

**MINUTES OF THE
SENATE COMMITTEE ON TRANSPORTATION**

**Seventy-Eighth Session
May 30, 2015**

The Senate Committee on Transportation was called to order by Chair Scott Hammond at 8:06 a.m. on Saturday, May 30, 2015, in Room 2135 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Scott Hammond, Chair
Senator Don Gustavson, Vice Chair
Senator Patricia Farley
Senator Mark A. Manendo
Senator Moises (Mo) Denis

GUEST LEGISLATORS PRESENT:

Assemblyman Richard Carrillo, Assembly District No. 18

STAFF MEMBERS PRESENT:

Megan Comlossy, Policy Analyst
Darcy Johnson, Counsel
Martha Barnes, Committee Secretary

OTHERS PRESENT:

Joshua Hicks, Enterprise Holdings

Chair Hammond:

I will open the hearing on Assembly Bill (A.B.) 203.

ASSEMBLY BILL 203 (1st Reprint): Revises provisions pertaining to short-term lessors of vehicles. (BDR 43-572)

Assemblyman Richard Carrillo (Assembly District No. 18):

Assembly Bill 203 was referred to the Assembly Committee on Ways and Means and did not need to be there, which is the reason it is being heard so late in the Session.

Joshua Hicks (Enterprise Holdings):

There may have been some confusion about whether or not there was a fiscal impact from A.B. 203, so it was referred to the Assembly Committee on Ways and Means. The bill is very simple with three concepts.

The first has to do with the rental car 10 percent governmental services fee. The change is noted in section 1, subsection 1, paragraph (a), which includes the list of deductions from the tax. Any other taxes and fees would not be taxed, so a person is not paying tax on top of a tax. The proposed language was suggested by the Department of Taxation while working on the bill to ensure clarity. We are trying to prevent a tax being taxed.

The second concept is in section 1, subsection 8, which was submitted as a friendly amendment by the Department of Administration. This language clarifies the rental car tax does not apply to rentals made to the State or to a local government. This will also eliminate the problem of paying a tax on top of a tax.

The final concept in section 4 of A.B. 203 addresses insurance on rental vehicles by clarifying language by eliminating the word, "passenger," relative to vehicles. Some car companies, including Enterprise Rental Cars, also rent motorcycles. We want to ensure there is no confusion, and insurance can be offered for the use of motorcycles as well. There is an effective date of July 1, 2015 on the bill.

Chair Hammond:

If someone rents a car for \$30 and the tax is \$2, the person should be paying the governmental services tax on \$30 not on \$32. You are lowering the tax.

Mr. Hicks:

Yes. We want to make sure, when the tax is paid, it is not calculated on top of another tax. The tax needs to be deducted before the new tax is calculated.

Senator Denis:

Is this happening now?

Mr. Hicks:

The Department of Taxation is not aware of this happening now, but it has happened in the past. We are trying to clean up the language prior to the issue becoming a problem. I am not aware of any taxpayer charging a tax on top of a tax. We have been discussing this bill since the beginning of the Session, and the Department of Taxation is in support of the bill.

Senator Denis:

I thought if the bill was sent to the Assembly Committee on Ways and Means, there might have been a tax being collected. Because A.B. 203 would no longer collect that tax, it would affect revenue.

Mr. Hicks:

Yes. This issue was raised during the hearing in the Assembly Committee on Ways and Means, and there is no fiscal note on the bill. The Committee did not believe the extra tax has been collected.

Senator Denis:

What was the premise for bringing this bill forward?

Mr. Hicks:

The main reason for bringing the bill forward was to clean up the language and provide clarification in the statute. This is also true for the section dealing with motorcycle insurance. We did not want there to be any confusion, so we proposed the deletion of the word "passenger" in section 4.

In section 1, subsection 8, the amended language came from the Department of Motor Vehicles as a request and was not included in the original bill.

Senator Manendo:

Who is your client?

Mr. Hicks:

I represent Enterprise Rental Cars.

Senator Gustavson:

When you rent motorcycles, do you also provide the rider with a helmet?

Mr. Hicks:

I am not sure if the company offers that service or not.

Senator Gustavson:

I wondered if they offered a helmet in the states that require helmets. You would think helmets would be available for an additional charge when renting a motorcycle.

Mr. Hicks:

I will check with the client and provide an answer to you today.

Chair Hammond:

The rental car companies do provide car seats when you rent a car and you tell them ahead of time. I would think they would also provide a helmet when renting a motorcycle. If someone were coming from another state, he or she would probably not want to carry a helmet on the airplane. Could you please provide an answer to the Committee on that question? I will close the hearing on A.B. 203.

SENATOR MANENDO MOVED TO DO PASS A.B. 203.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Chair Hammond:

There being no further business to come before the Committee, we will adjourn at 8:17 a.m.

RESPECTFULLY SUBMITTED:

Martha Barnes,
Committee Secretary

APPROVED BY:

Senator Scott Hammond, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit / # of pages		Witness / Entity	Description
	A	1		Agenda
	B	1		Attendance Roster