

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

**Seventy-Eighth Session
March 19, 2015**

The Committee on Transportation was called to order by Chair Jim Wheeler at 3:22 p.m. on Thursday, March 19, 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
Henri Stone, Committee Secretary
Trinity Thom, Committee Assistant

OTHERS PRESENT:

Eric Spratley, Lieutenant, Legislative Services, Washoe County Sheriff's Office
Joshua J. Hicks, representing Enterprise Holdings
Keith Wells, Administrator, Fleet Services Division, Department of Administration

Chair Wheeler:

[Roll was taken, and Committee rules and protocol were reviewed.] We are going to change the order of the agenda and start with the work session.

Assembly Bill 176 will be removed from the work session today, per the request of the presenter of the bill. We will start with Assembly Bill 143.

Assembly Bill 143: Authorizes electronic verification of motor vehicle insurance. (BDR 43-28)

Michelle L. Van Geel, Committee Policy Analyst:

Assembly Bill 143 was heard on March 10, 2015, and was sponsored by Assemblyman Carrillo and Assemblyman Elliot T. Anderson. The bill authorizes a motor vehicle insurer to provide evidence of insurance in an electronic format that can be displayed on a mobile electronic device. [Continued to read from work session document ([Exhibit C](#)).] Two amendments were offered: One from Lieutenant Spratley from the Washoe County Sheriff's Office and the other based on Committee discussion during the hearing of March 10, 2015. The amendment from the Washoe County Sheriff's Office inserts the word "intentionally" regarding viewing any other content on the device. The second amendment changes the effective date to October 1, 2015.

Chair Wheeler:

I will entertain a motion.

ASSEMBLYWOMAN DICKMAN MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 143.

ASSEMBLYWOMAN SPIEGEL SECONDED THE MOTION.

Is there any discussion? [There was none.] I have a question for the author.
Are both of the amendments friendly?

Eric Spratley, Lieutenant, Legislative Services, Washoe County Sheriff's Office:
Yes, sir.

Chair Wheeler:

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

THE MOTION PASSED UNANIMOUSLY.

I will assign the floor statement to Assemblyman Carrillo. We will move onto
Assembly Bill 188.

**Assembly Bill 188: Revises provisions governing certain equipment for motor
vehicles. (BDR 43-626)**

Michelle L. Van Geel, Committee Policy Analyst:

Assembly Bill 188 was heard in this Committee on March 5, 2015, and was sponsored by Assemblyman Carrillo. The bill allows a motor vehicle, motorcycle, or moped, to the extent not preempted by federal law, to be equipped with high-intensity discharge headlamps, provided that such headlamps have a correlated color temperature of not less than 5,000 kelvins and not more than 6,000 kelvins. No amendments were offered on the bill. [Read from work session document ([Exhibit D](#)).]

Chair Wheeler:

I will entertain a motion.

ASSEMBLYMAN SILBERKRAUS MADE A MOTION TO DO PASS
ASSEMBLY BILL 188.

ASSEMBLYMAN JONES SECONDED THE MOTION.

Is there any discussion?

Assemblyman Jones:

I believe a problem was never proven to exist in this area, and therefore I want to prevent any excessive regulation that may occur, particularly with out-of-state people who are coming into our state. They may not know that their cars could potentially be illegal because of the kelvin rating being improper. I will be voting no.

Chair Wheeler:

Is there any further discussion?

Assemblywoman Dickman:

I will vote yes to get this bill out of Committee, but I would like to reserve my right to change my vote on the floor.

Chair Wheeler:

Is there any other discussion? [There was none.]

THE MOTION PASSED. (ASSEMBLYMAN JONES VOTED NO.)

Next on the work session is Assembly Bill 189.

**Assembly Bill 189: Revises provisions governing special license plates.
(BDR 43-529)**

Michelle L. Van Geel, Committee Policy Analyst:

Assembly Bill 189 was heard in this Committee on March 10, 2015, and is sponsored by Chair Wheeler and Assemblyman O'Neill. The bill authorizes the Commission on Special License Plates to investigate and request an audit of certain charitable organizations that receive additional fees collected by the Department of Motor Vehicles for special license plates. [Continued to read from work session document ([Exhibit E](#)).] Paul Townsend, Legislative Auditor, offered an amendment that will make the bill conform with the existing process of the Legislative Commission directing the work of the Audit Division. Chair Wheeler offered an amendment to section 8, subsection 2, paragraph (e) to specify that a copy of the federal tax return an organization has to provide would include "all schedules related thereto."

Chair Wheeler:

Since this is my bill, I will relinquish the Chair.

[Assemblywoman Dickman assumed the Chair.]

Vice Chair Dickman:

I will entertain a motion.

ASSEMBLYMAN SILBERKRAUS MADE A MOTION TO AMEND
AND DO PASS ASSEMBLY BILL 189.

ASSEMBLYWOMAN FIORE SECONDED THE MOTION.

Vice Chair Dickman:

Is there any discussion?

Assemblyman Sprinkle:

With all due respect to the sponsor of the bill, I am absolutely in favor of some of the premises behind this bill, and I understand where it is coming from. As we discussed during the hearing, I have a lot of concern over how broad this bill is and what would be required of the 501(c)(3) organizations if this bill were to pass. This bill causes too much concern for me. I will have to vote no.

Assemblywoman Spiegel:

I share a lot of my colleague's concerns. I will vote yes to move it forward, but reserve my right to change my vote on the floor.

Assemblyman Araujo:

I share the same sentiment. Unfortunately, I cannot support this measure specifically because of my background and understanding of the burden that certain audits can cause on 501(c)(3) organizations. Therefore, I will be voting no.

Assemblyman Jones:

Although I am generally opposed to regulation, this is a regulation that I encourage and support because it has to do with oversight and transparency. I am enthusiastically in support of this measure.

Assemblyman Flores:

I will vote yes to pass this bill out of this Committee, but I would like to reserve my right to change my vote on the floor.

Vice Chair Dickman:

Is there any other discussion? [There was none.]

THE MOTION PASSED. (ASSEMBLYMEN ARAUJO AND SPRINKLE
VOTED NO.)

[Assemblyman Wheeler reassumed the Chair.]

Chair Wheeler:

I will do the floor statement. I will open the hearing on Assembly Bill 203.

Assembly Bill 203: Revises provisions pertaining to short-term lessors of vehicles. (BDR 43-572)

Assemblyman Richard Carrillo, Assembly District No. 18:

With me today are Brian Rothery and Josh Hicks. They will go through the bill and address the amendment ([Exhibit F](#)).

Joshua J. Hicks, representing Enterprise Holdings:

I am going to walk you through the bill and then we will be available to answer any questions you may have. I am primarily going to go through the proposed friendly amendment ([Exhibit F](#)). This is a relatively short bill.

Section 1 has to do with the governmental services fee on rental cars. It is a 10 percent fee, and there is a variety of different exclusions from that fee. The language we are seeking in the amendment is simply a confirmation that this tax should not be on top of any other taxes or fees from a governmental entity. You would not want to have a tax on top of a tax or add a fee on top of another fee. That is what we are seeking. This is consistent with guidance that Enterprise Holdings has received from the Department of Taxation. In fact, the language we put into section 1 of the amendment was brought up by the Department of Taxation while we were discussing whether they had any concerns with this bill. They thought this language might be cleaner. We actually liked their version better, so that is why the language is in here.

We are proposing that sections 2 and 3 go back to the original statute. As we went through this a little further, we did not think any changes were necessary. That is referenced in the amendment.

Section 4 would remain as it is in the original bill. That section currently allows a rental company to offer insurance on its vehicles. The change is striking out the word "passenger," which clarifies that Enterprise Holdings can actually offer insurance on motorcycles.

Section 5 is a simple section, which contains the effective date. It is a prospective bill and it becomes effective on July 1, 2015. That is the extent of the bill. Mr. Rothery and I will be happy to answer any questions.

Assemblyman Sprinkle:

This would be eliminating a fee that is imposed on an overall amount, which includes a governmental service fee. So you have the governmental services fee, which is put into a total amount, and we are charging another fee on top of that, correct?

Josh Hicks:

That is correct. That is not supposed to be happening, but there has been some confusion about that in the past, which is why we are trying to put this language in. The 10 percent will not be on another tax that is included in that, so you will not pay a tax on the tax.

Assemblyman Sprinkle:

Would it be amenable to the sponsor if we were to keep this fee, but have it based off the original amount before the governmental service fee? I am just thinking that these fees are probably used for something. I do not want to get into the fiscal aspects of what we are doing here, but I am trying to understand the policy behind it. By eliminating it altogether, are we then going to be hurting what those fees are used for?

Josh Hicks:

This does not actually eliminate any fees. It is just dealing with the tax itself. To my understanding, this is not something that the Department of Taxation has been seeking to collect. For example, let us say the rental price of a car is \$9, and there is a governmental services fee from an airport for \$1. The 10 percent governmental services fee would be on the \$9, not on the \$10. That is what we are trying to accomplish with this bill.

Assemblywoman Fiore:

We are changing "passenger car" to "vehicle," correct? If we do that, then some of the passenger cars that were exempt from this fee now would not be. We would now be charging 10 percent to the cars that formerly were not charged anything, correct? Why are we changing "passenger car" to "vehicle?"

Josh Hicks:

The change is just to clarify that insurance can be offered on motorcycles. Right now, section 4 says "passenger vehicles," so there is some confusion on whether that will cover a motorcycle or not. It is just for the insurance.

Assemblywoman Fiore:

Are any of the passenger cars exempt from any fees?

Josh Hicks:

No, passenger cars actually pay the rental car fee.

Assemblywoman Spiegel:

My question is about sections 2 and 3. It comes back to changing the language from "passenger car" to "vehicle." Will that also include vehicles like U-Hauls?

Josh Hicks:

With the amendment, we are not proposing any changes to sections 2 and 3. It seemed like it was getting more confusing, so we decided to leave those sections alone.

Assemblywoman Spiegel:

The amendment strikes the parts of the bill that are not in the amendment, correct?

Josh Hicks:

You can ignore sections 2 and 3 in the bill. The existing statute would stay in place.

Assemblywoman Spiegel:

I see that the amendment says the changes in sections 2 and 3 will be omitted. Thank you.

Assemblywoman Kirkpatrick:

Section 1 is specifically *Nevada Revised Statutes* (NRS) Chapter 244A, which is typically county fair and recreation boards, airports, and those types of governmental entities. Section 2 is NRS Chapter 482, which is a completely different statute and discussion. They both relate to rental cars, and that is why it all comes together, correct?

Josh Hicks:

That is exactly what it is. It is all about rental cars.

Assemblywoman Kirkpatrick:

Mr. Rothery can attest to this, they have taken it on the chin for many sessions. When things were tough, we always went to the car rental people to pay for things, and we gave nothing back. This is actually allowing them to charge for the entire service they are providing.

Assemblywoman Dickman:

Right now, they charge a 10 percent tax on all the fees, correct?

Josh Hicks:

They do not, but there is some confusion over whether that could happen. That is what we are trying to fix with this.

Assemblywoman Dickman:

This just makes sure there is not a tax on the tax?

Josh Hicks:

Correct.

Assemblywoman Fiore:

Did you say that right now they are not charging taxes on certain vehicles?

Josh Hicks:

No, the tax is not being applied to other taxes or fees. It is not being counted on top of that. However, it is not entirely clear in the statute that it should not be. That is why we are here with this bill.

Assemblywoman Dickman:

I have been charged tax on top of the tax in the past. It does need clarification.

Chair Wheeler:

Are there any further questions from the Committee? [There were none.] I am not clear on this bill with the amendment. It looks like the amendment strips everything out. Does this bill clean up the language so that the tax can no longer be charged?

Josh Hicks:

No, the tax is still charged. What is changing is what the tax is based on. What you are basing it on should not include other taxes or fees.

Assemblywoman Kirkpatrick:

For me it is clear. It is specific to NRS Chapter 244A, saying that you are excluding all of those other things, so there will be no double dipping. This is not a two-thirds bill; if it were a new imposed fee or tax, it would require a two-thirds vote. Even if it were clarifying language and dealt with an increase in a tax, it would still require a two-thirds vote. I am just trying to clear the record. Am I correct?

Josh Hicks:

You are absolutely right. It is about ensuring that there is not double taxation or double dipping. That is what this bill is about.

Assemblywoman Fiore:

Passenger vehicles that seat over ten people are not currently paying this tax, correct?

Josh Hicks:

I do not know the answer to that question.

Assemblywoman Fiore:

This bill will make it across the board that everyone will now be paying the 10 percent, so the people who were not paying the tax before will now be paying it. So it is kind of a tax increase, correct?

Josh Hicks:

I do not think that is what the bill does. It is not a tax increase. It does not change the tax.

Assemblywoman Fiore:

It does not change the tax, but it is going to implement this fee on vehicles that seat over ten passengers that are not paying it today.

Josh Hicks:

This does not change the tax for anybody; it is applicable just as it would be. It actually shrinks what the tax will be based on.

Assemblywoman Dickman:

If this is about rental cars, you could feasibly rent a van that carries more than ten people, so that van is paying 10 percent right now, correct?

Josh Hicks:

That is correct.

Assemblyman Jones:

This is a tax decrease because you are not being taxed on tax. Actually, the tax will be a little bit less than it was previously.

Josh Hicks:

That is correct. It lowers the tax burden.

Chair Wheeler:

Are there any other questions from the Committee? [There were none.]
Is anyone wishing to speak in favor of A.B. 203? [There was no one.]
Is anyone opposed? [There was no one.] Is anyone neutral?

Keith Wells, Administrator, Fleet Services Division, Department of Administration:

This bill would be beneficial to us if there was language that specifically stated that the State of Nevada is exempt from this governmental service fee. Currently, it is very confusing to the rental car industry, and I constantly battle with them about the fee. It does not clearly say that we are exempt in statute. We are exempt according to the Department of Taxation. This bill would clean up the language and make it clear for the rental car industry to understand that the State of Nevada is exempt because the state heavily uses the rental car industry.

Chair Wheeler:

Mr. Wells, are you offering an amendment?

Keith Wells:

I read the bill this morning and wanted to put that on the record.

Chair Wheeler:

I would suggest that you go to the author of the bill and his working team to see if you can get an amendment added.

Assemblywoman Kirkpatrick:

If we add that the state is exempt, what about all the other local governments? The state uses rental cars, but I do not want to drag in every local government. If you are going to add an amendment, please address governmental entities as a whole, so that not only the State is clear, but everybody is clear.

Keith Wells:

We would do that by using existing language in other bills. I will submit an amendment.

Assemblyman Silberkraus:

Please specify Nevada governmental entities so other out-of-state governmental entities will not think they are exempt from those fees too.

Chair Wheeler:

Are there any further questions from the Committee? [There were none.]
Is anyone else neutral? [There was no one.] I will close the hearing on
A.B. 203. Is there any public comment? Seeing none, we are adjourned
[at 3:51 p.m.].

RESPECTFULLY SUBMITTED:

Henri Stone
Committee Secretary

APPROVED BY:

Assemblyman Jim Wheeler, Chair

DATE: _____

EXHIBITS

Committee Name: Committee on Transportation

Date: March 19, 2015

Time of Meeting: 3:22 p.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
A.B. 143	C	Michelle Van Geel / Committee Policy Analyst	Work Session Document
A.B. 188	D	Michelle Van Geel / Committee Policy Analyst	Work Session Document
A.B. 189	E	Michelle Van Geel / Committee Policy Analyst	Work Session Document
A.B. 203	F	Joshua Hicks / Enterprise Holdings	Proposed Amendment