could mean that diesel construction equipment will not be able to run during the day because ozone generally is at its highest level during daylight hours.

Without going further into the emissions, there was one other question from one of the Committee members I want to answer before I turn it over to Al Leskys who will review the regulatory impact of this bill. The question was what is the specific failure rate of vehicles? Let us look at vehicles that are four years old or newer. Their failure rate is roughly 2 percent, which is not very high. This bill, though, does not segregate any vehicles as exempt from biennial testing. Vehicles from 1968-1986 have a 20 percent failure rate on the initial test. On the second test, after repairs have been made, their failure rate is 31 percent. Vehicles from 1995 and earlier—about 138,000 vehicles in the state—8 percent fail on their initial test. That is almost one in ten. When they come back for their re-inspections, 27 percent fail.

**Al Leskys, Senior Air Quality Specialist, Air Quality Planning Division,
Department of Air Quality Management, Clark County**

I am here to speak about the regulatory effect of A.B. 146 on Clark County. If passed, A.B. 146 would be in direct conflict with the federally approved and federally enforceable Nevada state implementation plan for Vehicle Inspection/Maintenance (I/M) programs and the Clark County ozone and carbon monoxide maintenance plans. Both Clark County maintenance plans were federally approved pursuant to the Clean Air Act and applicable regulations. Passage of A.B. 146 would place Clark County in an untenable position, potentially running afoul of federal law. [Read from prepared testimony ([Exhibit H](#)).]

Robert Tekniepe:

I will speak very briefly to the fiscal impact. I understand from Chair Wheeler that the certification fee would be doubled, from \$6 to \$12, on smog checks. The initial intent was to not fiscally impact our agency or the Washoe Health District, Nevada Division of Environmental Protection, Department of Agriculture, or Department of Motor Vehicles. We appreciate that; however,

there is a fiscal impact because this bill is intended to begin biennial inspections and new vehicle inspections on their fifth registrations beginning July 1, 2015.

If you look at table 1 ([Exhibit H](#)), this is the actual fiscal impact on Clark County just on the initial testing alone. Come July, the vehicles are being tested annually. From January through June 30 of this year, these vehicles are being tested. Beginning July 1, those vehicles that were intended to be tested this year will not have to be tested any longer. That is the reason for the fiscal impact on initial testing in 2015. Also, the way the money is allocated through the Pollution Control Account down to the two air districts—Washoe County's and ours—is based on the number of smog checks performed. We get a direct cut of \$1 off every vehicle. The other \$5 goes into a pot that funds four different state agencies and secondary agencies of the state. If the funds are cut, the state agencies funded directly through the legislative process and the budgeting will still need their money. What they will do is draw upon the excess reserve, which I have shown you in table 3. They will draw on money left in the account because they have costs they have to pay. Whatever is left in the excess reserve currently, as the statute is written, is distributed between the two air agencies.

Jeff Sallan, Owner, Emission Concepts, LLC, Reno, Nevada:

I own Emission Concepts, LLC and one smog shop. I have the unfortunate pleasure of also being a real estate agent. In 2007, I lost about 70 percent of my income, so I have a lot of experience with the decimation of an industry. Two years ago, I spoke to this topic. This is a complex issue, not as simple as the convenience of not having to go as often. It is a system of accountability that works. It is a great program. I have researched it from California to Nevada to Texas to many other states that run emissions programs. This program has received national awards. The people are really sharp that put this program together. There are some great people that do this work. What I am here to talk to you about is what will happen to my industry. The role of government is to protect all those people involved, not just the state and making sure it is funded, but the industry that supports that program that was created for the purpose of emission control.

I have two technicians. Keith came to me recently. His mother passed away so it took him a long time to get licensed. He lost all of his money. He has two children, and is a single dad. He took a flier on only working part-time for me and because of that, he is now working four days for another station owner. If this bill goes through, what happens to him? I cannot keep him working. I will be out of business. That is a real life story.

Thomas, my other technician, has been with me for five years. He financed his wife's Ph.D. working at my smog shop. There is a ripple effect that I hope you are getting a sense beyond just the emission control. I am here today to share with you how it is for me. I really enjoy the program. I like talking to people.

The convenience of registration is another service we provide for people who do not want to do that online. They do not trust the Internet, or they do not have the Internet. I am amazed every day how many people renew. We are almost like kiosks. There is such a level of convenience. There is a complexity to this that is federally mandated that I do not understand. I urge you to vote no on A.B. 146.

Darren K. Proulx, Owner, Green Tree Car Wash & Smog, Sparks, Nevada:

I recently opened an emission check station. I was appointed by this fine body to serve on the Advisory Council on Mortgage Investments and Mortgage Lending a few years ago. Today I am here on another topic. I have done the numbers. First year, \$721,000 out of the coffers of the state. Year two, double that, \$1.4 million. If you want to know how I calculated these numbers, I will be glad to tell you. The negative impact to the state in the first five years will be \$8.3 million. Approximately 56,000 cars failed. How many people register their vehicle when they get their smog test? I recently read that the DMV just went from 1200 to 1600 calls a day about services at the average DMV. Imagine every other year you no longer have the convenience of registering your vehicle at the emissions check. The idea that this is not a financial burden on the state is crazy. Six dollars this year and six dollars next year is more valuable than twelve dollars next year—time value of money. We cannot think that emissions stations that currently charge \$20—\$6 of that going to the state—are now going to switch to every other year and not increase the fee, although the state limits the fee. What is going to happen to them if they cannot increase the fee and the state does not increase that number? They will go out of business. How many people who live in Washoe County, domicile their vehicles in Washoe County, but claim Fernley or Lockwood? They are doing this to avoid a \$20 emission fee. When you add an extra layer of cost, bureaucracy, and burden these cheaters are going to increase. There are a lot of unintended consequences to this bill. I urge you to vote no.

Does anyone want to know how I came up with the numbers? First year, according to the National Auto Dealers of America, we use a figure of 120,000 new vehicles a year. The third year, they are not registered and that is \$721,000. Year four, they are not registered either, another \$721,000. You have a new year three vehicle that was not registered for another \$721,000. The first four years, I have \$2.8 million. There are about

two million vehicles registered in the state of Nevada. Assume the first 240,000 of them are new vehicles, so you take that to 1.8 million vehicles registered in the state of Nevada. Split that in half—assume half of them are registered one year, half the other. Now you have 900,000 vehicles being registered. You take \$6 times 900,000 vehicles and it is \$5.4 million gone. You will catch that next year, but the biggest failure in business is cash flow. So with that \$5.4 million to the state gone, plus the other \$2.8 million that you will never get, I think I have calculated that it costs the state \$1.4 million every year by passing this law.

Assemblyman Jones, you have fifteen vehicles. You are in business for yourself. I understand that. I am the father of six. Going to the dentist every year is difficult for me, but I go with six children. You have fifteen vehicles; you are going to have to get them smogged every year. That is all I ask.

Assemblyman Jones:

Since my name has come up twice, I also want you to know that I have three children. One is one year old and she is precious to me.

Wayne Holzworth, Owner, Northtowne Smog, Reno, Nevada:

Greetings. I am the owner and operator of Northtowne Smog in Reno, Nevada. I am here to state why I oppose this bill. Number one is that this bill is a job killer and not only is it a job killer, it is a business killer, too. [Read from prepared statement ([Exhibit I](#)).]

Rafael Arroyo-Montalvo, Owner, Smog Plus, LLC, Las Vegas, Nevada:

I am with Smog Plus, LLC. I own several stations here in town, including a 2G repair station. I had a lot of points that have already been covered. I would like to reiterate some of the most important ones. The price point will not change for the bigger businesses. Only the repair shops will be able to afford to keep smog testing at that price, putting the test-only stations out of business. You cannot compete with a repair station that is making \$1000 to \$2000 in gross revenue and just adding smogs on the side. You cannot compete with them when they keep the price at \$20 or \$25 and you have to raise yours to \$40. It will not make economic sense, and the businesses will shut down. That is guaranteed.

The job losses are obvious. The thing about the annual inspection that I think needs to be thought about is that it encourages vehicle maintenance on an annual basis, but not with biennial inspection. People will not do it until they have to. Why spend money on your car if it is running? A lot of people that come into my repair shop say, "My car runs great. Why did it fail smog?" "Well, sir, your numbers are about ten times the legal limit." They feel that

their car runs great. They do not know until it is tested. They do not maintain it or repair it until they are told to do so. Those are the gross polluters. That is what you are going to have out there on the streets not for 11 months or a year but for two years. As the people from Clark County stated, we are already above the limit for the EPA, and their limit is going to come down. How do you expect to comply with EPA? The older cars are what pollute the most, but even the newer cars, if people do not fix them, are still going to be 1.5 or 2 times the EPA limit when the check engine light comes on. That is why it comes on. I would advise everyone to really think about their decision when they vote for this bill.

Vice Chair Dickman:

Is there anyone else in Las Vegas who wants to testify in opposition? [There was no one.] Let us move back up here. If you are just going to repeat what someone else said, could you just say, "Ditto?"

Charlene Albee, Director, Air Quality Management Division, Washoe County Health District:

I am the director of the Washoe County Health District, Air Quality Management Division. I will apologize up front if some of this does seem redundant, but I believe that it is important to get it on the record. The Washoe County Health District is opposed to A.B. 146 due to concerns related to the increased emissions impact on Washoe County's air quality, and changes the bill makes to statutes and required implementing regulations that are part of federally approved and enforceable state implementation plans, referred to as SIPs. [Read from prepared statement ([Exhibit J](#)).]

Andrew Zaninovich, representing Nevada Conservation League:

Simply put, we share the same concerns that the air quality professionals have shared with you. We believe our air quality agencies are chartered with keeping our air clean and would defer to their expertise for any regulation changes. Our main concern is the quality of air, especially in non-attainment areas.

Vice Chair Dickman:

Is there anyone else who would like to testify? [There was no one.] Do we have anyone who would like to testify from the neutral position?

Ivie Hatt, Program Officer, Emissions Control Program, Division of Compliance Enforcement, Department of Motor Vehicles:

The Department of Motor Vehicles is neutral on Assembly Bill 146; however, we want to put it on the record that there will be a fiscal impact. We are still calculating what that impact is going to be.

Vice Chair Dickman:

Is there anyone else? [There was no one.] Seeing no others who wish to testify, Assemblyman Wheeler, would you like to make a final statement. [He declined.] I will close the hearing on Assembly Bill 146.

[Assemblyman Wheeler reassumed the Chair.]

Chair Wheeler:

I will open the floor for public comment.

Rich Dunn, Private Citizen, Carson City, Nevada:

I guess I should have been here last Thursday to make a comment about Assembly Bill 131, the Department of Motor Vehicles doing registration for Selective Service. I think somebody needs to speak up for limiting government to things that have a compelling public interest. I do not see that we have that compelling public interest. Certainly, the experience of Texas with doubling the rate of their compliance with Selective Service makes it sound like a really good shortcut, but we could do it other ways without being intrusive upon people's liberty. I do not know why anybody would not want to register. I am a strong believer in the all-volunteer force and I am retired military so I saw it work, and I saw it before when we had conscription. I was also there after we eliminated conscription. I can tell you that it is a much more professional force without conscription. Conscription is very corrosive and an insult to the honor of serving in the United States military. Our problem right now is not a lack of personnel, it is that we have too many people for this highly technological force. We are trying to solve a problem that we might have had in World War I when we brought in conscription. I think we just need to get rid of conscription, make more use of people like myself—if you are retired, you are in the retired reserves. If they needed me, I would be very happy to go anywhere, to fill any position and draw on my experience and expertise. I do not think that relying on warm bodies between the ages of 18 and 26 is the right approach to padding our manpower. [The witness submitted prepared text that included additional testimony ([Exhibit K](#)).]

Chair Wheeler:

Is there any more public comment, either here or in Las Vegas? [There was none.] Seeing none, we will close today's meeting.

[The meeting adjourned at 4:50 p.m.]

RESPECTFULLY SUBMITTED:

Joan Waldock
Committee Secretary

APPROVED BY:

Assemblyman Jim Wheeler, Chair

DATE: _____

EXHIBITS

Committee Name: Committee on Transportation

Date: February 24, 2015

Time of Meeting: 3:22 p.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
A.B. 101	C	Michelle Van Geel, Committee Policy Analyst	Work session document and Amendment
A.B. 131	D	Michelle Van Geel	Work session document and Amendment
A.B. 131	E	DMV	Selective Service Amendment
A.B. 146	F	Lou Gardella, Nevada Emission Testers Council	Report
A.B. 146	G	Steven and Terri Weiss, Smog Hut Inc.	Letter of opposition
A.B. 146	H	Robert Tekniepe, Clark County Department of Air Quality Management	Testimony in opposition
A.B. 146	I	Wayne Holzworth	Testimony in opposition
A.B. 146	J	Charlene Albee, Washoe County Health District, Air Quality Management Division	Testimony in opposition
A.B. 131	K	Rich Dunn, Private Citizen	Letter of opposition