

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

**Seventy-Eighth Session
March 17, 2015**

The Committee on Transportation was called to order by Chair Jim Wheeler at 3:18 p.m. on Tuesday, March 17, 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:

Assemblywoman Dina Neal, Assembly District No. 7
Assemblywoman Irene Bustamante Adams, Assembly District No. 42

STAFF MEMBERS PRESENT:

Michelle L. Van Geel, Committee Policy Analyst
Joan Waldock, Committee Secretary
Trinity Thom, Committee Assistant

OTHERS PRESENT:

Andrew J. MacKay, Chair, Nevada Transportation Authority, Department
of Business and Industry
Kimberly Maxson-Rushton, Executive Director and General Counsel,
Livery Operators Association of Las Vegas
Paul J. Enos, Chief Executive Officer, Nevada Trucking Association
A. R. Fairman, Private Citizen, Carson City, Nevada
Kerrie Kramer, representing Nevada Bus and Limousine Association
Lou Castro, President, Earthlimos and Buses, Las Vegas, Nevada; and
President, Nevada Bus and Limousine Association
Tony Clark, Owner, 24/7 Limousines, Las Vegas, Nevada; and Vice
President, Nevada Bus and Limousine Association

Chair Wheeler:

[Committee protocol and rules were explained. Roll was called.]

Today's meeting may be abbreviated, depending on the call of
Assembly Speaker John Hambrick. Assemblywoman Neal is here, so we will
change the order of the meeting and hear Assembly Bill 237 first.

Assembly Bill 237: Revises provisions governing motor vehicle registration.
(BDR 43-396)

Assemblywoman Dina Neal, Assembly District No. 7:

I am bringing this bill for a constituent in my district. He called me about a year
ago, informing me that the Department of Motor Vehicles (DMV) does not allow
registration of vintage Model T vehicles without dismantling the car. He is sure
there has to be an alternative method. We contacted DMV to find a way he
could register his Model T without dismantling it. They said there was not, but
they would try to work with him. He was not satisfied with their answer.

I need to make one correction in the bill—page 2, line 6, says "1942." It should be amended to say "1949."

Section 1 lays out that upon request any motor vehicle or trailer that is assigned a distinguishing number as authorized in this section shall be registered under such distinguishing number. This gives the DMV the authority to assign an alternative number if the vehicle identification number (VIN) is inaccessible or unreadable without dismantling the car. That was our goal. It has the effective date of "upon passage and approval for the purpose of adopting regulations and performing any other preparatory administrative tasks necessary to carry out the provisions of this act; and on January 1, 2016, for all other purposes."

The bill is pretty simple. I checked to see what other states do. Utah, California, Washington, Oregon, and Arizona assign alternative numbers to vintage vehicles. This bill adds the vintage vehicle under the current alternative number rule. Nevada DMV gives alternative numbers, just not for vintage vehicles.

Assemblyman Jones:

Why does the car have to have been made before 1949? What if someone has a 1955 Chevrolet or a 1965 Mustang that was modified, with the VIN destroyed?

Assemblywoman Neal:

I picked the year based on what my constituent requested. I do not know the difference between "vintage" and "classic." We have both designations. I do not know what the benchmark year is for vintage. Maybe DMV could answer that for us. At the pleasure of this Committee, after we find out what the legal definition is for classic and vintage, we can adjust the year.

Assemblyman Jones:

Is there anyone here from DMV who can clarify that?

Chair Wheeler:

I do not see anyone.

Assemblyman Sprinkle:

What happens with a current vehicle that has its VIN destroyed? Is a new one assigned?

Assemblywoman Neal:

Do you mean for a vintage vehicle?

Assemblyman Sprinkle:

No, for any vehicle—a 2014 Honda, for example.

Assemblywoman Neal:

My understanding is that DMV currently assigns alternative numbers for other cars, but not for vintage cars. They said the reason they did not do this for vintage cars is because of fraud. They want to prevent someone from going to DMV and trying to register a car that does not belong to them. We tried to research how many fraud cases there were for vintage vehicles, but DMV does not keep records of that. They said the police department does, so we went to the police department. The police said vintage cars are in the category of "other," which is not a large enough number of vehicles for them to give us information on fraud cases that would explain why this policy may be in place or why we could not change it. In this bill, I want to include vintage cars within existing policy for issuing alternative numbers.

Assemblyman O'Neill:

I used to work auto theft with a major city police department. The VINs are in multiple places—some of which are confidential. This way, even if one VIN is destroyed, there are other places to find it. I think it was in the 1940s or the early 1950s when VINs, or what they called "motor numbers," began being placed in different locations on a vehicle. Could we ask Legal to research to determine when VINs first came out?

Chair Wheeler:

That started in 1941.

Michelle L. Van Geel, Committee Policy Analyst:

I just received a message from Melissa Mundy, Legal Counsel. She indicated that she believes Legal drafted it with the 1942 date because the definition of the vintage plates in *Nevada Revised Statutes* (NRS) 482.3818 is not later than 1942. We can look into that further to verify.

Assemblywoman Neal:

There was not a lot of time to review this as it was just published yesterday. I wanted to be sure I was covering my constituent. He was talking about early Fords—Model T, Model A, Model B—where the VIN was actually stamped on the frame. In order for him to get his car inspected, he had to dismantle it to expose the number on the frame.

Assemblyman Flores:

The owner would take the vintage vehicle to DMV. The DMV runs an inspection. After the inspection, they affix a VIN plate on the vehicle. Is that how this would work?

Assemblywoman Neal:

My understanding is, the owner would present an affidavit stating that in order to register the car, he would have to substantially dismantle it. As a result, he is requesting an alternative number so that he would not have to do that. He would go through the process of proving that the car belongs to him, and then would submit a request to be issued an alternative VIN so that he can register the car.

Assemblyman Flores:

Will the DMV determine if the vehicle is vintage and assign a number based on an affidavit?

Assemblywoman Neal:

We need to have the legal question answered regarding what the vintage classification is. You would come into DMV with proof that you have a Model T Ford. You would fill out the affidavit to register your car so that you can legally have it in your driveway. The DMV would approve that based on the legal information in the affidavit.

Chair Wheeler:

To clarify, 1929 was the last year of the Model T. Ford then began manufacturing the Model A.

I am trying to understand the reason for the bill. I understand you brought it at a constituent's request. Is there a huge problem with these vintage cars? If so, they are very easy to disassemble if you had to get to a frame or to a motor plate. It could be as simple as removing a manifold.

Assemblywoman Neal:

I have about 250 residents in my district who really like this bill and want to see it passed. The constituent who called me last year was representing them. They are irked that they have to dismantle their cars. They are collectors, each having more than one vintage car. They asked for my help in alleviating this issue. My constituent is in his fifties. Maybe bending down on the ground and dismantling a car is not something he wants to do, although he might have liked it when he was 25.

Chair Wheeler:

Are there any further questions?

Assemblyman Carrillo:

Classic and vintage vehicles are stolen. Would the DMV require the owner of a vehicle with an alternative number to eliminate all of the original markings? We know that the new number plate can be removed. If a vehicle with an alternative number were stolen and the new number plate removed, could the thief show DMV the old VIN and register the car as his?

Assemblywoman Neal:

If you look at section 1, subsection 4, you will see that existing law allows that when you get the new number, "it shall be permanently stamped or attached to the vehicle." It specifies that cases of false attachment or willful removal, defacement, or obliteration with intent to defraud constitute a gross misdemeanor. In your scenario, someone steals the car and chisels the new number off. The owner in this case would contact the police and report the theft of the VIN and the car. It would become a police matter. The bill allows that once you receive this alternative number, it is permanently stamped onto the car.

Assemblyman Carrillo:

The bill says it could be stamped or attached to the vehicle. The owner could get a tool that allows him to stamp the new number into the frame where it is visible for DMV. Vehicles like this do not sit in driveways. They are covered up, sitting in garages or in parked trailers. Someone can steal the trailer and find the vintage vehicle inside. Can we add language that would say that existing VINs would be eradicated altogether?

Chair Wheeler:

I think we need someone from DMV to answer these questions. Ms. Neal, if you could arrange to have someone from DMV to provide testimony, I will suspend the hearing on this bill, and we will bring it back in a week or so.

Assemblywoman Neal:

That is fine. For Assemblyman Carrillo, if he would reference NRS 482.553, subsection 3, it says that the Department is going to assign those serial numbers. I think that deals with the issue.

Chair Wheeler:

We have several questions that only DMV can answer, so I will suspend the hearing and reschedule it.

We will open the hearing on Assembly Bill 181.

Assembly Bill 181: Revises provisions governing motor carriers. (BDR 58-268)

Assemblywoman Irene Bustamante Adams, Assembly District No. 42:

I have mentioned in other Committee hearings that I served as chair of the 2013-2014 Interim Sunset Subcommittee of the Legislative Commission. One of the entities we reviewed over that interim was the Nevada Transportation Authority (NTA). During the review, the NTA testified to the number of vehicles put into service each year by licensed transportation carriers and the corresponding obligations of the state to verify the safety and insurance requirements of all commercial vehicles operating in Nevada. To me, it was astounding to hear that frequently during peak events—the Electric Daisy Carnival, NASCAR, and the International Consumer Electronics Show in southern Nevada—limousine and bus carriers will seek to add as many as 400 vehicles to their fleets in order to ensure that visitors and tourists have safe and reliable transportation alternatives when visiting these events. What does that mean? These existing Nevada businesses know they need to move people to the sites. They will bring motor carriers in from nearby states in order to have the capacity to handle transporting attendees.

In addition, the ability of a carrier to have vehicles available in advance for the NTA inspection is often cost prohibitive; therefore, the temporary vehicles are not inspected until the day before or the day of the event, leading to significant budget and time constraints on the NTA and its staff. For example, if you are an existing Nevada business and you need to bring in vehicles to support your fleet, you may have to pay \$1,000 per day for each additional carrier. You would not want to bring those vehicles in early. If you bring the vehicles in on the day of the event, the NTA still has a responsibility under the law to inspect each vehicle. Right now we do not charge for that vehicle inspection. That is the problem we are trying to solve with this bill. Recognizing the cost to the state, I checked with the industry to learn more about this issue and whether there is a need for additional funding for the NTA. I also sought confirmation from the industry leaders that the financial impact of creating or increasing fees would not be so significant as to cause them financial hardship. As you will hear today, several industry members want additional enforcement present in both areas of the state and are willing to pay for it.

At this time, I would like to provide an overview of each section of the bill. Section 1 seeks to impose a fee of \$200 per vehicle on all fully regulated carriers except tow cars, taxis operating in counties of less than 700,000 in population, and limousine carriers. Please note that this is not an exemption for limousine carriers; however, because limousine carriers are currently required to pay an annual per vehicle fee, the \$200 fee is set forth in section 5 of this bill. Additionally, the fee is prorated depending on when the vehicle is put into service. For example, the annual fee is due by July 1 of each year; however, if a vehicle is not put into service until January, the fee would be reduced by one-twelfth for every month of the year it was not operated. Lastly, similar to the language in existing law, if a carrier fails to pay the annual fee, it shall be subject to a penalty of 10 percent of the amount owed. Section 2 inserts the phrase "and in section 1 of this act," and is otherwise inconspicuous.

Section 3 increases the application fee from \$200 to \$500. The fee that exists has not been raised since 1997. Unlike other state agencies, the NTA does not charge for applicant investigations, thus the cost is a onetime filing fee. Section 4 pertains to the NTA's limited oversight of charter bus companies, specifically a state's regulatory oversight of a charter bus is limited to safety and insurance. The bill authorizes the NTA to impose a \$35 fee for conducting safety inspections prior to a bus being put into service.

Section 5 increases the annual per vehicle fee currently paid by limousine operators from \$100 to \$200. This fee has not been raised since it was established in 2001. Section 6 inserts "and section 1 of this act" into applicable status under NRS Chapter 706. Section 7 mandates that the NTA establish procedures for inspecting charter buses currently in service prior to December 31, 2015. Section 8 sets the effective date of the bill as July 15, 2015. As most of you know, I am a big proponent of businesses in Nevada and ensuring that our economy thrives. This is a huge issue that needs to be corrected, especially in southern Nevada. I sought out the NTA to help with this issue because these events are going to continue to grow as we add venues. I think this would be the best way to address it. I have the chairman of the NTA, Andrew MacKay, here to answer any technical questions.

Chair Wheeler:

Are there any questions from the Committee?

Assemblyman Jones:

Is there a big problem with buses breaking down and causing accidents?
Are we trying to solve a problem that does not exist?

Andrew J. MacKay, Chair, Nevada Transportation Authority, Department of Business and Industry:

The answer with respect to vehicles breaking down and getting into accidents is no. The reason is that carriers that utilize motor coaches from out of state to supplement their fleet to deal with the excess demand are utilizing vehicles that have been subject to all the federal safety requirements—specifically comprehensive annual vehicle inspection and daily vehicle inspections. What this bill would do with respect to the inspection of the motor coaches is allow us to get more personnel, more boots on the ground, because of the fact that so many vehicles come in during a short period of time, particularly in the Las Vegas area. The Electric Daisy Carnival, for example—due to the NTA's limited personnel and overtime budget, the Authority's chief of enforcement practically lived at a central location where the vehicles were coming into town, being inspected, then going out to do the transportation. The reason he donated his time, so to speak, is that as the Assemblywoman noted, to lease a motor coach oftentimes costs in excess of \$1,000 a day. If you are the preferred transportation provider for the Electric Daisy Carnival and you bring in 400 motor coaches from around the country, if you can shave a dollar off those leasing costs, you are going to save \$400,000 right off the bat. Those are bottom line dollars. Hopefully that answered your question.

Assemblyman Jones:

If there is not a problem, what are we trying to fix? There have not been wrecks or excessive breakdowns; what are we accomplishing other than more government?

Andrew MacKay:

The pipe is only so big. What the NTA does not want to do is tell a carrier that has a line of business that they cannot do that because we do not have the ability to inspect their vehicles. Or, tell them to bring the vehicles in an extra day or two early, costing the regulated carriers thousands and thousands of dollars. There is an amendment ([Exhibit C](#)) regarding revenue that will be raised. The revenue figures I am going to speak to assume that the amendment is in place. The NTA has a limited enforcement staff. We do not have the ability to have a swing shift in Las Vegas to focus on illegal motor carriers. We have an approximately \$10,000 overtime budget statewide in order to focus on special events. When we do swing shift, obviously we accrue overtime. This revenue will generate the ability for the NTA to have a full-blown swing shift in Las Vegas. That enhances the NTA's ability to focus on illegal motor carriers that come into Nevada and try to poach rides. Illegal motor carriers oftentimes have little or no level of insurance. Their vehicles are unsafe. Drivers can have wants or warrants. Revenue generated by this bill will allow the Authority to bring back our enforcement levels to the ones we had in 2007,

giving us an enhanced ability to target illegal motor carriers. I think that is important to have on the record.

Assemblywoman Bustamante Adams:

Here is the problem: We have the increase in outdoor concerts in southern Nevada. A business owner has 12 vehicles to get people out to the event, but instead of 12 vehicles, he needs to use 100. Where will they come from? They will come from out of state. They still need to be inspected by the NTA. How does the NTA do that if multiple business owners have the same need for inspections? The increase could be 400 added to a fleet per venue, per event. That is the problem we are trying to solve.

Assemblyman Jones:

I understand the concept of increased volume. The Electric Daisy Carnival has been going on for a while. My question is, why create another bureaucracy around it with more fees? You could do random inspections to alleviate the issue so that it is not free range. There are other ways to accomplish this. Why do we have to grow government when there is not a problem? Motor carriers from out of state are not running off the roads and injuring people, they are not breaking down on the streets, so why do we think we need to create more government?

Andrew MacKay:

I cannot emphasize enough the reason that has not happened is that those vehicles are inspected. Time and time again vehicles are brought from out of state, and the NTA staff looks at them and finds they are not roadworthy. We find out the vehicle has never been subject to a comprehensive federal annual vehicle inspection, or that it is not properly insured. This is to ensure that nothing happens. It is a statement of fact—there have been countless vehicles that businesses attempt to bring in that a certificated carrier is going to utilize that do not meet the requisite standards. The reason you have not seen these accidents is that these are safe vehicles; we are verifying that they are safe, that they are properly insured, and that their drivers are being properly drug tested.

Assemblywoman Spiegel:

My first question relates to the fee you are looking to increase from \$200 to \$500. You said it had not been raised since 1997. How did you arrive at the \$500 amount as being proper? I put the \$200 into an inflation calculator. In 1997 dollars, that amount would now be \$291.22. Going from a current dollar equivalent of \$300 to \$500 seems like a big jump. Would you explain why you would not increase the fee to \$300, then tie it to the consumer price index?

Assemblywoman Bustamante Adams:

I have Kimberly Maxson-Rushton from the industry who provided the rate and the calculations. She can answer the question for you on how they drafted that.

Kimberly Maxson-Rushton, Executive Director and General Counsel, Livery Operators Association of Las Vegas:

The Livery Operators Association of Las Vegas comprises 20 fully regulated common motor carriers who operate specifically in and around Clark County. Collectively they perform services such as taxicab and limousine services, scenic tour operators, airport transfer, and shuttle and charter bus operators. In specific response to your question, the number was derived based on a cursory review of other application and filing fees charged by the State of Nevada. It was done in recognition of the fact that that fee had not been increased since the creation of the former Transportation Services Authority, now the Nevada Transportation Authority. Also, because of the fact that we did this not only in conjunction with the Livery Operators Association, but we reached out to other members of the industry to determine whether or not that filing fee would be cost prohibitive in the event that they sought to expand their authority or to add a new authority. There was not opposition to the proposed increase.

Assemblywoman Spiegel:

Does the new section of the amendment to be added cover if there are three people who want to create a moving company? When they get customers, they rent a truck from U-Haul that they would use for the move. Would that then be covered by the NTA?

Assemblywoman Bustamante Adams:

We had incorporated them into this bill, but the amendment temporarily removes them so that we can address that next session. We did not want to complicate the bill.

Andrew MacKay:

First off, there is the carve-out of the household goods movers. The proposed amendment to NRS 706.137 is to address a growing concern about packers and loaders that are providing and facilitating the transportation of household goods, nibbling at the edges, so to speak. This will not affect legitimate packers and loaders. Household goods movers have seen significant erosion of their business due to the fact that packers and loaders are facilitating providing transportation services by and through their own trucks or rental trucks. There is only so much enforcement action that can be done based upon a probable

cause. Depending on how they advertise, there is no probable cause to take action against them. This amendment is to prevent them from doing that.

Chair Wheeler:

Are there any further questions? [There were none.] We will take testimony in favor of Assembly Bill 181.

Paul J. Enos, Chief Executive Officer, Nevada Trucking Association:

I am here today to support A.B. 181. We do believe that this would help with the safety of buses. We appreciate this bill. To answer Assemblyman Jones's question, there have been a number of bus accidents, especially in southern Nevada around the Hoover Dam going into the Grand Canyon. Every time one of those accidents happens, I get a call from the Federal Motor Carrier Safety Administration (FMCSA) Division Administrator Bill Bensmiller who says, "Can we reach out to the bus companies and talk to them about safety? Can we go and talk to them about what the FMCSA is doing?" In 2013 we held a symposium with the FMCSA, and the NTA was involved as well. We talked about the safety of buses. It is an issue. When it is an issue and there are accidents, it does make the headlines. We saw one in October 2012, another one in January 2009. There have been a couple and they have been high-profile. We appreciate the part of this bill that makes it easier for the NTA to go and investigate those guys to make sure that we have buses that are operating safely on Nevada roads, especially with our tourists.

I think when this bill was initially proposed, it was not contemplated that it would hit household goods movers. They are a fully regulated carrier under the Nevada Transportation Authority, so we do have an exemption in it there. What I would like to do, what Mr. MacKay and I and the sponsor of the bill have talked about, is working together in the interim on a program that allows us to address some of the issues that household goods movers have with the illegal carriers. I have about 25 household goods movers in my association. I have only been able to talk to about half a dozen of them about this bill. I heard from one of them that the bill as-is would cost him another \$8,000—to have the NTA go and inspect 40 of his power units at \$200 apiece. He says, "Look, I am in favor of enforcement, I want to see more enforcement, but I want to know what the plan is. I want to know what this enforcement is going to pay for. Are we going to be going after the illegal carriers?" Some of the folks from Mr. MacKay's agency will sit and look at phone books and write citations to household goods movers for not having a certificate of public conveyance and necessity (CPCN) number in a telephone book ad. That is the kind of enforcement they would like to have the NTA not do. They would like to have the NTA focus on going after those illegal carriers where their business is eroding. I think we can work in the interim with the

Nevada Transportation Authority on something that will provide the agency with more resources to go after illegal operators and give our industry some comfort that that is where they are going to be focusing, not going after some of the tacky-tacky phone book ads and those kinds of violations.

Chair Wheeler:

Following up on your statement, I have a question for Mr. MacKay. This is obviously going to raise quite a bit of money for you, funding an entirely new shift. Since the buses and limos are paying for this, is the enforcement strictly going to be going toward them, or are you going to be using those funds to regulate taxicabs, trucking, and look in phone books? Are these funds specific?

Andrew MacKay:

They are not specific. This needs to be put on the record. The focus of, arguendo, the money that would be generated would be enough to hire three compliance-enforcement investigators. It would provide a swing shift presence that will be focused, not entirely, on targeting illegal carriers, specifically illegal passenger motor carriers. Presently our enforcement staff is targeting those carriers and illegal household goods movers. It will give us the ability to enhance our presence to target illegal household goods movers.

As Mr. Enos indicated, there have been citations. There is a law in place that any advertisement must have a carrier's certificate of public conveyance and necessity number. I directed staff and told them that if they see an ad without that number, call them. Let them know by giving them a written warning to correct it. If it is something that occurs over and over, then we would take enforcement action. Something as simple as not having a CPCN on an advertisement should not necessitate issuance of a citation. I agree with Mr. Enos's operators. When I was informed of that, I directed our chief of enforcement to call violators, and, if need be, give them written warnings.

Assemblyman Jones:

Mr. Enos, in the accidents you mentioned, were the vehicles registered properly and previously inspected, or were they illegal operators?

Paul J. Enos:

I do believe that those carriers—the one in 2009 in particular—were legal carriers. It happens. Is it vehicle maintenance? Usually, when there is an accident, it is not necessarily a problem with the vehicle, it is driver-related. I do not know if that is something the NTA or the Nevada Highway Patrol can get at with vehicle inspections. Do you still want to make sure that those vehicles are roadworthy? Do their tires have enough tread on them? Do their

brakes work? Do all the components of the vehicle that are supposed to operate do so safely? Absolutely.

Assemblywoman Kirkpatrick:

We have seen in the past that any time we invest dollars into investigation, after about one biennium, the problem goes away. People now know what the standards are and comply. I think I am hearing from the Committee that this is a lot of money you are going to have for a long time, which is going to encourage you to go out and target folks. I do not believe that is the intent of this bill. I think you want to educate people regarding the rules of our state.

Could we put a sunset on this for now, to see if it does make a difference? We have seen this in mental health, in group homes, and in different agencies where we attempt to fix the growing problem. There are six more outdoor venues coming next year in Las Vegas alone. With the current traffic system we have, I do not know how we will be able to transport all those people. For instance, NASCAR had hundreds of buses on a three-day rotating schedule with two to three different shifts. If you wanted to shop around within our state for someone to carry a busload of Girl Scouts up to Carson City, there would not be a carrier available. We want to encourage others to participate in our state, but we also want them to follow the rules. If we could set the standards—reestablishing them with many folks since the number has grown over time—a sunset may address that, allowing for the legislature to come back in two years, readdress it, see what we have done. The other piece, during the interim, may solve some of the Committee's concerns. Would you be amenable to that?

Andrew MacKay:

I would defer to Assemblywoman Bustamante Adams.

Assemblywoman Bustamante Adams:

Yes. I think that would be a good way to monitor it and make sure we are meeting the need we set out to address.

Chair Wheeler:

What is the total estimated revenue you will have over the biennium?

Andrew MacKay:

The projected revenue on an annual basis is \$336,000.

Chair Wheeler:

Are there any further questions?

Assemblyman O'Neill:

If you are planning to hire additional personnel with the new revenue, as we increase enforcement, the revenue should be decreasing. So who is going to be paying for the personnel? Will you be going to the General Fund? Do you think the number of inspections will remain the same?

Andrew MacKay:

I disagree with that.

Assemblyman O'Neill:

I am just asking. It is not a disagreement.

Andrew MacKay:

I do not believe that you will see a reduction in revenue because of the number of vehicles. Now, of course, if there is a significant downturn in the economy and there are fewer vehicles on the road, there would be a reduction. I will speak specifically about charter limousines. Their fees would make up slightly more than 50 percent of the projected revenue that this fee increase will raise. Those vehicles will still be on the road.

Assemblyman O'Neill:

I wanted to make sure that you would not be looking to the General Fund if your revenue decreases and you need to support the added personnel.

Andrew MacKay:

I can assure the Committee that we will not look for supplemental appropriations if revenues fall. If you look at the overall NTA budget during the time of the downturn in the economy, we got lean and mean, never requesting a supplemental appropriation from the State Highway Fund.

Chair Wheeler:

Are there any further questions? [There were none.] Is there any testimony in favor of A.B. 181?

Kimberly Maxson-Rushton:

The Livery Operators Association comprises approximately 20 fully regulated carriers that operate approximately 922 fully regulated vehicles in southern Nevada. Based on that, I would respectfully submit that this would be a significant cost to the industry, which we are more than willing to bear in support of the NTA and to increase its enforcements. In direct response to Assemblyman O'Neill's question, I would note that the fee as proposed is an annual per vehicle fee; therefore, the revenue stream that it creates would be sustaining, unless there were a significant drop in the number of vehicles

operated in commercial transportation services throughout the state. Based on the number of vehicles currently in operation, and recognizing also the fact that the NTA regularly entertains applications for new and expanded authority, the likelihood of that revenue stream decreasing and being unable to support the enforcement staff would be less than likely. The reason I think it is important to advocate in support of this bill is the fact that this is the industry that will be paying these fees with no objection to them. The reason why is that at critical times, especially in Las Vegas—weekends, weekend nights, and during peak events—you see a plethora of illegal operators operating in southern Nevada. That is unsafe. Yet there is a lapse with respect to enforcement authority based on the fact that they do not currently have the resources to have shift differentials. Based on that, we believe that the resources that will be generated from A.B. 181 will supplement the NTA's revenue so that they can afford to have additional enforcement staffing to cover those shift differentials, so as to ensure that when illegal operators are operating in Las Vegas, they are not a threat to the safety of the traveling public. Based on that, I am willing to answer any questions that the members may have.

Chair Wheeler:

Does anyone have any questions? [There were none.] Is there any opposition to A.B. 181 in Carson City?

A. R. Fairman, Private Citizen, Carson City, Nevada:

I am in opposition to this bill. If we have so many carriers in the bus industry in Nevada, we should have plenty of equipment to do these jobs. The federal government already does inspections on these vehicles coming in from out of state if they hold a United States Department of Transportation (USDOT) number. This bill would generate revenue for the NTA only and not do anything to improve safety. The Nevada Highway Patrol does safety inspections on these vehicles from throughout the United States in addition to what the federal government does.

Chair Wheeler:

Are there any questions for Mr. Fairman? Seeing none, are there any other people in opposition in Carson City? [There were none.] It looks as if we filled the table in Las Vegas.

Kerrie Kramer, representing Nevada Bus and Limousine Association:

I am here on behalf of the Nevada Bus and Limousine Association (NBLA). I have with me two members of the NBLA—Lou Castro, its president, and Tony Clark, its vice president. They will be speaking on behalf of their organization in opposition to the bill as worded in certain parts and sections, but in full support of the NTA.

Lou Castro, President, Earthlimos and Buses, Las Vegas, Nevada; and President, Nevada Bus and Limousine Association:

I am president of the NBLA. We comprise 20 or so smaller limousine and bus carriers solely based in Las Vegas. We are in support of sections of the bill that support the NTA in trying to add additional staff especially after hours when we are seeing a lot of our problems in our industry—particularly during events like Electric Daisy Carnival, where you see a vast number of people coming across with rented vehicles, and you see illegal bus operators. We do not have the coverage where it is needed. It is important that before we have a massive disaster that makes headlines nationwide, we are sure to get coverage there. We oppose the bill where it hits just a certain segment of the industry—the limousine operators. For me, as a limo operator and a bus carrier, it does not seem like a level playing field. If you are going to be using some of the resources the NTA has to offer, you should pay an annual fee. That would seem fair to me.

Chair Wheeler:

Are there any questions for Mr. Castro?

Assemblywoman Kirkpatrick:

Where in the bill does the piece you discussed fall? Is it the dollar amount of the fee you are opposed to, or is it the annual fee? I want to be clear because we need to protect Nevada businesses first. We also need to make sure there is an enforcement mechanism in place for the bad actors. It would only take one incident with our tourists to make nationwide news. What language in particular would you change? I see that you submitted a letter ([Exhibit D](#)) that you conceptually agree with the bill, but want to spread out the fees. Where would we add your changes to the bill?

Lou Castro:

The biggest concern for limousine operators is the doubling of the fee from \$100 to \$200; meanwhile, you do not have any fees being applied to movers, and there is no fee increase for tow truck operators. We are definitely not opposed to there being an annual fee for bus carriers. They utilize some of the services, so it is within reason to charge an annual fee there.

Chair Wheeler:

Are there any further questions? [There were none.]

Tony Clark, Owner, 24/7 Limousines, Las Vegas, Nevada; and Vice President, Nevada Bus and Limousine Association:

I am vice president of the NBLA and owner and operator of 24/7 Limousines. I would like to address some of the issues we see in regard to the fees and the

annual fees. We believe it is necessary for the NTA to raise more funds, which is what this bill is really about—to raise more funds to put more officers on the road. Chairman MacKay has stated that the funds will be used to put more officers on at night, easing up on the day officers so they will be able to participate more with all the other fully regulated carriers that are operating under their authority. While we are in support of the NTA and want to see them with funds, we would like to see the fees spread out across all the fully regulated carriers more evenly.

We believe a \$35 fee for a one-time inspection for the special events buses is reasonable for safety standards, because they are putting in more energy and effort at those peak times and need the manpower to facilitate that. Every fully regulated vehicle is inspected annually when they receive their stickers from the NTA. Tow trucks, buses, limos, moving vans, and special service vehicles are inspected. It would be as if the bus association came in and said, "Well, we want to have those services provided, but we do not want to pay any fees." We are not saying that. We represent over 20 small carriers. I have a small limousine business that I started 14 years ago with two vehicles. I now have about 40 that would be affected by these fees. My fees personally might go up \$4,000 or \$5,000 a year. Meanwhile, other entities within the fully regulated system would not go up at all.

I know that Mr. Enos has spoken to about half of his members, and they were not interested in having the fees raised because they did not know where the fees were going. I would agree that our NBLA members are in the same position. We need the money from the fees to go toward the coverage of extra enforcement at night to help get rid of the illegal transportation people, illegal carriers, and the drivers we turn down because they cannot pass a drug test. They are out there at night driving illegally. There is no enforcement coverage out there right now, except for at a special event—when it is broadcast around the town after four or five get busted. We, therefore, believe that the coverage and enforcement is necessary. This is more of a revenue than a safety issue. All these things are coming in to raise more fees and funds. The \$336,000 that the NTA needs, we believe they need. It is a necessity. We would just like to propose more even regulation of who pays those fees. If you look at the limos—you are taking the \$100 they have been supporting most NTA activities with and doubling it to \$200. You are taking bus fees on fully regulated carriers from \$0 to \$200. You are leaving tow trucks at \$36 for their inspection to get their certification. They have been at that same fee for 15 or 20 years. With this amendment, you are looking at household goods moving vans paying \$0. If you ever sit in one of the NTA meetings, you will find that just as much time is spent with all five or six different areas of the fully regulated carriers—not just limo, not just buses. It is spread across all of them. If I had to guess,

towing is probably the one that takes the most time, and then some moving vans. The issue is that we want to see money being raised in a fair and balanced way if we are going to raise revenue. We want to see it utilized to protect all of the NTA's fully regulated carriers. Our suggestion is not necessarily to kill the bill, but to rewrite it to be more fair and balanced.

Assemblywoman Kirkpatrick:

I appreciate all of your thoughts. This session, we have talked about everybody having some skin in the game. What if there were something so that the fines for the bad actors were much worse? Would that provide balance? You would have the fees so that you have the enforcers first. Would that work? Or is it just about everybody having some skin in the game? I am trying to find a solution.

Chair Wheeler:

I would like to ask Mr. Clark and Mr. Castro if they have sat down with Mr. MacKay or anyone with the NTA before this bill came to this Committee, trying to work out an equitable solution. I think that is exactly where Assemblywoman Kirkpatrick is going with this.

Tony Clark:

Mr. Castro and I were actually up in Carson City speaking on another bill last week. We had a few moments to speak to Mr. MacKay and to Mr. Enos with Ms. Rushton from Livery Operators Association. We had suggested at that time making the fully regulated carriers rates intended to generate funds more spread out and even. That would make it more palatable to all involved, including the small business people we represent. At that time, we did express the fact that we believe that the enforcement is needed. Mr. MacKay assured us that the funds raised would go toward enforcement to catch all the illegal operators, not in doing the ticky-tacky CPCN stuff that we heard earlier.

With that in mind, we would like it if there were an opportunity to get everyone in the room to find a fair and balanced plan to raise this money that the NTA dearly needs, making it fair for everybody. Nobody wants to pay any fees. We could write up an amendment just the same as somebody else and say, "Hey, let us talk about it for two more years because we are not comfortable with it." That could be done. In the end, we believe the money needs to be raised because it is bad out there at night. There is no coverage or enforcement. Anyone moving illegally can do whatever they want. We are here to support raising the funds to take care of everybody. We just want it done in a more balanced and equal way.

Lou Castro:

Last week we did meet for a short bit. We discussed proposing an amendment that would be acceptable to our members and to our industry. We just want to make sure that it is presented in a fair manner and that the monies come from all sources utilizing the NTA's resources, not just one. I am not making any more money than what I made last year, so for me to have my fees doubled on the limo side is kind of hard for me to swallow. On the bus side—I have never paid a fee there, so it makes perfect sense. It also makes perfect sense that if I am a mover and utilizing some of NTA's services, it is only right that I should pay a fee for that. To agree with Mr. Enos, going through the phone book seems like time wasted, but really it is not. That is one of the areas we are being attacked in—craigslist, Inc., phone books, newspapers. It is shocking to see what individuals coming into our industry, wanting to make a fast buck, will do. This is where we need to make sure we are protected around the clock. My business is located right off Interstate 15, so I get a chance to see all these accidents throughout the day. The biggest fear I have is that one day I will walk out that door and see a bus or a limo that has been operating illegally rolled over on that freeway. In the press, you will see, "Limousine or Bus Carrier in Las Vegas Kills Five." That is what we do not want to see in this state. That is why it is very important that we have the revenue we need going to the NTA.

Chair Wheeler:

Are there any further questions? [There were none.] Do we have anyone else in Las Vegas opposed to Assembly Bill 181? [There was no one.] Do we have any neutral testimony in Carson City? [There was none.] Do we have any neutral testimony in Las Vegas? [There was none.]

Assemblywoman Bustamante Adams, would you like to make any closing remarks?

Assemblywoman Bustamante Adams:

I appreciate the industry coming forth in support of the bill. I understand their pain point. I know that they want all the entities that are regulated under this section to bear the burden so that, as Assemblywoman Kirkpatrick said, everybody has skin in the game. I know that the tow operator's fee is \$36 per vehicle and has not been raised since 1971 or 1974. I am not sure yet what the solution is. Tow truck operators can be a difficult group to work with. I am not saying they should not have skin in the game, but they are challenging and I do not want the bill to die. Also, with the household goods movers—I understand the argument that we should include them now instead of later, but I did commit that we would address it during the next session so that the bill would not die in this one. My focus is to stay very

clean, very clear because this could be made into a Christmas tree and we could lose the bill entirely.

Chair Wheeler:

As far as tow truck operators being hard to work with, have you spoken to the Assembly Majority Leader lately? His family owns a tow truck operation.

We will close the hearing on A.B. 181. We will open the floor to public comment. Is there any public comment? [There was none.] We will close today's hearing. We are adjourned [at 4:33 p.m.].

RESPECTFULLY SUBMITTED:

Joan Waldock
Committee Secretary

APPROVED BY:

Assemblyman Jim Wheeler, Chair

DATE: _____

EXHIBITS

Committee Name: Committee on Transportation

Date: March 17, 2015

Time of Meeting: 3:18 p.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance roster
A.B. 181	C	Andrew J. MacKay, Nevada Transportation Authority	Proposed amendment
A.B. 181	D	Jonathan P. Leleu, Nevada Bus and Limousine Association	Letter of opposition